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# LEC PPC Meeting Minutes

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**Date:** October 8, 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

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## 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.

<b>PPC Meeting Attendance Summary</b>		
<b>Participant</b>	<b>Attendance</b>	<b>Particulars / GES</b>
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	Absent	2.6679%
SVP - Hance	Absent	25.7500%
Ukiah - Grandi	Absent	1.7857%
<b>Summary</b>		
Present	5	56.7679%
Absent	8	43.2321%
Quorum by #:	No	
Quorum by GES:	Yes	
Meeting Date:	October 8, 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 September 10, 2018 Regular Meeting were considered. The LEC PPC considered the following motion:

**Date:** 10/8/2018

**Motion:** The PPC approves the minutes from the September 10, 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.

<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	Absent	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	0	0.0000%
Total Absent	8	43.2321%
Result:	Motion Passed	

## **MONTHLY REPORTS**

### **3. Operational Reports for September 2018**

Jeremy Lawson presented the Operational Report for September 2018. There were no OSHA recordable accidents, and no NERC/WECC or permit violations. There was one outage which occurred during shutdown operations on September 9<sup>th</sup>. This outage was caused by a turning gear failure, which caused the unit to lock out temporarily. The outage lasted approximately 92 hours. There are no changes to the 2018 outage schedule.

The operational report reflected monthly production of 77,573 MWH, 316 service hours, and equivalent operating availability of 88.3%. The report set for the Capacity Factor @ 302MW Pmax of 35.7%. There was 1 hot start, 13 warm starts, and 1 cold start during the month.

### **4. Market Data Report for September 2018**

Zakary Liske presented the operating and financial settlement results for the month. LEC was committed to CAISO 22 out of 30 available days. The three-day outage which started on September 9 resulted in RAIM penalties (\$51,227 for Generic RA, and \$900 for Flexible RA). Most startups were for mid-term runs of 6-11 hours, with only seven days of 24-hour runs in the month of September.

### **5. Monthly Asset Report**

Jeremy Lawson presented the monthly asset report for August 2018. Jeremy reported that revenues were below forecasted amounts, due to the fact that the plant did not run as much as anticipated. Jeremy reviewed the monthly historical comparisons as well as the 12-month history. Despite less runtime, August 2018 still had the second highest revenues for that month in the history of the plant.

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

Jesse Shields presented the Bidding Strategies Report for September 2018. Jesse reviewed bidding and calculating net start-up costs. Jesse reviewed DA and RT net revenues over the month with the Committee. Jesse noted that prices were down in the days after the forced outage.

### **Consent Calendar (Items 7 – 10)**

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:

**Motion:** The PPC approves the Consent Calendar items consisting of agenda items no. **7.** Treasurer's Report for September 2018; **8.** Financial Reports for September 2018; **9.** GHG Reports excerpted from monthly ARB; **10.** WSA Engineered Systems MTGSA not to exceed \$1,000,000 for equipment, materials, and off-site maintenance labor of automatic brush/ball tube cleaning systems, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members.

Moved by:  
Seconded by:

Azusa  
CDWR

Discussion: There was not 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	Absent	25.7500%
Ukiah	Absent	1.7857%
<b>Vote Summary</b>		
Total Ayes	6	59.4358%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	40.5642%
Result:	Motion Passes	

## **BUSINESS ACTION ITEMS**

NONE

## **CLOSED SESSION**

### **11. Adjourned to Closed Session**

The PPC adjourned to Closed Session at 10:33 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 10:43 am, the Committee returned to Open Session. General Counsel Jane Luckhardt advised that no reportable action was taken during the Closed Session.

## **INFORMATIONAL ITEMS**

### **12. FY18 Annual Billing Settlements**

Sondra Ainsworth presented information on the FY2018 annual billing statement preliminary results. The main driver in the increased settlements was the higher generation the fiscal year. Detailed O&M, Labor, Project, and other costs were presented to the Committee. Sondra reminded the Committee that the Natural Gas Transfer Credit (approximately \$2.33mm) was applied to offset the excess O&M, as directed by the Committee earlier in the year.

Sondra shared net projected refund amounts for all LEC participants. Sondra also outlined why some participants may not be receiving a refund.

Sondra shared next steps with the Committee. Accounting will bring this back for approval at the November 5<sup>th</sup> LEC PPC meeting. It will then be presented for approval at the November 29<sup>th</sup> Commission Meeting. Member LEC Participants can expect to see any refunds included in the annual agency billing settlements. Non-Member LEC Participants can expect to see any refunds in the December or January processing of the ARB.

### **13. Additional Operational Updates**

Scott Sexton shared an information presentation with the Committee about the City of Lodi's White Slough waste water treatment facility Ground Water Recharge Project. This project is being funded by grants offered via Proposition 84, which was approved by voters in 2006. Scott presented some background on the project, including estimated costs. At its completion, this water storage facility will have a total storage capacity of 300 acre feet, or 97,755,391 gallons.

LEC has had issues in the past with waste water shortages. LEC staff see this new water storage as a potential method for LEC to continue to receive water deliveries during shortage periods (essentially acting as a backup water supply when the regular water treatment facility is unable to deliver water). When there have been water shortage issues in the past, LEC has been forced to shut down the plant.

Scott was clear with the Committee that LEC staff does not have all the details on the operating limits or parameters for this backup water storage. It is also unclear what (if any) costs there may be for LEC in order for the plant to tap into this storage system in the future. Furthermore, any water that LEC might use from this water storage system would have to be run back through the UV treatment at the White Slough waste water treatment plant, as NCPA is unable to accept untreated water.

LEC staff will continue to update the Committee as more information about this project becomes available.

### **Adjournment**

The next regular meeting of the PPC is scheduled for Monday, November 5, 2018 at 10:00 am.

The meeting was adjourned at 11:03 am.

Submitted by: Michelle Schellentrager