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LEC PPC Meeting Minutes

Date: August 13, 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 10:00 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 - Alqaser	Present	33.5000%
Gridley - Borges	Absent	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Price	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	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
Summary		
Present	6	82.4001%
Absent	7	17.5999%
Quorum by #:	No	
Quorum by GES:	Yes	
Meeting Date:	August 13, 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 July 9, 2018 Regular Meeting were considered. The LEC PPC considered the following motion:

Date: 8/13/2018

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

Moved by: CDWR

Seconded by: Biggs

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	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	

MONTHLY REPORTS

3. Operational Reports for July 2018

Jeremy Lawson presented the Operational Report for July 2018. There were no OSHA recordable accidents, no NERC/WECC or permit violations, and no forced outages. There was a brief outage on July 19th when Siemens was conducting flex fire testing. There are no changes to the 2018 outage schedule.

The operational report reflected monthly production of 172,943 MWH, 663 service hours, and equivalent operating availability of 100%. The report set for the Capacity Factor @ 280MW Pmax of 83% and 302MW Pmax of 77%. There were 0 hot starts, 6 warm starts, and 0 cold starts during the month.

4. Market Data Report for July 2018

Mike Whitney presented the operating and financial settlement results for the month. LEC was committed to CAISO 31 out of 31 available days. Most startups were for long-term runs in the month of July. The Plant earned RA incentive payments of \$16.7k for Generic RA and \$6.5k for Flexible RA. The LEC had a record month for revenues, with a total of \$4.8mm (the previous record for the month of July was \$2.1mm).

5. Monthly Asset Report

Mike DeBortoli presented the monthly asset report for June 2018. Mike reported that June saw strong revenues, although variable costs were not in line with budget amount. Mike reviewed the factors which contributed to the increased costs. Mike reviewed the monthly historical comparisons as well as the 12-month history.

6. Bidding Strategies Report

Bernard Erlich presented the Bidding Strategies Report for July 2018. Bernard reviewed bidding and calculating net start-up costs. Bernard reviewed DA and RT net revenues over the month with the Committee.

Consent Calendar (Items 7 – 19)

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: 8/13/2018

Motion: The PPC approves the Consent Calendar items consisting of agenda items no. **7.** Treasurer's Report for July 2018; **8.** Financial Reports for July 2018; **9.** GHG Reports excerpted from monthly ARB; **10.** Titan Crane & Rigging

MTGSA not to exceed \$500,000 for trucking and crane services, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **11.** Eaton Corporation MTGSA not to exceed \$2,000,000 for electrical services, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **12.** Montrose Air Quality Services, LLC MTCSA not to exceed \$250,000 for rata, source and emissions testing, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, or SCPPA Members; **13.** KW Emerson, Inc. MTGSA not to exceed \$1,000,000 for maintenance services, including earthwork, asphalt patching, utility easement work, and minor road and tunnel maintenance, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **14.** Danick Mechanical MTGSA not to exceed \$1,000,000 for T&M maintenance services, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **15.** Tetra Engineering Group, Inc. MTPSA 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; **16.** Electrical Maintenance Consultants MTGSA not to exceed \$2,000,000 for electrical related services, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **17.** Pengo Wirelines of California MTPSA not to exceed \$750,000 for downhole wirelines services, for use at all NCPA Generation Services facilities; **18.** PMOA Schedule 1.00, Exhibit 5 update to reflect the current CAISO GMC rates; **19.** 2019 LEC Outage Schedule for LEC

Moved by: Lodi
Seconded by: CDWR

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	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

20. NCPA Wildfire Mitigation

Ron Yuen gave background on the NCPA Wildfire Mitigation Plan. On January 1, 2017, Public Utilities Code 8387 was passed, requiring publicly owned electric utilities and electric cooperatives to adopt a board-approved plan that describes mitigation measures to minimize wildfire risk of their electric lines and equipment.

Ron summarized the method used by NCPA to identify high risk areas. NCPA used Tree Mortality Zone maps in conjunction with CPUC Fire Threat maps. Currently, no LEC facilities are in high risk wildfire areas.

Ron reviewed the mitigation measure put into place. NCPA’s Wildfire Mitigation Plan will consist of polices which NCPA had previously put into place, including its Vegetation Management Policy (NCPA-GS-305), and a number of Operations and Maintenance Safe Practice procedures, including NCPA’s Hot Work Procedure (NCPA-GS-111), Welding Safety Procedure (NCPA-GS-115), and Electric Safety Procedure (NCPA-GS-103).

Ron explained that there was no immediate fiscal impact, and no environmental review would be required. The Commission would be responsible for reviewing and approving the plan, including any necessary revision. Ron outlined some of the potential causes for future revisions, including changes to the wildfire risk area or regularly requirements.

The LEC PPC considered the following motion:

Date: 8/13/2018

Motion: The PPC approves the Wildfire Mitigation Plan as required by the Public Utilities Code 8387, as it applies to the NCPA LEC facility.

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%
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Vote Summary		
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Total Abstain	0	0.0000%
Total Absent	7	17.5999%
Result:	The Motion Passed	

CLOSED SESSION

21. Adjourned to Closed Session

The PPC adjourned to Closed Session at 11:10 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 11:22 AM the Committee returned to Open Session. General Counsel Jane Luckhardt advised that no reportable action was taken during the Closed Session.

INFORMATIONAL ITEMS

22. LEC CT Main Transformer Update

Aaron Werner presented an update to the Committee on the status of the CT Main Transformer. The history of the chain of ownership of the current transformer was reviewed, as well as the service history. There was a comprehensive inspection in 2013, similar in scope to the latest inspection, and while elevated gas levels were recorded in 2013, no findings or damage was

found. In the latest inspection, there was clear damage to the unit, indicating a core shift/rotation, as well as insulation damage. There were also increasing levels of gases recorded. Photos of damage found in the latest inspection were shared with the Committee.

NCPA staff has been working with GE, and have reviewed potential causes. GE was unable to confirm any causes, although they made a number of suggestions.

Aaron reviewed the options for repair with the Committee. While the idea of refurbishing the current unit is appealing from a cost-standpoint, he cautioned that there is the potential that opening the unit up for repairs could cause the current issues to become worse, or even cause irreparable damage to the unit. Renting a unit would also not be a viable solution.

Staff is recommending that the unit be replaced. While staff is not currently seeking a formal motion, they would like the general consensus of the Committee to explore the option of replacement of the unit. The estimated cost for a replacement unit would be around \$2mm, not including additional funds for installation. The lead-time for a replacement would likely be one year, possibly longer.

The Committee agreed that staff could move forward with obtaining estimates for replacement of the unit, on the condition that this would not commit us to move forward with this plan, and that staff would bring this back to the Committee for formal approval prior to moving forward.

23. Additional Operational Updates

There were no additional operational updates at this time.

Adjournment

The next regular meeting of the PPC is scheduled for Monday, September 10, 2018.

The meeting was adjourned at 11:23 AM.

Submitted by: Michelle Schellentrager