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LEC PPC Meeting Minutes

Date: July 9, 2018

Time: 10:00 AM

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 10:02 AM by Jiayo Chiang, who was filling in for Martin Caballero as Chairman of the meeting while Martin was on vacation. 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 - 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 - Braden	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Bradley	Present	2.6679%
SVP - Hance	Absent	25.7500%
Ukiah - Grandi	Absent	1.7857%
Summary		
Present	5	56.6501%
Absent	8	43.3499%
Quorum by #:	No	
Quorum by GES:	Yes	
Meeting Date:	July 9, 2018	

Public Forum

Mr. Chiang 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 June 11, 2018 Regular Meeting were considered. The LEC PPC considered the following motion:

Date: 7/9/2018
Motion: The PPC approves the minutes from the June 11, 2018 Regular Meeting as presented or *including any edits discussed at today's meeting.*

Moved by: Modesto
Seconded by: Biggs

Discussion: 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	Yes	2.6679%
Silicon Valley Power	Absent	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	5	56.6501%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	8	43.3499%
Result:	Motion Passed	

MONTHLY REPORTS

3. Operational Reports for June 2018

Jeremy Lawson presented the Operational Report for June 2018. There were no OSHA recordable accidents, and no NERC/WECC or permit violations. There was one forced outage which occurred on 6/20. The outage was caused when PG&E hit a gas line during construction. The outage was restored by the next day. There are no changes to the 2018 outage schedule.

The operational report reflected monthly production of 35,347 MWH, 165 service hours, and equivalent operating availability of 100%. The report set for the Capacity Factor @ 280MW Pmax of 17.5% and 302MW Pmax of 16.3%. There were 0 hot starts, 14 warm starts, and 3 cold starts during the month.

4. Market Data Report for June 2018

Mike Whitney presented the operating and financial settlement results for the month. LEC was committed to CAISO 18 out of 30 available days. Mike reminded the Committee that June was the last month of the RAAM advisory period, and that incentive payments and penalties are now active. Ken Speer asked why Flexible Performance was not at 100% for the month. Mike explained that this was a result of the outage which occurred when PG&E damaged a pipeline. The outage was tagged as Ambient Temp D-Rate. Ken Goeke said he would investigate further into how the outage was classified. Most startups were for shorter runs in the month of June.

5. Monthly Asset Report

Mike DeBortoli presented the monthly asset report for May 2018. Mike reported that revenues were down versus forecast, and that the plant did not run often, which resulted in a net reduction in revenues; this was in part due to milder temperatures in the month of May. Mike reviewed the monthly historical comparisons as well as the 12-month history.

6. Bidding Strategies Report

Ken Goeke presented the Bidding Strategies Report for June 2018. Ken reviewed bidding and calculating net start-up costs. Ken reviewed DA and RT net revenues over the month with the Committee. Ken also reviewed the July revenues to date; it appears July is starting out stronger, with most revenues being earned in DA.

Consent Calendar (Items 7 – 14)

The consent calendar was considered. Mr. Chiang asked if any Participant wished to have any item removed for separate discussion. Mike DeBortoli requested that Item 10 (Eaton Corporation MTGSA) be removed from the Consent calendar and presented in the August LEC PPC meeting, as there were some mistakes in the agreement which needed to be correct prior to presenting it to the Committee. Mr. Chiang 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: 7/9/2018

Motion: The PPC approves the Consent Calendar items consisting of agenda items no. **7.** Treasurer's Report for June 2018; **8.** Financial Reports for June 2018; **9.** GHG Reports excerpted from monthly ARB; ~~**10.** Eaton Corporation MTGSA~~

not to exceed \$500,000 for electrical services, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **11.** Industrial Air Flow Dynamics, Inc. MTGSA not to exceed \$4,000,000 for expansion joints, penetration seals, and HRSG related maintenance services, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **12.** Dynamic Ratings, Inc. MTPSA not to exceed \$500,000 for instrument and predictive maintenance services, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, or SCPPA Members; **13.** Tetra Engineering Group, Inc. MTGSA not to exceed \$1,000,000 for inspections related to HRSG, power piping, and engineering consulting services, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **14.** WAPA Maintenance Agreement Extension not to exceed \$1,000,000 for transmission line, transformer, and substation circuit breaker maintenance, for use at all facilities owned and/or operated by NCPA.

Moved by: CDWR
Seconded by: Modesto

Discussion: Eaton pulled, will be presented next month.

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	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	6	82.4001%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	17.5999%
Result:	Motion passed.	

BUSINESS ACTION ITEMS

NONE

CLOSED SESSION

15. Adjourned to Closed Session

The PPC adjourned to Closed Session at 10:29 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 10:40 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. 2019 NCPA Outage Schedule

Staff presented the proposed 2019 Outage Schedule to the Committee to review and discuss. LEC is targeting April for their outage again. The 2019 outage will include the generator control system upgrade; the plant will be down for the duration of this work (likely all of April). Staff explained that April is a good month from an energy price perspective. One of the challenges with an April outage is that will overlap with a proposed major outage at NCPA's Geothermal plant.

The outage schedule was presented as informational-only. Staff plans to bring the outage back to the LEC PPC for approval in the August meeting.

17. Additional Operational Updates

Mike DeBortoli updated the Committee on the damaged transformer. NCPA had a call with GE to discuss the initial findings from their investigation. GE is still working on a full report, which they should have submitted to NCPA by the end of the month. Based on their initial investigation, the transformer will likely need to be replaced; because this transformer is not a common size, it is unlikely that a used or refurbished transformer will be available. NCPA staff are currently putting together a bid package for the replacement. Staff hopes to know more, including cost and time frame for replacement, by the August LEC PPC meeting.

Adjournment

The next regular meeting of the PPC is scheduled for Monday, August 13, 2018 at 10:00 AM.

The meeting was adjourned at 10:49 AM.

Submitted by: Michelle Schellentrager