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LEC PPC Meeting Minutes

Date: March 6, 2023

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

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

Subject: Lodi Energy Center Project Participant Committee Meeting

1. Review Safety Procedures

The PPC reviewed the NCPA Safety Procedures and assigned safety roles.

2. Call Meeting to Order and Roll Call

The PPC meeting was called to order at 10:04 a.m. 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	Present	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Schmidt	Absent	0.2679%
CDWR - Burk	Present	33.5000%
Gridley - Wagner	Absent	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Chiang	Present	9.5000%
Lompoc - McDonald	Present	2.0357%
MID - Costalupes	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Bradley	Present	2.6679%
SVP - Wong	Present	25.7500%
Ukiah -	Absent	1.7857%
Summary		
Present	7	86.9536%
Absent	6	13.0464%
Quorum by #:	Yes	
Quorum by GES:	Yes	
Meeting Date:	March 6, 2023	

Public Forum

Chairman Costalupes 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.

3. Meeting Minutes

The draft minutes from the February 6, 2023 Regular Meeting were considered. The LEC PPC considered the following motion:

Date: 3/6/2023

Motion: The PPC approves the minutes from the February 6, 2023 Regular Meeting.

Moved by: Lodi
Seconded by: Lompoc

Discussion: There was 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	Yes	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	86.9536%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	6	13.0464%
Result:		Motion Passes

MONTHLY REPORTS

4. Operational Reports for February 2023

Ryan Johnson presented the Operational Report for February. There were no OSHA recordable accidents and no NERC/WECC violations. There was one Notice of Violation issued by SJVAPCD for water wash NOx exceedance. There was one forced outage on February 11 for HRG lining repairs, which lasted approximately 24 hours. There are no changes to the 2023 outage schedule.

The operational report reflected monthly production of 121,823 MWH, 456 service hours, and equivalent operating availability of 96.4%. The report set for the Capacity Factor @ 302MW Pmax of 60%. There were 2 hot starts, 5 warm starts, and 4 cold starts during the month.

5. Market Data Report for February 2023

Bob Caracristi presented the operating and financial settlement results for the month. LEC was committed to CAISO 24 out of 27 available days; Bob presented details regarding the days committed. Most startups were for mid-term runs, with twenty-four 24-hour runs in the month of February. 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 January 2023. Rafael reviewed forecast costs versus actual costs for the month. Rafael reviewed the monthly historical comparisons as well as the 12-month history. It was noted that, once again, January was a very good month.

7. Bidding Strategies Report

Jesse Shields presented the Bidding Strategies Report for February 2023. Jesse reviewed bidding and calculating net start-up costs. Jesse reviewed DA and RT net revenues over the month with the Committee. Jesse reiterated that January was a good month, in part due to inflated gas prices.

Consent Calendar (Items 8 – 16)

The consent calendar was considered. 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: 3/6/2023

Motion: The PPC approves the Consent Calendar items consisting of agenda items no.: **8.** Treasurer's Report for January 2023; **9.** Financial Report for January

2023; **10.** GHG Reports (excerpted from the Monthly ARB); **11.** PMOA Schedule 6.00 revisions to update the contact information for the City of Lodi and for NCPA's Lodi Energy Center Plant Manager and the Assistant General Manager Generation Services; **12.** Reliability Optimization, Inc. First Amendment to MTCSA for predictive maintenance testing services, accepting assignment to RTS Reliability Testing Services, LLC, with no change to the contract term or not-to-exceed amount, for continued use at all facilities owned and/or operated by NCPA, its Members, by SCPPA, and SCPPA Members; **13.** HRST, Inc. 5-year MTGSA for HRSG related inspection services, not-to-exceed \$1,000,000, for use at all facilities owned and/or operated by NCPA, its Members, by SCPPA, and SCPPA Members; **14.** Swaim Biological Incorporated 5-year MTPSA for biological monitoring and support services, not-to-exceed \$500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members; **15.** Control Components, Inc. First Amendment to MTGSA-EMS for valve and maintenance services, accepting assignment to IMI Critical Engineering LLC, with no changes to the contract term or not-to-exceed amount, for continued use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members; **16.** PMOA Schedule 1.00 Exhibit 5.00 updates to CAISO charges.

Moved by: Lompoc
Seconded by: CDWR

Discussion:

There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Absent	0.2679%
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Vote Summary		
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Total Absent	6	13.0464%

	Result: Motion Passes
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INFORMATIONAL ITEMS

17. FY2024 Budget Presentation

Rafael presented the LEC PPC with updates to the FY2024 budget. Rafael highlighted some of the changes made, including updates to the energy price estimates. Rafael and Ken Goeke explained how they re-ran the MWHrs used for Energy Production, Fuel, and Operations Assumptions, which then changed some of the FY2024 projections – the impact of those changes in the actual LEC Budget were shown. There was a discussion around the revenue estimates in forecasts, and Rafael stated NCPA would take another look at these numbers. The final FY2024 LEC Budget will be presented for approval in the April LEC PPC meeting.

18. NCPA Natural Gas Service Agreements

Michael DeBortoli shared that a vendor had approached NCPA recently regarding the sale of renewable natural gas. If NCPA wanted the ability to purchase renewable natural gas from vendors, updates may be required to the current Natural Gas Service Agreements. MID mentioned they had explored this option internally and their initial investigation indicated these purchases may not be favorable. Mike stated these purchases could offset GHG credits. NCPA will continue to look into the issue, and will bring any proposed modifications to the Natural Gas Services Agreements back to the PPC in the future if needed.

19. Additional Operational Updates

- A. DWR reached out to NCPA staff recently, expressing an interest in having a third party perform a benchmarking study of LEC. DWR indicated they had found value in similar studies they had conducted internally in the past. Mike DeBortoli cautioned that a benchmarking study may be difficult for the LEC, as it is a unique gas plant due to the HRSG and how the plant is run. Randy Howard recommended that NCPA share the Risk Audit Report which was recently performed by FM Global, and Mike agreed this could be beneficial to participants. A request was made to have DWR share the average cost of similar studies they had commissioned in the past, as well as an example outline of a typical benchmarking study (including the Scope of Work); DWR agreed to work on gathering additional information for review of LEC participants.
- B. Jeremy Lawson shared an update regarding the ongoing Natural Gas Rate negotiations. The current negotiated rate was temporarily extended, and now terminated on July 1, 2023, at which point it will move to a day-by-day basis. NCGC is participating in the current rate case and attempting to build in an optional fix/variable rate methodology. The settlement completion date for the current settlement process is unknown. NCPA will return to the PPC with analysis and recommendation for steps forward once they are available. NCPA will continue to provide regular updates to PPC members as they are available.

Adjournment

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

The meeting was adjourned at 11:14 a.m.

Submitted by: Michelle Schellentrager