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LEC PPC Meeting Minutes

Date: May 14, 2018

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. Call Meeting to Order and Roll Call

The PPC meeting was called to order at 10:01 AM 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 - Lehr	Absent	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Sorenson	Present	0.2679%
CDWR - Brown	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	Absent	2.6679%
SVP - Hance	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
Summary		
Present	6	81.6965%
Absent	7	18.3035%
Quorum by #:	No	
Quorum by GES:	Yes	
Meeting Date:	May 14, 2018	

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.

2. Meeting Minutes

The draft minutes from the April 9, 2018 Regular Meeting were considered. The LEC PPC considered the following motion:

Date: 5/14/2018

Motion: The PPC approves the minutes from the April 9, 2018 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	Yes	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	6	81.6965%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	18.3035%
Result:	Motion Passes	

MONTHLY REPORTS

3. Operational Reports for April 2018

Jeremy Lawson presented the Operational Report for April. There were no OSHA recordable accidents, no NERC/WECC, and no forced outages. There was one Notice of Violation received from a CO issue during load/unload back in February. Siemens made necessary corrections and the violation fine (\$3,000) has been paid. Jeremy reviewed the 2019 Outage Schedule. Staff plans to schedule the outage in April 2019.

The operational report reflected monthly production of 14,754 MWH, 78 service hours, and equivalent operating availability of 25%. The report set for the Capacity Factor @ 280 MW Pmax of 7.3% and 302 MW Pmax of 6.8%. There were 2 hot starts, 4 warm starts, and 1 cold start during the month.

Mike gave an overview of transformer inspection performed over the weekend, including sharing photos of findings. A call is scheduled with GE to discuss potential findings. Staff are lining up to bring the transformer back into service and will monitor the temperature closely.

4. Market Data Report for April 2018

Mike Whitney presented the operating and financial settlement results for the month. LEC was committed to CAISO 7 out of 7 available days. Most startups were for 1-5 hour runs, with no 24 hour runs in the month of April.

5. Monthly Asset Report

Mike DeBortoli presented the monthly asset report for March 2018. Mike reported that rates for VOM were not as favorable as desired. Mike also reported that fixed rates were up for the month, as staff was purchasing parts for the April outage. Mike reviewed the monthly historical comparisons, as well as the 12-month history. March was still a very strong month. The CAISO supply may be tight in the summer, so prices may go up even more.

6. Bidding Strategies Report

Jesse Shields presented the Bidding Strategies Report for April 2018. Jesse reviewed bidding and calculating net start-up costs. Jesse reviewed DA and RT net revenues over the month with the Committee. Jesse stated that startup costs may be problematic in May, but it is uncertain at this time.

Consent Calendar (Items #7 – #13)

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: 5/14/2018

Motion: The PPC approves the Consent Calendar items consisting of agenda items no. **7.** Treasurer's Report for April 2018; **8.** Financial Reports for April 2018; **9.** GHG Reports excerpted from monthly ARB; **10.** Univar USA, Inc. MTGSA not

to exceed \$1,500,000 for the purchase of chemicals, for use at all facilities owned and/or operated by NCPA; **11.** Bay Cities Pyrojector, Inc. MTGSA not to exceed \$500,000 for fire system maintenance services, for use at all facilities owned and/or operated by NCPA, its Members, SCPA, and SCPA Members; **12.** Fossil Energy Research Corporation MTGSA not to exceed \$1,000,000 for catalyst testing, ammonia grid tuning, and engineering support services, for use at all facilities owned and/or operated by NCPA, its Members, SCPA, or SCPA Members; **13.** ECORP Consulting, Inc. MTGSA not to exceed \$1,000,000 for forecasting/modeling and environmental regulatory compliance assistance, for use at all facilities owned and/or operated by NCPA, its Members, SCPA, or SCPA Members.

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	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	Absent	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	5	79.7322%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	8	20.2678%
Result:	Motion Passes	

BUSINESS ACTION ITEMS

14. Siemens Energy, Inc. T3000 MTGSA

Mike DeBortoli reviewed the proposed Siemens Energy, Inc. T3000 MTGSA with the Committee. LEC had a previous service agreement for T3000 maintenance and service. Teaming up with the City of Redding and the City of Roseville allowed NCPA to negotiate and much more favorable rate for the new service agreement.

Mike reviewed the Scope of Services for the proposed MTGSWA, including the specific types of support to be included. Mike reiterated that this will include an upgrade to Version 8. Mike shared the life cycle map with the Committee. NCPA is currently on Version 4 of the software; Version 4 is at its End of Life, and is no longer receiving patches or security updates from Siemens. This puts NCPA's systems at risk of hacking or corruption. Version 8 will be actively supported by Siemens until CY2023.

Mike reviewed alternative options, including purchasing the upgrade only, without a service package. The cost for all of the alternatives would be higher than executing the proposed MTGSA.

Mike also reviewed the impacts this agreement would have on the FY19 budget. As previously stated, the FY19 budget which was approved reflects approval of the proposed MTGSA. If the MTGSA is not approved, Mike will have to add back the Capitol Project to upgrade NCPA's systems to Version 8 (this was estimated to cost \$450,000 for the upgrade and equipment, and an additional \$80,000/year for ongoing system support). The proposed MTGSA will save approximately \$650,000/5 years.

Date: 5/14/2018

Motion: The PPC approves the Multi-Task General Services Agreement with Siemens Energy, Inc. for T3000 maintenance and support, with a not to exceed amount of \$3,500,000, for use at NCPA Geothermal and Combustion Turbine facilities, and for use at the City of Redding and the City of Roseville. The PPC approves the T3000 Maintenance and Support Service Agreement for LEC.

Moved by: Lodi

Seconded by: Santa Clara

Discussion: There was 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	Yes	1.9643%
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Vote Summary		
Total Ayes	6	81.6965%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	18.3035%
Result:	Motion Passes	

CLOSED SESSION

15. Adjourned to Closed Session

The PPC adjourned to Closed Session at 10:51 AM. 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 10:58 AM the Committee returned to Open Session. General Counsel Jane Luckhardt advised that no reportable action was taken during the Closed Session.

INFORMATIONAL ITEMS

16. Additional Operational Updates

Mike mentioned some new regional plant closures, and a brief discussion took place on the effects these closures may have on NCPA.

Adjournment

The next regular meeting of the PPC is scheduled for Monday, June 11, 2018.

The meeting was adjourned at 11:02 AM.

Submitted by: Michelle Schellentrager