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LEC PPC Meeting Minutes

Date: April 8, 2019

Time: 10:00am

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 10:01am 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	Present	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Sorenson	Absent	0.2679%
CDWR - Alqaser	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	Present	2.6679%
SVP - Hance	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
Summary		
Present	6	84.9179%
Absent	7	15.0821%
Quorum by #:	No	
Quorum by GES:	Yes	

Meeting Date:	April 8, 2019
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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 March 11, 2019 Regular Meeting were considered. The LEC PPC considered the following motion:

Date: 04/08/2019
Motion: The PPC approves the minutes from the March 11, 2019 Regular Meeting as presented or *including any edits discussed at today's meeting.*

Moved by: CDWR
Seconded by: City of Lodi

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	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	6	84.9179%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	15.0821%

MONTHLY REPORTS

4. Operational Reports for March 2019

Jeremy Lawson presented the Operational Report for March 2019. There were no OSHA recordable accidents, no NERC/WECC or permit violations, and no forced outages. Mike DeBortoli informed the members on the ongoing outage at LEC. Jeremy is excited to see the positive effects from the new heat blanket installation during the outage and less fuel needed.

The operational report reflected monthly production of 117,780 MWH, 459 service hours, and equivalent operating availability of 100%. The report set for the Capacity Factor @ 302MW Pmax of 52.5%. There were 2 hot starts, 11 warm starts, and 1 cold starts during the month.

5. Market Data Report for {Month Year}

Zakary Liske presented the operating and financial settlement results for the month. LEC was committed to CAISO 26 out of 31 available days. Most startups were for mid to long-term runs, with 11 24-hour runs in the month of March. Manny Robledo inquired about when the report reflects zero or negative LMP values. The group mentioned this is when solar is running between 12pm-4pm when there were no rainstorms in March 2019. Monty Hanks will check Manny's credentials for NCPA Connect to review the day ahead LEC Reports. Mike DeBortoli mentioned the average margin \$8/MWh is three times the historical high for March. This is a result of various plant outages, less solar production and hydro facilities are low.

6. Monthly Asset Report

Mike DeBortoli presented the monthly asset report for February 2019. Mike reported that the higher price and reduced operation made the revenue equal to the forecast. 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 March 2019. Jesse reviewed bidding and calculating net start-up costs. Jesse reviewed DA and RT net revenues over the month with the Committee.

Consent Calendar (Items 8-16)

The consent calendar was considered. Chairman Caballero 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: 4/8/2019

Motion: The PPC approves the Consent Calendar items consisting of agenda items no. **8.** Treasurer's Report for February & March 2019; **9.** Financial Reports for March 2019; **10.** GHG Reports excerpted from monthly ARB; **11.** WorleyParsons Group Inc. MTPSA – Five-year with a NTE

amount of \$1,500,000, for project support services, for use at all facilities owned and/or operated by NCPA, its Members/SCPPA. **12.** American Power Systems, Inc. MTGSA – Five-year with a NTE amount of \$500,000 for battery services, for use at all facilities owned and/or operated by NCPA, its Members/SCPPA. **13.** GEI Consultants, Inc. MTPSA - Five-year with a NTE amount of \$1,000,000 for engineering services, for use at all facilities owned and/or operated by NCPA, its Members/ SCPPA. **14.** Johnson Controls, Inc. MTGSA - Five-year with a NTE amount of \$500,000 for HVAC and chiller maintenance related services, for use at all facilities owned and/or operated by NCPA, its Members/SCPPA. **15.** Trimark Associates, Inc. MTGSA - .Five-year with a NTE amount of \$2,000,000 to provide meter related (installation, maintenance, data acquisition, telemetry, etc.) services as requested, for use at all facilities owned and/or operated by NCPA, its Members/SCPPA. **16.** Pacific Power Engineers MTGSA – Five-year with a NTE amount of \$2,000,000 to provide meter related (installation, maintenance, data acquisition, telemetry, etc.) services as requested, for use at all facilities owned and/or operated by NCPA, its Members/SCPPA.

Moved by: City of Lodi
Seconded by: CDWR

Discussion: Corrie Bradley wanted to know if any of these vendors were new to the agency. Jane Luckhardt responded with one, Pacific Power Engineers. All others were existing vendors renewing their 5-year service agreements.

Vote Summary on Motion		
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Azusa	Yes	2.7857%
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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	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
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Vote Summary		
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Total Absent	7	15.0821%
Result:	Motion Passes	

BUSINESS ACTION ITEMS

17. Lodi Energy Center FY20 Annual Budget

Monty Hanks discussed the LEC FY2020 budget and explained the differences between previous and future budgets. He shared a PowerPoint presentation with an overview on the FY2020 budget direction, as well as a specific breakdown of the LEC FY20 budget. Ken Speer asked for approval and vote. Ghassan Alqaser asked how the gas transmission is calculated. Ken indicated the budgeted amount was calculated using the same PG&E rate as today and hope to lower it in the future. Chairman Caballero mentioned that if higher generation goes down, the O&M costs would lower as well. This would update the forecast and not the budget. Caballero wanted to know why there were no historical O&M project details. Monty explained the fixed O&M changed to Projects. Caballero wanted to confirm the \$3M transformer in the budget approves the funds and not the project. A package for the transformer will follow. Mike DeBortoli explained the boiler purge credit would blow out the gases at shutdown, which will speed up the startup by 5 minutes. Caballero questioned the ongoing costs over the next 6 years on the vehicles being the same \$3k. Mike explained CT1 holds the majority of the vehicle expenses and plan to replace one vehicle at \$66k each year for the 6 vehicles onsite. Manny Robledo mentioned the net costs bases are better than last year. Ken stated the margin goes up and the net costs go down next year. Monty will confirm Manny’s access to NCPA Connect and the LEC Budget Reports for further review.

Date: 4/8/2019

Motion: Staff is seeking approval of the Lodi Energy Center FY 2020 Annual Budget in the amount of \$94,399,317, as well as approval to maintain the Operating Reserve Fund amount at \$11,234,776 for FY 2020, and approval of modifications to the PMOA Schedule 1, Exhibit 2.

Moved by: Azusa
Seconded by: SVP

Discussion:

Vote Summary on Motion		
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Azusa	Yes	2.7857%
BART	Absent	6.6000%
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Result:	Motion Passes	

CLOSED SESSION

18. Adjourned to Closed Session

Ken Speer and Jane Luckhardt did not have any updates at this time, so the Committee did not adjourn to Closed Session.

INFORMATIONAL ITEMS

19. Additional Operational Updates

There were no additional operational updates at this time.

Adjournment

The next regular meeting of the PPC is scheduled for Monday May 6, 2019 at 10:00am.

The meeting was adjourned at 11:00am.

Submitted by: Melissa Conrad