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# LEC PPC Meeting Minutes

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**Date:** Monday, April 10, 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

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## 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 10:08 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	Absent	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	6	84.9179%
Absent	7	15.0821%
Quorum by #:	No	
Quorum by GES:	Yes	
Meeting Date:	April 10, 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 March 6, 2023 Regular Meeting were considered. The LEC PPC considered the following motion:

**Date:** 4/10/2023

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

**Moved by:** DWR

**Seconded by:** Lodi

**Discussion:** There was no further discussion

<b>Vote Summary on Motion</b>		
<b>Participant</b>	<b>Vote</b>	<b>Particulars / GES</b>
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%
<b>Vote Summary</b>		
Total Ayes	6	84.9179%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	15.0821%
<b>Result:</b>		<b>Motion Passes</b>

### **MONTHLY REPORTS**

#### **4. Operational Reports for March 2023**

Ryan Johnson presented the Operational Report for March 2023. 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 LEC planned outage is currently underway.

The operational report reflected monthly production of 140,239 MWH, 538 service hours, and equivalent operating availability of 100%. The report set for the Capacity Factor @ 302MW Pmax of 62%. There were 4 hot starts, 13 warm starts, and 1 cold starts during the month.

Ryan noted that the plant experienced deviation in the upper segment related to the ongoing gearbox issue. The gearbox is scheduled to be replaced during the current outage. He also noted that an AGC deviation was experienced in multiple segments. Staff was able to tweak the forecasted Pmax load projections, which should resolve these abnormalities going forward.

#### **5. Market Data Report for March 2023**

Bob Caracristi presented the operating and financial settlement results for the month. LEC was committed to CAISO 29 out of 31 available days. Most startups were for mid-term runs, with twenty-four 24-hour runs in the month of March. 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 February 2023. Rafael reviewed monthly budget numbers for the project. Rafael reviewed the monthly historical comparisons as well as the 12-month history. He reported that February was a good month, with the third highest margin for February in the history of the plant.

#### **7. Bidding Strategies Report**

Jesse Shields presented the Bidding Strategies Report for March 2023. 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 8-14)**

The consent calendar was considered. Chairman Costalupes 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:** 4/10/2023

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

2023; **10.** GHG Reports (excerpted from the Monthly ARB); **11.** OST Trucks and Cranes, Inc. 5-year MTGSA for crane related services, not-to-exceed \$1,500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members; **12.** Mesa Energy Systems, Inc. dba EMCOR Services Mesa Energy First Amendment to 5-year MTGSA for chiller, HVAC services, modifying Exhibit A and Exhibit B to add to the scope of work and modify pricing, 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, SCPPA, and SCPPA Members; **13.** Tetra Engineering Group, Inc. 5-year MTPSA for HRSG inspection, steam plant assessments, root cause failures, and consulting engineering related services, not-to-exceed \$1,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members; **14.** NCPA Cyber Liability Insurance Renewal approval to delegate authority to the General Manager to renew the Agency's Cyber Liability Insurance program from April 2023 to April 2024.

**Moved by:**

**Lodi**

**Seconded by:**

**MID**

Discussion:

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There was no further discussion.

<b>Vote Summary on Motion</b>		
<b>Participant</b>	<b>Vote</b>	<b>Particulars / GES</b>
Azusa	Yes	2.7857%
BART	Absent	6.6000%
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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%
<b>Vote Summary</b>		
Total Ayes	6	84.9179%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	15.0821%
Result:	Motion Passes	

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## **BUSINESS ACTION ITEMS**

### **15. Siemens Energy, Inc. MTGSA**

Rafael gave background on the proposed five-year Multi-Task General Services Agreement for T3000 maintenance and support services. This contract would be for use at NCPA's Lodi Energy Center and Geothermal facilities, as well as City of Redding and City of Roseville. Rafael shared a cost breakdown for each facility, including the cost savings (discounted pricing and services) that were a result of collectively combining the efforts of the four participants. The final recommendation was updated to reflect the specific amount estimated for LEC's use. The LEC PPC considered the following motion:

**Date:** 4/10/2023

**Motion:** The PPC approves the five-year Multi-Task General Services Agreement with Siemens Energy, Inc. for T3000 maintenance and support services, with a not to exceed amount of \$6,000,000, for use at NCPA's Combustion Turbine and Geothermal facilities, and for use at the City of Redding and the City of Roseville, with \$1,230,859.00 to be used at NCPA's Lodi Energy Center facility.

**Moved by:** Lodi

**Seconded by:** MID

Discussion:

. There was no further discussion.

<b>Vote Summary on Motion</b>		
<b>Participant</b>	<b>Vote</b>	<b>Particulars / GES</b>
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Absent	0.2679%
CDWR	Abstain	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%
<b>Vote Summary</b>		

Total Ayes	5	51.4179%
Total Noes	0	0.0000%
Total Abstain	1	33.5000%
Total Absent	7	15.0821%
Result:	Motion Passes	

#### 16. Lodi Energy Center FY2024 Annual Budget

Sondra Ainsworth reviewed changes to the budget since the March review. The LEC O&M Reserve Calculation was discussed. An additional reserve collection of \$4,062,253 was proposed. It was noted that collections for the previous year were paused pending completion of the study, and those are now included in this proposed amount. NCPA proposed to bill for these costs on a 1/12 basis; there were no objections from participants regarding this proposed billing methodology. The FY24 proposed budget table was reviewed a final time. The LEC PPC considered the following motion:

**Date:** 4/10/2023

**Motion:** The PPC approves the Lodi Energy Center (LEC) FY 2024 Annual Budget in the amount of \$138,301,720 and approves modifications to the PMOA Schedule 1, Exhibit 2.

**Moved by:** SVP

**Seconded by:** MID

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	Abstain	33.5000%
Gridley	Absent	1.9643%
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Plumas-Sierra	Absent	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		

Total Ayes	5	51.4179%
Total Noes	0	0.0000%
Total Abstain	1	33.5000%
Total Absent	7	15.0821%
Result:	Motion Passes	

## **INFORMATIONAL ITEMS**

### **17. Additional Operational Updates**

Mike DeBortoli gave a brief update on ARCHES and the status of NCPA's proposed hydrogen project. The project will be included in the ARCHES funding submission as a Tier 1 project. In the coming months, staff will work to further define the project and determine which current LEC project participants may be interested in participating. Mike noted that any potential grant funds will be less than the 50% originally projected. Mike shared the latest engineering estimate for a potential project and clarified that the project proposed would include small above-ground hydrogen storage (geared more towards daily use vs. seasonal).

Rafael Santana shared a presentation with the Committee regarding FM Global and their risk assessment process, including background on the services FM Global provides, examples of recommendations they have made as a result of previous audits performed at LEC, and the methods NCPA staff use to track their recommendations. Participants expressed appreciation for the time and effort NCPA has put into these audits on behalf of the Project. Rafael plans to provide updates on the progress of recommendations to the LEC PPC via email on a quarterly basis.

Rafael also provided a brief update to the committee on outage activities underway at LEC. Further updates on the outage will be provided to the committee members via email.

### **Adjournment**

The next regular meeting of the PPC is scheduled for Monday, June 8, 2023 at 10:00 a.m. Pacific Standard Time.

The meeting was adjourned at 11:28 a.m.

Submitted by: MICHELLE SCHELLENTRAGER