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# LEC PPC Meeting Minutes

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**Date:** Monday, November 7, 2022

**Time:** 10:00 a.m. Pacific Standard Time

**Location:** Lodi Energy Center –via teleconference

**Subject:** Lodi Energy Center Project Participant Committee Meeting

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## 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 10:00 a.m. by Chairman Burk. He asked that roll be called for the Project Participants as listed below.

PPC Meeting Attendance Summary		
Participant	Attendance	Particulars / GES
Azusa - Torres	Present	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Schmidt	Present	0.2679%
CDWR - Burk	Present	33.5000%
Gridley - Wagner	Absent	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Chiang	Present	9.5000%
Lompoc - McDonald	Present	2.0357%
MID - Costalupes	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Bradley	Present	2.6679%
SVP - Wong	Present	25.7500%
Ukiah -	Absent	1.7857%
<b>Summary</b>		
Present	8	87.2215%
Absent	5	12.7785%
Quorum by #:	Yes	
Quorum by GES:	Yes	
Meeting Date:	November 7, 2022	

## **Public Forum**

Chairman Burk 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 October 10, 2022 Regular Meeting were considered. The LEC PPC considered the following motion:

**Date:** 11/07/2022

**Motion:** The PPC approves the minutes from the October 10, 2022 Regular Meeting.

**Moved by:** Lodi

**Seconded by:** SVP

Discussion: 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	Yes	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	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%
<b>Vote Summary</b>		
Total Ayes	9	89.1858%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	4	10.8142%
Result: Motion Passes		

## **MONTHLY REPORTS**

### **4. Operational Report for October 2022**

Ryan Johnson presented the Operational Report for October. There were no OSHA recordable accidents, no NERC/WECC or permit violations, and 1 forced outage. There are no changes to the 2023 outage schedule.

The operational report reflected monthly production of 100,920 MWH, 413 service hours, and equivalent operating availability of 100%. The report set for the Capacity Factor @ 302MW Pmax of 44.9%. There were 1 hot starts, 2 warm starts, and 3 cold starts during the month.

### **5. Bidding Strategies Report**

Jesse Shields presented the Bidding Strategies Report for October 2022. Jesse reviewed bidding and calculating net start-up costs. Jesse reviewed DA and RT net revenues over the month with the Committee.

### **6. Market Data Report for October 2022**

Bob Caracristi presented the operating and financial settlement results for the month. LEC was committed to CAISO 19 out of 31 available days. Most startups were for mid to long-term runs, with 11 24-hour runs in the month of October.

### **7. Monthly Asset Report**

Rafael Santana presented the monthly asset report for September 2022. Rafael reviewed the actual vs budget costs. Rafael reviewed the monthly historical comparisons as well as the 12-month history.

## **Consent Calendar (Items 8 – 16)**

The consent calendar was considered. Chairman Burk 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:** 11/07/2022

**Motion:** The PPC approves the Consent Calendar items consisting of agenda items no.: The PPC approves the Consent Calendar items consisting of agenda items no.: **8.** Treasurer's Report for September 2022; **9.** Financial Report for September 2022; **10.** GHG Reports (excerpted from the Monthly ARB); **11.** Resolution 2022-15 to proclaim that a local emergency persists in the City of Santa Clara and in the Modesto Irrigation District, re-ratify the Proclamation of a State of Emergency issued by Governor Gavin Newsom on March 4, 2020, and authorize the continuation of remote teleconference meetings of the Lodi

Energy Center Project Participant Committee for a period of November 7, 2022, through December 7, 2022, pursuant to the Ralph M. Brown Act (Brown Act); **12.** TNT Industrial Contractors, Inc. MTGSA for general T&M maintenance services, not to exceed \$2,000,000 over five years, for use at all facilities owned and/or operated by NCPA, Members/SCPPA; **13.** Performance Mechanical, Inc. MTGSA for general T&M maintenance services, not to exceed \$4,000,000 over five years, for use at all facilities owned and/or operated by NCPA, Members/SCPPA; **14.** NorCal Power Services, LLC First Amendment to MTGSA for electrical maintenance related services, increasing the not to exceed from \$500,000 to \$1,500,000 and amending Exhibit B - Compensation Schedule and Hourly Fees,, for continued use at all facilities owned and/or operated by NCPA, Members/SCPPA; **15.** Approval of updates to PMOA Schedule 1.00, Exhibit 5 CAISO Charges; **16.** Approval of the FY2022 Annual Billing Settlements for the period of July 1, 2021 through June 30, 2022.

**Moved by:** Gridley  
**Seconded by:** Lompoc

Discussion: 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	Yes	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	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	9	89.1858%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	4	10.8142%
Result:	Motion Passes	

## **BUSINESS ACTION ITEMS**

### **17. 2023 LEC Spring Outage**

Rafael Santana presented on the proposed 2023 spring outages. Planned outages to include January 1, 2023 through January 12, 2023 and April 01, 2023 through April 30, 2023. There was discussion on the necessity for the January outage but it was determined the extra time and opportunity to determine issues that may be addressed in April outage would be beneficial. The members moved to vote on the outage schedule.

**Date:** 11/07/2022

**Motion:** The PPC approves the LEC 2023 January Outage and Spring Outage and delegate authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the outages in accordance with NCPA Purchasing Policies and Procedures without further approval by the Commission, for a total cost not to exceed \$3,740,362.

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

Discussion: 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	Yes	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	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%
<b>Vote Summary</b>		
Total Ayes	9	89.1858%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	4	10.8142%
Result:	Motion Passes	

**18. Appointment of a New Chairperson for LEC PPC Committee**

Election of new Chairperson to conduct the business of the LEC Project Participant Committee.

**Date:** 11/7/2022

**Motion:** The PPC approves election of Brock Costalupes to serve as the new Chairperson of the LEC Project Participant Committee to conduct the business of the PPC pursuant to the Power Sales Agreement and the Project Management and Operations Agreement.

**Moved by:** CDWR

**Seconded by:** SVP

**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	Yes	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	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	9	89.1858%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	4	10.8142%
Result:	Motion Passes	

**19. Appointment of a New Vice Chairperson for LEC PPC Committee**

Election of a new Vice Chairperson to conduct the business of the LEC Project Participant Committee.

**Date:** 11/7/2022

**Motion:** The PPC approves the election of Basil Wong to serve as the new Vice Chairperson of the LEC Project Participant Committee to conduct the business of the PPC pursuant to the Power Sales Agreement and the Project Management and Operations Agreement.

**Moved by:** CDWR  
**Seconded by:** PWRPA

**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	Yes	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	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	9	89.1858%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	4	10.8142%
Result:	Motion Passes	

**20. PG&E Negotiated Gas Transmission Rate Agreement**



Jeremy Lawson on the PG&E Negotiated Gas Transmission Rate Agreement Extension to get member feedback. Jeremy shared that the current negotiated rates expire on December 31, 2022 and PG&E's delays have caused a push back of new rates until the end of 2023. Unless there is an agreement for a negotiated rate then, beginning January 1, 2022 until there is an implementation of the new rate, LEC will resume an uncompetitive default rate structure. The staff recommended that the Lodi Energy Center Project Participant Committee delegate authority to the General Manager or his designee to negotiate and execute an extension of some form of the Negotiated Gas Transmission Rate Agreement executed in 2019 between NCPA and PG&E. The extension would fill the gap between the currently scheduled termination date and the implementation of the new rate case filed by PG&E. The Project Participant Committee discussed this option and motioned to vote with the adjustment of language to "...negotiate and execute an extension of the Negotiated Gas Transmission Rate Agreement executed in 2019 between NCPA and PG&E, not to exceed the proposed 2023 volumetric rate." This language provides an upper limit to the rate, not previously noted and provides more concise verbiage for agreement.

**Date:** 11/7/2022

**Motion:** The PPC approves the recommendation delegating authority to the General Manager or his designee to negotiate and execute an extension of the Negotiated Gas Transmission Rate Agreement executed in 2019 between NCPA and PG&E, not to exceed the proposed 2023 volumetric rate.

**Moved by:** SVP  
**Seconded by:** CDWR

**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	Yes	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	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	9	89.1858%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	4	10.8142%
Result:	Motion Passes	

## **INFORMATIONAL ITEMS**

### **21. Reserve and Security Deposit Policies Study**

Sondra Ainsworth provided an updated draft recommendation of the deposit and reserve study. Sondra requested feedback from the committee to determine the best way to move forward. Committee requested information on decommission contingency which will be addressed in a future PPC meeting. The committee decided to provide direction in continuing forward with the current methodology and potentially adding on to that with the decommissioning contingency.

### **22. Additional Operational Updates**

Mike DeBortoli reported on the federal and state funding for the Hydrogen projects. California will be applying for funding as a single applicant. Concept paper draft was reviewed last week and the applications are due today. Current planning shows LEC having a prominent role the electrical hub for hydrogen.

Mike DeBortoli also reported on the well reservoir acquisition. The well that is in consideration to be studied for hydrogen is on land that is for sale. The land is listed for \$4.2 million. NCPA is in contact with potential buyers to propose a lease agreement allowing the agency to conduct the well reservoir study.

### **Adjournment**

The next regular meeting of the PPC is scheduled for Monday, December 12, 2022 at 10:00 a.m. Pacific Standard Time.

The meeting was adjourned at 11:46 a.m.

Submitted by: Danielle King