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LEC PPC Meeting Minutes

Date: June 10, 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 10:00am 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	Present	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	7	85.1858%
Absent	6	14.8142%
Quorum by #:	Yes	
Quorum by GES:	Yes	

Meeting Date:

June 10, 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 May 6, 2019 Regular Meeting were considered. The LEC PPC considered the following motion:

Date: 6/10/2019

Motion: The PPC approves the minutes from the May 06, 2019 Regular Meeting as presented or *including any edits discussed at today's meeting.*

Moved by: Lodi

Seconded by: DWR

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	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	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	7	85.1858%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	6	14.8142%
Result:	Motion Passed	

MONTHLY REPORTS

4. Operational Reports for May 2019

Michael DeBortoli presented the Operational Report for May 2019. There were no OSHA recordable accidents, no NERC/WECC or permit violations, and no forced outages. Michael discussed the upcoming outages for 2020-2022. The CT main transformer replacement will take place in May 2020 and the 6-week outage for the major inspection in 2021/2022. Deane Burke appreciated the email & photo updates sent by Michael DeBortoli during the recent packer replacement on the injection well.

The operational report reflected monthly production of 5,501 MWH, 34 service hours, and equivalent operating availability of 100%. The report set for the Capacity Factor @ 302MW Pmax of 2.40%. There were 0 hot starts, 3 warm starts, and 2 cold starts during the month.

5. Market Data Report for May 2019

Michael Maltese presented the operating and financial settlement results for the month. LEC was committed to CAISO 5 out of 31 available days. Most startups were for short evening runs, with zero 24-hour runs in the month of May. Manny Robledo questioned the negative pricing in May 2019 and if CAISO forced LEC to run those days. Ken Speer mentioned with the day ahead CAISO market, LEC was required to run on these days, and the pricing was caused by the increased hydro production from snowmelt.

6. Monthly Asset Report

Michael DeBortoli presented the monthly asset report for April 2019. Michael reported that the actuals were running as planned. Michael reviewed the monthly historical comparisons as well as the 12-month history.

7. Bidding Strategies Report

Jesse Shields presented the Bidding Strategies Report for May 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 8-13)

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: 6/10/2019

Motion: **The PPC approves the Consent Calendar items consisting of agenda items no. 8. Treasurer's Report's for April and May 2019; 9. Financial Reports for April and May, 2019; 10. GHG Reports (excerpted from Monthly ARB); 11. Airgas USA, LLC MTEMS not to exceed \$1,000,000 for purchase of CEMS EPA gases, for use at all facilities owned and/or operated by NCPA. 12. Second Amendment**

to Sage Engineers to transfer assignment of agreement to Gannett Fleming, Inc. MTPSA not to exceed \$1,000,000 for dam safety engineering, for use at all facilities owned and/or operated by NCPA, Members, SCPPA/SCPPA Members. **13.** Air Hygiene, Inc. MTCSA not to exceed \$500,000 for testing services for source, rata and emissions.

Moved by: CDWR
Seconded by: Lodi

Discussion:

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	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	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	7	85.1858%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	6	14.8142%
Result:	Motion Passes	

BUSINESS ACTION ITEMS

14. Update to PMOA Schedule 6.00

Chairman Martin Caballero pulled Item#14 from the consent calendar to update his contact information on the PMOA. Cheryl Bolt will change MID's contact information from James McFall's contact information to reflect the Chairman's information, to be voted on the next month's meeting.

15. Transformer Project

Michael DeBortoli reviewed the proposals for the LEC Transformer Project with the Committee and recommends Siemens Industrial Inc. to provide the new transmission. Michael mentioned the agreement and purchase order for the transformer would be setup for Siemens Industry Inc. in June, with a 5-year warranty. However, Siemens Energy Inc. will purchase Siemens Industry Inc. during the warranty period in September 2020. Ghassan ALQaser will review the contract with Jane Luckhardt and CDWR’s legal department to ensure the warranty validity when the company transitions to the new company. Jane Luckhardt mentioned NCPA has a maintenance bond. The plan for the existing transformer is to keep it on-site, drained with a nitrogen cap and wait to decide to overhaul or dispose of the unit.

Date: 6/10/2019

Motion: The PPC approves the Transformer Project to authorize NCPA to execute agreements and issue purchase orders with a not to exceed \$4,000,000.

Moved by: CDWR

Seconded by: Lodi

Discussion:

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Yes	0.2679%
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Total Absent	6	14.8142%
Result:	Motion Passes	

CLOSED SESSION

None.

INFORMATIONAL ITEMS

16. CT1, CT2, LEC Negotiated Gas Rate Agreement

Ken Speer presented an update on the progress for the fixed and variable components in the PG&E negotiations. There are a few more meetings to finalize the rates. Manny Robledo discussed the benefits and downfalls of volumetric, fixed rates and the impact on future runs.

17. Lodi Energy Center MSG Modeling

Gillian Biedler updated the committee with the testing of the multi-stage generation unit in the CAISO market. The configurations will include running LEC's gas turbine with and without the steam turbine. The goal is to setup rules with CAISO to manage LEC to its best ability.

18. Additional Operational Updates

None.

Adjournment

The next regular meeting of the PPC is scheduled for Monday July 8, 2019 at 10:00am.

The meeting was adjourned at 11:36am.

Submitted by: Melissa Conrad