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LEC PPC Meeting Minutes

Date: February 12, 2018

Time: 10:00 am

Location: Lodi Energy Center – 12745 N. Thornton Rd, Lodi, CA 95242 and by teleconference

Subject: Lodi Energy Center Project Participant Committee Meeting

1. Call Meeting to Order and Roll Call

The PPC meeting was called to order at 10:00 am. Jiayo Chiang was acting as Chairman due to Chairman Martin Caballero and Vice Chairmen John Yarbrough being unavailable for this meeting. He asked that roll be called for the Project Participants as listed below.

PPC Meeting Attendance Summary		
Participant	Attendance	Particulars / GES
Azusa - Lehr	Absent	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 - Braden	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Bradley	Absent	2.6679%
SVP - Hance	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
Summary		
Present	5	79.7322%
Absent	8	20.2678%
Quorum by #:	No	
Quorum by GES:	Yes	
Meeting Date:	February 12, 2018	

Public Forum

Acting Chairman Chiang 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 from the January 8, 2018 Regular Meeting were considered. The LEC PPC considered the following motion:

Date: 2/12/2018

Motion: The PPC approves the minutes from the January 8, 2018 Regular Meeting as presented or *including any edits discussed at today's meeting.*

Moved by: CDWR

Seconded by: Lodi

Discussion: 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	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	6	82.4001%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	17.5999%
Result:	Motion Passes	

MONTHLY REPORTS

3. Operational Reports for January 2018

Jeremy Lawson presented the Operational Report for January 2018. There were no OSHA recordable accidents, and no NERC/WECC or permit violations. There was one forced outage on January 27th due to a CO emissions issue. The unit was forced to shut down for one hour towards the tail-end of a scheduled run. Staff will be working with Siemens to identify possible causes. Jeremy reviewed the planned outages, including some updated outage dates. Staff will be working with PG&E on their outages related to work on the Gold Hill Line and 8 Mile Line, which will occur from April 6th – 21st.

The operational report reflected monthly production of 141,208 MWH, 553 service hours, and equivalent operating availability of 99.8%. The report set for the Capacity Factor @ 280 MW Pmax of 67.8% and 302 MW Pmax of 62.8%. There were 12 hot starts, 10 warm starts, and 0 cold starts during the month.

4. Market Data Report for January 2018

Mike Whitney presented the operating and financial settlement results for the month. LEC was committed to CAISO 31 out of 31 available days. Most startups were for 12-17 hour runs, with eight 24-hour runs in the month of January.

5. Monthly Asset Report

Mike DeBortoli presented the monthly asset report for December 2017. Mike reported that December rates were less than forecast. Mike reported that runtimes remained high for the month of December, resulting in positive Net Annual Costs. Mike reviewed the monthly historical comparisons as well as the 12-month history.

6. Bidding Strategies Report

Jesse Shields presented the Bidding Strategies Report for January 2018, as Ken Goeke was on vacation. Jesse reviewed bidding and calculating net start-up costs. He noted that we continue to net expected start costs in energy revenues. He also noted that the plant was awarded every day of the month. Jesse reviewed DA and RT net revenues over the month with the Committee.

Consent Calendar (Items 7 – 10)

The consent calendar was considered. Acting 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: 2/12/2018

Motion: The PPC approves the Consent Calendar items consisting of agenda items no. **7.** Treasurer's Report for December 2017; **8.** Financial Reports for December 2017; **9.** GHG Reports excerpted from monthly ARB; **10.** RFI Communications and Security Systems five year Multi-Task General Services Agreement not to exceed \$1,000,000 for Agency security systems maintenance, for use at all NCPA, Member, SCPPA, and SCPPA Member facilities.

Moved by: Biggs
Seconded by: SVP

Discussion: 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	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	6	82.4001%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	17.5999%
Result:	Motion Passes	

BUSINESS ACTION ITEMS

11. FY19 Initial Budget Presentation

Mike DeBortoli presented the FY19 budget for the Committee to review. He explained that the variable costs have increased in part because of the increase in MWHr. He also explained a proposal to move budget dollars from the Maintenance Reserve Fund to the Variable Costs fund. A more in-depth breakdown of the FY19 Variable Cost changes were presented to the Committee. Staff also proposed adding a new item for Rotor OH Maintenance, which will be needed in the next few years; Staff would like to collect funds now for future maintenance which will be required.

Jeremy reviewed FY19 proposed projects.

- LEC DCS Software Update: This was deferred in last year's budget, and will need to be addressed in FY19. The current version is reaching its end of life, which means maintenance support will be ending soon, including security patches and other critical system updates. The Committee asked how frequently we need to update the software version. Staff responded updates are needed about every 5 years.
- Platform Access Project: another proposed project for FY19. Staff is currently using temporary scaffolding for access to monitor the drift eliminators continuously. This is clearly a safety concern. This project was also deferred in the previous budget.
- CSSP Monitoring System: This project would be for the implementation of a continuous monitoring system for NCPA's critical control systems. While this is not currently a NERC requirement, it does align with CSSP best practices for monitoring and detecting infiltrations, and is required per NCPA's Control System Security Program. Staff shared a breakdown of the costs with the Committee, based upon bids received.
- Long Term Maintenance Agreement and the Rotor Overhaul: Mike DeBortoli outlined unit costs. He also reviewed options for completing an overhaul of the rotor. Mike DeBortoli recommended Option 2 (utilizing a refurbished rotor), as the most cost-effective while also minimizing the on-site outage time.

Staff will have a final FY19 budget completed and ready for Committee approval at the April LEC PPC meeting.

12. Monthly Revenue True-up

Staff reviewed the current monthly true-up calculations and process, including the Accounting calculations for determining O&M billing for project participants. It was noted that variable O&M is not currently included in the calculations of the monthly true-up amounts. This could potentially cause a need for a 'cash call' during settlements of the difference between budget and actuals.

Staff presented proposed changes to the monthly billing and true-up. Proposed changes include backing O&M out of the monthly pre-bill. The proposed changes would go into effect immediately. Staff is also recommending that the current O&M reserve could be used to fund any shortfall this year. For FY19, this updated approach would avoid any settlement refunds or cash calls.

Staff took a poll of members present and, hearing no objections, will move forward with these changes.

CLOSED SESSION

13. Conference with Legal Counsel

General Counsel Jane Luckhardt advised that there were no updates on Closed Session items, so the Committee did not enter Closed Session.

INFORMATIONAL ITEMS

14. Introduction to the Extranet LEC Margin Report

Bob Caracristi shared the new LEC Margin Reporting tool with the Committee. Bob walked Members through the Reporting Platform, including how to access the LEC Reporting tool. All of

the data in the report is updated in real-time (in 5-minute intervals). Bob reviewed what data is displayed in the live graph.

As the data displayed includes confidential competitive information, Bob stressed that discretion should be exercised in whom Members share the information with. The security for accessing the system is tied into Office265 security models, which means access to the tool is based on user credentials for accessing the NCPA Extranet.

Members asked how much historical data will be available in the reporting tool. Bob explained that, due to the volume of data, only 9-days of data will be available at any given time. However, more extensive historical reports could be made available via special request.

Members also asked about the availability of hourly margins, including the possibility of breaking out individual data. Bob said the tool was capable of displaying that data, and that he will work on making that data available.

15. Additional Operational Updates

There were no additional operational updates at this time.

Adjournment

The next regular meeting of the PPC is scheduled for Monday, March 12th, 2018.

The meeting was adjourned at 11:21 am.

Submitted by: Michelle Schellentrager