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LEC PPC Meeting Minutes

Date: Monday, February 6, 2023

Time: 10:00 a.m. Pacific Standard Time

Location: via Teleconference

Subject: Lodi Energy Center Project Participant Committee Meeting

1. Review Safety Procedures

Due to continued remote meetings, the Safety Procedures Review was not necessary.

2. Call Meeting to Order and Roll Call

The PPC meeting was called to order at 10:04 a.m. Pacific Standard Time by Chairman Brock Costalupes. He asked that roll be called for the Project Participants as listed below.

PPC Meeting Attendance Summary		
Participant	Attendance	Particulars / GES
Azusa - Torres	Absent	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Schmidt	Present	0.2679%
CDWR - Burk	Present	33.5000%
Gridley - Wagner	Absent	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Chiang	Present	9.5000%
Lompoc - McDonald	Absent	2.0357%
MID - Costalupes	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Bradley	Absent	2.6679%
SVP - Wong	Present	25.7500%
Ukiah -	Absent	1.7857%
Summary		
Present	5	79.7322%
Absent	8	20.2678%
Quorum by #:	No	
Quorum by GES:	Yes	
Meeting Date:	February 6, 2023	

Public Forum

Chairman Costalupes asked if any members of the public were present 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. Dean Burke mentioned that he did not see approval of the Chair/Vice Chair or the 2023 LEC Outage in the December 12, 2022 Meeting Minutes. Jane Luckhardt recommended that review of the December LEC PPC Minutes be added to the next meeting if further discussion/revisions are needed. Chairman Costalupes stated that the election of Chair and Vice Chair and approval of the 2023 LEC Outage took place in the November 7, 2022 LEC PPC Meeting. As such, this issue was deemed resolved, and no further action is necessary.

Chairman Costalupes requested a volunteer who could Chair the remainder of the meeting due to a personal situation which would require him to step away a points in the meeting. Jiayo Chiang volunteered to act as the Temporary Chairman.

3. Meeting Minutes

The draft minutes from the January 9, 2023 Regular Meeting were considered. The LEC PPC considered the following motion:

Date: 2/6/2023

Motion: The PPC approves the minutes from the January 9, 2023 Regular Meeting.

Moved by: MID

Seconded by: Lodi

Discussion: There was no further discussion

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Absent	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%
Vote Summary		
Total Ayes	5	79.7322%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	8	20.2678%
Result:		Motion Passes

MONTHLY REPORTS

4. Operational Reports for January 2023

Ryan Johnson presented the Operational Report for January. There were no OSHA recordable accidents, no NERC/WECC or permit violations, and no forced outages. There are no changes to the 2023 outage schedule.

The operational report reflected monthly production of 166,178 MWH, 609 service hours, and equivalent operating availability of 100%. The report set for the Capacity Factor @ 302MW Pmax of 74%. There were 7 hot starts, 5 warm starts, and 1 cold start during the month.

5. Market Data Report for January 2023

Bob Caracristi presented the operating and financial settlement results for the month. LEC was committed to CAISO 30 out of 31 available days. Most startups were for long-term runs, with 17 24-hour runs in the month of January. The CAISO Commitment runs, DA Energy LMP values, and Daily and Monthly Margins were reviewed with the Committee.

6. Monthly Asset Report

Rafael Santana presented the monthly asset report for December 2022. Rafael reviewed the Budget chart. He noted that the chart shows that LEC is above budget by 228.70%; this increase is the result of staff correcting an error in the calculation spreadsheet. Rafael reviewed the monthly historical comparisons as well as the 12-month history. He noted that December 2022 was the best December on record since LEC has been in service.

7. Bidding Strategies Report

Jesse Shields presented the Bidding Strategies Report for January 2023. Jesse reviewed bidding and calculating net start-up costs. Regulation services were not bid for January due to the ongoing performance measurement issue. Jesse reviewed DA and RT net revenues over the month with the Committee.

Consent Calendar (Items 8-12)

The consent calendar was considered. Temporary Chairman Chiang 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: 2/6/2023

Motion: The PPC approves the Consent Calendar items consisting of agenda items no.: **8.** Treasurer's Report for December 2022; **9.** Financial Report for December 2022; **10.** GHG Reports (excerpted from the Monthly ARB); **11.** PMOA Schedule 6.00 - Revisions to update the contact information for the City of Gridley and the California Department of Water Resources; **12.** NCPA Casualty Insurance Renewals - Approval for the renewals of the Agency's excess liability, worker's compensation, and automobile insurance programs for March 2023 to March 2024.

Moved by:

SVP

Seconded by:

DWR

Discussion:

. There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Absent	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	Absent	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	4	79.4643%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	9	20.5357%
Result:	Motion Passes	

INFORMATIONAL ITEMS

13. FY2024 Budget Presentation

Rafael Santana presented the PowerPoint for the LEC FY2024 Budget. The proposed budget values were reviewed. Variable O&M costs are up 22% due to inflation, with fuel costs up 77%. Routine Fixed Costs for Inventory reflect a \$500,000 increase due to the need to purchase critical valve parts which are reaching end of life. Insurance costs have increased 35% due to an updated appraisal of the LEC, as well as increases in Property/Liability coverages. Rafael also reviewed each of the FY2024 proposed projects and their associated costs.

There was a question as to whether the budget would be re-run based on updated market forecasts, however, staff stated there are no plans to re-run the budget for LEC at this time. Michelle will publish the FY2024 Budget PowerPoint to NCPA Connect for Members to review, and this item will be brought back to LEC next month for further discussion.

14. Additional Operational Updates

Rafael Santana shared a PowerPoint presentation regarding the status of LEC's hydrogen grant request. NCPA submitted the concept paper for the LEC Hydrogen Project to ARCHES in November 2022, and received positive feedback. The official project application was recently submitted to ARCHES. A number of questions were returned and NCPA is expected to submit its final application by April. The funding level and share, as well as potential State contributions, are unknown at this time. NCPA is proposing the project costs be shared between current LEC Participants. Rafael shared an Excel table which detailed the estimated cost per Participant based on current GES percentages. NCPA has hired consultants to draft projected O&M costs and electrical studies; this work should be complete by the end of March. Rafael confirmed that NCPA staff will continue to provide timely updates to LEC Participants as further information is made available.

Adjournment

The next regular meeting of the PPC is scheduled for Monday, March 6, 2023 at 10:00 a.m. Pacific Standard Time.

The meeting was adjourned at 10:58 a.m.

Submitted by: MICHELLE SCHELLENTRAGER