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LEC PPC Meeting Minutes

Date: March 11, 2019

Time: 10:00 a.m.

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 10:01 a.m. by Chairman Martin Caballero. He asked that roll be called for the Project Participants as listed below.

PPC Meeting Attendance Summary		
Participant	Attendance	Particulars / GES
Azusa - Robledo	Absent	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Sorenson	Absent	0.2679%
CDWR - Alqaser	Present	33.5000%
Gridley - Borges	Present	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	Present	2.6679%
SVP - Hance	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
Summary		
Present	6	84.0965%
Absent	7	15.9035%
Quorum by #:	No	
Quorum by GES:	Yes	
Meeting Date:	March 11, 2019	

Public Forum

Chairman Caballero 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 11, 2019 Regular Meeting were considered. The LEC PPC considered the following motion:

Date: 3/11/2019

Motion: The PPC approves the minutes from the February 11, 2019 Regular Meeting as presented or *including any edits discussed at today's meeting.*

Moved by: Lodi
Seconded by: CDWR

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	Yes	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	81.4286%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	8	18.5714%
Result:		Motion Passes

MONTHLY REPORTS

4. Operational Reports for February 2019

Jeremy Lawson presented the Operational Report for February. There were no OSHA recordable accidents, no NERC/WECC or permit violations, and no forced outages. Jeremy discussed two forced outages which had occurred in the month of February. There are no changes to the 2019 outage schedule.

The operational report reflected monthly production of 133,893 MWH, 499 service hours, and equivalent operating availability of 87.2%. The report set for the Capacity Factor @ 302MW Pmax of 66%. There were 4 hot starts, 3 warm starts, and 1 cold start during the month.

5. Market Data Report for February 2019

Zakary Liske presented the operating and financial settlement results for the month. LEC was committed to CAISO 24 out of 28 available days. The two forced outages which occurred in February 2019 resulted in RAIM non-availability charges, which Zakary reviewed with the Committee. Most startups were for 24-hour runs, with the remaining startups were for mid-length runs in the month of February.

6. Monthly Asset Report

Mike DeBortoli presented the monthly asset report for January 2019. Mike reported that January was a relatively quiet month. Revenue and variable costs were both down. Despite that, January 2019 was still the strongest January in the history of the plant. Mike reviewed the monthly historical comparisons as well as the 12-month history.

7. Bidding Strategies Report

Jesse Shields presented the Bidding Strategies Report for February 2019. Jesse reviewed bidding and calculating net start-up costs. Jesse reviewed DA and RT net revenues over the month with the Committee.

There was a discussion regarding the 5 to 10% adder which is sometimes added to the DA margin. Ken wondering whether adding that minimum load cost was possibly increasing the cycling of the plant. Jesse responded that it was more likely that this adder shortened runs then had an impact on the cycle frequency. Ken Goeke also mentioned that this is not added every day, but only as-needed for market basis (when they see that the margins are getting too thin). Ken mentioned that they can count the number of days this was added and report back in the next PPC meeting.

Consent Calendar (Items 9 – 12)

The consent calendar was considered. Chairman Caballero asked if any Participant wished to have any item removed for separate discussion. Item 8 (the monthly Treasurer's Report) was pulled from the Consent Calendar, as the report was not available in time for the Committee to review it; this report will be presented in the April LEC PPC meeting. Chairman Caballero 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: 3/11/2019

Motion: The PPC approves the Consent Calendar items consisting of agenda items no. **9.** Financial Report for February 2019; **10.** GHG Reports (excerpted from Monthly ARB); **11.** Allied Power Group, LLC MTGSA-EMS not to exceed \$2,000,000 for inspection and maintenance services, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **12.** Drill Tech Drilling & Shoring,, Inc. MTGSA not to exceed \$1,000,000 for inspection and maintenance services, for use at all facilities owned and/or operated by NCPA.

Moved by: **CDWR**
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	Absent	0.2679%
CDWR	Yes	33.5000%
Gridley	Yes	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	84.0965%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	15.9035%
Result:	Motion passes	

BUSINESS ACTION ITEMS

NONE

CLOSED SESSION

13. Adjourned to Closed Session

The PPC adjourned to Closed Session at 10:29 a.m. A Closed Session discussion was had pursuant to California Government Code Section 54956.9(d)(1) regarding Pacific Gas and Electric Company's 2019 Gas Transmission and Storage Rate Case, *Application of Pacific Gas and Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2019 – 2021*, California Public Utilities Commission Application 17-11-009 (filed November 17, 2017).

At 10:37 a.m. the Committee returned to Open Session. General Counsel Jane Luckhardt advised that no reportable action was taken during the Closed Session.

INFORMATIONAL ITEMS

14. FY2020 Budget Presentation

Mike DeBortoli presented the draft FY2020 budget to the Committee. Mike reviewed the assumptions with the Committee, including MWh and Fuel forecasts for FY2020. There was a discussion regarding where the forecast data is coming from; the current vendor for the forward curve data is OTC Global.

Mike reviewed the LEC budget. He noted that there is a separate line item for Outage costs. There were not changes to the funding schedule or Maintenance Reserve.

Mike reviewed the proposed projects and a more detailed breakdown of their associated costs. He noted that the transformer replacement project might not actually take place in FY2020, as bids are still being reviewed and any transformer requires a 1-year lead time.

Monty Hanks and Mike noted that they will make sure to distribute the standard detailed budget sheets to the Committee prior to next month's LEC PPC meeting. They plan to seek approval of the FY2020 budget in the April meeting.

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, April 8, 2019.

The meeting was adjourned at 11:08 a.m.

Submitted by: Michelle Schellentrager