

**Lodi Energy Center**  
**Project Participant Committee Regular Meeting**  
**September 11, 2017 - MEETING MINUTES**  
 Location: Lodi Energy Center  
 12745 N. Thornton Rd, Lodi CA 95242  
 and by teleconference  
 10:00 A.M.

**1. Call Meeting to Order and Roll Call**

The PPC meeting was called to order at 10:00 a.m. by Chairman George Morrow. He asked that roll be called for the Project Participants as listed below. Silicon Valley Power joined at 10:34 A.M.

<b>PPC Meeting Attendance Summary</b>		
<b>Participant</b>	<b>Attendance</b>	<b>Particulars / GES</b>
Azusa - Morrow	Present	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Sorenson	Present	0.2679%
CDWR - Yarbrough	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%
<b>Summary</b>		
Present	7	85.1858%
Absent	6	14.8142%
Quorum by #:	Yes	
Quorum by GES:	Yes	
Meeting Date:	September 11, 2017	

**Public Forum**

Chairman Morrow 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 of the regular meeting held on August 14, 2017 and the draft minutes of the special meeting held on August 29, 2017 were considered. The LEC PPC considered the following motion:

**Date:** 9/11/2017

**Motion:** The PPC approves the minutes of the August 14, 2017 Regular Meeting and the August 29, 2017 Special Meeting as presented or *including any edits discussed at today's meeting.*

**Moved by:** MID

**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	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	Abstain	2.6679%
Silicon Valley Power	Absent	25.7500%
Ukiah	Absent	1.7857%
<b>Vote Summary</b>		
Total Ayes	5	56.7679%
Total Noes	0	0.0000%
Total Abstain	1	2.6679%
Total Absent	7	40.5642%
Result:	Motion Passed	

**MONTHLY REPORTS**

**3. Operational Reports for August 2017**

Mike DeBortoli presented the Operational Report for June. There were no OSHA recordable accidents, and no NERC/WECC violations. There were 4 outages, which Mike reviewed with the

Committee. Mike also gave an update on the Water Availability Issue. The City of Lodi is building a ground water recharge pond which they will be able to use in the future to deliver water to LEC as back up. Mike noted that the pond will be out in the open and untreated. It will have a storage capacity of roughly 48 days of water for LEC at maximum rate of consumption.

The operational report reflected monthly production of 66,184 MWH, 290 service hours, and equivalent operating availability of 99.5%. The report set for the Capacity Factor @ 280MW Pmax of 31.8% and 302MW Pmax of 29.5%. There were four hot starts, sixteen warm starts, and four cold starts during the month.

#### **4. Market Data Report for August 2017**

Mike Whitney presented the operating and financial settlement results for the month. LEC was committed to CAISO 24 out of 31 available days.

#### **5. Monthly Asset Report for July 2017**

Mike DeBortoli presented the monthly asset report for July 2017. Mike reported that July 2017 revenues aligned with budget and were below forecast. Mike reviewed the monthly historical comparisons as well as the 12-month history. Mike also included LEC Overtime chart, as requested in the previous LEC PPC meeting.

#### **6. Bidding Strategies Report**

Ken Goeke reviewed the monthly Bidding Strategies data for August 2017. Ken reviewed bidding and calculating net start-up costs. There were periods of high heat at the beginning and end of the month, which resulted in very high daily margins. Ken reported that daily data results are available for review on the LEC PPC extranet site. Ken reiterated that the data contained in the reports should be considered confidential, as it contains bidding strategies.

#### **Consent Calendar (Items 7 – 13)**

The consent calendar was considered. Chairman Morrow asked if any Participant wished to have any item removed for separate discussion. Monty Hanks requested that Items 7-9 be pulled and added to Consent Calendar in the October LEC PPC meeting, as the Labor Day holiday meant Accounting was unable to gather the reports. All those present agreed. Chairman Morrow then asked if any Participant wished to abstain from one or more items on the Consent Calendar. PWRPA asked to abstain. The LEC PPC considered the following motion:

**Date:** 9/11/2017

**Motion:** The PPC approves the Consent Calendar items consisting of agenda items no. 10. Ethos Energy Power Plant Services, LLC five year Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies not to exceed \$1,500,000 for inspections, maintenance, and parts refurbishment for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; 11. 2018 LEC Outage Schedule; 12. PMOA Schedule 1.00, Exhibit 2 update to VOM with FY 2018 costs; 13. PMOA Schedule 6.00 updating Primary LEC PPC Representative to CDWR.

**Moved by:** Lodi  
**Seconded by:** MID

Discussion: Pull items 7-9; include on October LEC PPC Consent Calendar

<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	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	Abstain	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
<b>Vote Summary</b>		
Total Ayes	6	82.5179%
Total Noes	0	0.0000%
Total Abstain	1	2.6679%
Total Absent	6	14.8142%
Result:	Motion Passes	

**BUSINESS ACTION ITEMS**

None

**INFORMATIONAL ITEMS**

**14. Update on NCPA Policy on Revenue Allocation**

James Takehara presented an update to the Committee on the revenue allocation issue. The final proposal was presented to the UD's on June 15<sup>th</sup>, and was well received. The UD's recommended bringing it before the Commission in the August meeting.

James gave an updated on the potential implementation timeline. As the FY18 budget has already been prepared and approved, staff is recommending addressing revenue allocation to non-Members during the FY18 budget true up at the end of the year.

James explained that revenues will be mapped based on services being provided. He cautioned that Committee members may see a different proportion allocated to them from contract to contract as a result (future allocations may change).

James does not anticipate having any updates for the August LEC PPC meeting, but will likely have an update for the September LEC PPC meeting (after the August Commission Meeting).

**15. Additional Operational Updates**

Ken Speer gave a summary update on the LEC gas transportation issue. NCPA filed a petition for modification to the rate structure in June. NCPA has asked the CDC to consider greenhouse gas production prior to making future rate decisions.

Ken has met with PG&E to negotiate a special rate for LEC. PG&E appeared receptive at these meetings; Ken anticipates it will take about 2 months to negotiate a rate. Ken explained the rate proposal to the LEC PPC Committee.

Ken also gave the Committee background on the 19 Rate Case that PG&E just filed. The main drivers for this new Rate Case are new regulations for gas storage facilities that have come out of the Dogger Regulations. PG&E is proposing a shift to have 20% of storage costs covered by their core customers, with the remaining 70% to be covered by the backbone. Additionally, PG&E is proposing daily balancing, as opposed to monthly balancing.

**Adjournment**

The next regular meeting of the PPC is scheduled for Monday, October 9, 2017.

The meeting was adjourned at 10:42 A.M.

Submitted by: Michelle Schellentrager