

Lodi Energy Center
Project Participant Committee Regular Meeting
August 8, 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 10:00 a.m. by Chairman George Morrow. He asked that roll be called for the Project Participants as listed below.

PPC Meeting Attendance Summary		
Participant	Attendance	Particulars / GES
Azusa - Morrow	Present	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Sorenson	Absent	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	Absent	25.7500%
Ukiah - Grandi	Absent	1.7857%
Summary		
Present	4	56.5000%
Absent	9	43.5000%
Quorum by #:	No	
Quorum by GES:	Yes	
Meeting Date:	August 14, 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 July 10, 2017 were considered. The LEC PPC considered the following motion:

Date: 8/14/2017

Motion: The PPC approves the minutes of the July 10, 2017 regular meeting as presented or *including any edits discussed at today's meeting.*

Moved by:

Lodi

Seconded by:

CDWR

Discussion: No further discussion

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Absent	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	Abstain	2.6679%
Silicon Valley Power	Abstain	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	4	56.5000%
Total Noes	0	0.0000%
Total Abstain	2	28.4179%
Total Absent	7	15.0821%
Result:	Motion passed	

MONTHLY REPORTS

3. Operational Reports for May 2017

Mike DeBortoli presented the Operational Report for June. There were no OSHA recordable accidents and no NERC/WECC violations. There were 61 hours of forced outage from July 19th – 22nd due to water supply curtailment, and 7 hours of forced outage on July 29th and 30th due to an inlet guide vane (IGV) servo actuator positioning error.

The operational report reflected monthly production of 52,294 MWH, 249 service hours, and equivalent operating availability of 90%. The report set for the Capacity Factor @ 280MW Pmax of 25.1% and 302MW Pmax of 23.3%. There were zero hot starts, twenty-one warm starts, and two cold starts during the month.

4. Market Data Report for May 2017

Mike Whitney presented the operating and financial settlement results for the month. LEC was committed to CAISO 23 out of 29 available days.

5. Monthly Asset Report

Mike DeBortoli presented the monthly asset report for June 2017. Mike reported that June 2017 was 11.02% above budget. 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 July 2017. Ken reviewed bidding and calculating net start-up costs. The heat wave in June did not carry over into July. However, average temperatures did result in some days with high margins. Ken reported that daily data results are available for review on the LEC PPC extranet site. Ken discussed the plant outages that occurred in July and how they impacted DA and RT pricing.

Consent Calendar (Items 7 – 13)

The consent calendar was considered. Chairman Morrow asked if any Participant wished to have any item removed for separate discussion. Hearing no requests, he then asked if any Participant wished to abstain from one or more items on the Consent Calendar. There were no abstentions. The LEC PPC considered the following motion:

Date: 8/14/2017

Motion: The PPC approves the Consent Calendar items consisting of agenda items no. **7.** Treasurer's Report for July 2017; **8.** Financial Reports for July 2017; **9.** GHG Reports excerpted from monthly ARB; **10.** Martech First Amendment to the existing five year Multi-Task General Services Agreement for machining services, increasing NTE amount to \$500,000 and modifying the scope of work to expand for use at any facility owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **11.** The Avogadro Group First Amendment to existing five year Multi-Task General Services Agreement for various testing services, modifying entity name and expanding for use at facility owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **12.** Summit Crane five year Multi-Task General Services Agreement for crane services NTE \$500,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **13.** Kinectrics North America five year Multi-Task Professional Services Agreement for generator testing and assessment services NTE \$1,000,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members.

Moved by:
Seconded by:

MID
Lodi

Discussion: No further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
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	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	7	85.1858%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	6	14.8142%
Result:	Motion passes.	

BUSINESS ACTION ITEMS

None

INFORMATIONAL ITEMS

14. Shared Capacity Reimbursement Methodologies

Ken Goeke gave some background on the cause of the water outage. As STIG is not subject to high penalties, it was kept on a forced outage during water shortage, so LEC could run using the STIG's reserve water. Staff plan to address this problem by discussing a compensation solution in scenarios where shared capacity is allocated to a single project. Ken plans to develop a Facilities/PMOA Schedule to address these issues. George Morrow thanked STIG project participants for sharing their water, and agreed that it would be fair to have a calculation in places to address these situations. Jiayo Chiang suggested that RA costs be included in the calculation as well, to address scenarios where STIG participants have sold RA capacity and

the STIG is forced into an outage, resulting in RA penalties. Ken Goeke will move forward with development of a schedule.

15. Update on NCPA Policy on Revenue Allocation

James Takehara presented a brief update to the Committee on the revenue allocation issue. The policy recommendation remains unchanged, however the timeline has been changed, and the proposal will now be presented at the September Commission meeting.

After bringing this before the Facilities Committee, it was clear that the changes made to this were complex enough to warrant an updated white paper, to give clarity over the long-term.

James plans on returning with a final update in the October LEC PPC meeting.

16. PG&E Gas Transportation Rate Update

Ken Speer gave a summary update on the LEC gas transportation issue. NCPA filed a petition with the NCGC for modification to the 2016 rate structure in June. PG&E filed a response two weeks ago, requesting that NCPA's petition be included as a part of the 2019 rate case instead. NCPA is open to rolling this into the 19 Rate Case.

Ken has met with PG&E to negotiate a special rate for LEC. PG&E is currently moving that forward internally for approval of that negotiated rate.

Ken also gave the Committee an update on the 19 Rate Case PG&E filed. The 19 Rate Case is related to the new regulations for gas storage facilities that have come out of the Dogger Regulations. PG&E is proposing a shift to have 20% of storage costs covered by their core customers, with the remaining 70% to be covered by the backbone (NCPA is a backbone customer). NCPA is proposing that these costs be covered by the core customers, as they have benefitted the most from the storage facilities. NCPA will continue to work with Cal Pine, SMUD, and others to formulate a response to PG&E's filing.

17. Additional Operational Updates

Mike DeBortoli shared some information with the Committee on Hydrogen Generators. This technology is still too expensive to be feasible at this point.

Adjournment

The next regular meeting of the PPC is scheduled for Monday, September 11, 2017.

The meeting was adjourned at 11:30am.

Submitted by: Michelle Schellentrager