

**Lodi Energy Center**  
**Project Participant Committee Regular Meeting**  
**October 9, 2017 - MEETING MINUTES**  
 Location: Lodi Energy Center  
 12745 N. Thornton Rd, Lodi CA 95242  
 and by teleconference  
 10:00 A.M.

**1. Call Meeting to Order and Roll Call**

The PPC meeting was called to order at 10:03 A.M. by Chairman George Morrow. He asked that roll be called for the Project Participants as listed below. Silicon Valley Power joined at 10:34 A.M.

<b>PPC Meeting Attendance Summary</b>		
<b>Participant</b>	<b>Attendance</b>	<b>Particulars / GES</b>
Azusa - Morrow	Present	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Sorenson	Present	0.2679%
CDWR - Brown	Present	33.5000%
Gridley - Borges	Absent	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Chiang	Present	9.5000%
Lompoc - Singh	Absent	2.0357%
MID - Caballero	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Bradley	Absent	2.6679%
SVP - Hance	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
<b>Summary</b>		
Present	6	82.5179%
Absent	7	17.4821%
Quorum by #:	No	
Quorum by GES:	Yes	
Meeting Date:	October 9, 2017	

**Public Forum**

Chairman Morrow asked if any members of the public were present in Lodi or at any of the other noticed meeting locations who would like to address the PPC on any agenda items or on any item within the jurisdiction of the LEC PPC and not listed on the agenda. No members of the public were present.

## 2. Meeting Minutes

The draft minutes of the regular meeting held on September 11, 2017 were considered. The LEC PPC considered the following motion:

**Date:** 10/9/2017

**Motion:** The PPC approves the September 11, 2017 Meeting Minutes as presented or including any edits discussed at today's meeting.

**Moved by:** MID

**Seconded by:** Lodi

Discussion: There was no further discussion.

<b>Vote Summary on Motion</b>		
<b>Participant</b>	<b>Vote</b>	<b>Particulars / GES</b>
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Yes	0.2679%
CDWR	Yes	33.5000%
Gridley	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Absent	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Absent	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
<b>Vote Summary</b>		
Total Ayes	6	82.5179%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	17.4821%
Result:	Motion Passes	

## MONTHLY REPORTS

### 3. Operational Reports for September 2017

Jeremy Lawson presented the Operational Report for September. There were no OSHA recordable accidents, no permit violations, and no NERC/WECC violations. There were 3 outages, which Jeremy reviewed with the Committee. There were no changes made to the 2018 Outage Schedule.

The operational report reflected monthly production of 93,627 MWH, 387 service hours, and equivalent operating availability of 86.0%. The report set for the Capacity Factor @ 280MW Pmax of 46.4% and 302MW Pmax of 43.1%. There were three hot starts, seventeen warm starts, and one cold start during the month.

**4. Market Data Report for September 2017**

Zakary Liske presented the operating and financial settlement results for the month. LEC was committed to CAISO 28 out of 30 available days. Zakary reviewed the daily CAISO commitment runs for September 2017. On September 1, LEC set a new record for single-day revenue.

**5. Monthly Asset Report for August 2017**

Mike DeBortoli presented the monthly asset report for August 2017. Mike reported that fuel costs in August were low, while revenues were high. The Plant is still seeing more frequent 24-hour runs, which is unusual for September/October. Prices remain strong on peak days, despite the more moderate weather. Mike reviewed the monthly historical comparisons as well as the 12-month history.

**6. Bidding Strategies Report**

Ken Goeke reviewed the monthly Bidding Strategies data for September 2017. Ken reviewed bidding and calculating net start-up costs. There was discussion about the Air Pollution Testing performed, and how that testing impacts Project Participants. Tony Zimmer and Ken are looking into whether there is an exception available so that Project Participants are not charged RA/MM fees during these testing periods. Ken shared an example of the updated bidding strategy which was implemented in late September. Ken also shared samples of the LEC Live Ops and Margin Report page, developed in conjunction with the IS Department. This new page will allow Staff to look at Day Ahead margins in real time. George Morrow asked that the minutes reflect that he appreciates the efforts of Ken's group and the IS Department, and that he thought the new reporting tool was very professional.

**Consent Calendar (Items 7 – 9)**

The consent calendar was considered. Chairman Morrow asked if any Participant wished to have any item removed for separate discussion. Ken Speer requested that Item 10 be pulled and voted on separately, as it would need to be changed. All those present agreed. Chairman Morrow then asked if any Participant wished to abstain from one or more items on the Consent Calendar. No participants asked to abstain. The LEC PPC considered the following motion:

**Date:** 10/9/2017

**Motion:** The PPC approves the Consent Calendar items consisting of agenda items no. 7-9.

**Moved by:** Lodi

**Seconded by:** MID

Discussion: Item 10 pulled by Staff.

<b>Vote Summary on Motion</b>		
<b>Participant</b>	<b>Vote</b>	<b>Particulars / GES</b>
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Yes	0.2679%
CDWR	Yes	33.5000%
Gridley	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Absent	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Absent	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
<b>Vote Summary</b>		
Total Ayes	6	82.5179%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	17.4821%
Result:	Motion Passes	

**Consent Calendar (Item 10)**

Ken Speer explained that Staff would like to revise the motion to reflect that they are seeking approval for the original motion (increasing the not to exceed amount from \$200,000 to \$500,000), but would also like approval to increase the not to exceed amount to \$1,000,000 so the agreement could be made available to NCPA Members, SCPPA, and SCPPA Members (pending approval with the vendor).

**Date:** 10/9/2017

**Motion:** The PPC approves Item 10, increasing NTE to \$1,000,000 and to open up the agreement to Members/SCPPA.

**Moved by:** CDWR  
**Seconded by:** SVP

Discussion: There was no further discussion

<b>Vote Summary on Motion</b>		
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Result:		Motion Passes

## **BUSINESS ACTION ITEMS**

None

## **INFORMATIONAL ITEMS**

### **11. FY17 Annual Billing Settlements**

Monty Hanks presented preliminary FY17 annual billing settlements data. He shared a presentation, with a breakdown on refund amounts by Expense Type. Monty also shared a draft Staff Report, including a chart which summarized the total refund amount for each Project Participant.

Monty shared Next Steps with the Committee. The FY17 annual billing settlement numbers will be finalized by the Accounting Department. Monty plans to present this item for approval at the next LEC PPC Meeting in November. It will then be recommended for approval in the November 30, 2017 Commission Meeting.

## **12. Update on NCPA Policy on Revenue Allocation**

James Takehara presented an update to the Committee on the revenue allocation issue. James brought the revised whitepaper to the October 4 Facilities Committee meeting. The Committee recommended Commission approval, pending a few very minor edits/clarifying points.

The Utility Director's will be briefed on the minor updates and results of the Facilities Committee vote. This will be presented to Commission for final approval at the October 26, 2017 Commission meeting.

## **13. Additional Operational Updates**

George Morrow commented that the 2017 NCPA Conference was very informative, and he thanked all NCPA staff who participated.

Ken Speer gave an update on the negotiated gas rate with PG&E. NCPA is already seeing the benefits of this agreement. Ken Goeke and his team are still analyzing the monetary and generational benefits and impacts. This negotiated rate will be good through December 2018. NCPA still has a pending Petition for Modification for the next rate case; if that is unsuccessful, NCPA plans to negotiate with PG&E to extend the current special rate agreement.

Ken provided an update on the 19 Rate Case filed by PG&E. Ken reviewed the background on the rate case. PG&E has reached an agreement with some gas storage representatives, but is still planning on shifting a large percentage of gas storage costs from Core customers to Backbone customers. NCPA is focused on shifting the cost of shutting down their storage facilities to the Core customers. PG&E has a January/February 2018 filing deadline. NCPA is currently working with Susie Berlin on preparing a response.

George Morrow asked that the minutes reflect how appreciative he is of NCPA's professional management of the LEC project, noting that he is impressed with the employees who keep the project in such good running order.

## **Adjournment**

The next regular meeting of the PPC is scheduled for Monday, November 13, 2017.

The meeting was adjourned at 11:11 A.M.

Submitted by: Michelle Schellentrager