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LEC PPC Meeting Minutes

Date: March 9, 2020

Time: 10:00am

Location: Lodi Energy Center – 12745 N. Thornton Rd, Lodi, CA 95242 and by teleconference

Subject: Lodi Energy Center Project Participant Committee Meeting

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 10:00am by Chairman Jiayo Chiang. He asked that roll be called for the Project Participants as listed below.

PPC Meeting Attendance Summary		
Participant	Attendance	Particulars / GES
Azusa - Robledo	Present	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Sorenson	Present	0.2679%
CDWR - Alqaser	Present	33.5000%
Gridley - Borges	Present	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Chiang	Present	9.5000%
Lompoc - Singh	Absent	2.0357%
MID - Costalupes	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Bradley	Present	2.6679%
SVP - Wong	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
Summary		
Present	8	87.1501%
Absent	5	12.8499%
Quorum by #:	Yes	
Quorum by GES:	Yes	

Meeting Date:	March 9, 2020
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Public Forum

Chairman 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.

3. Meeting Minutes

The draft minutes from the January 6, 2020 and February 10, 2020 Regular Meetings and January 24, 2020 and February 19, 2020 Special Meetings were considered. The LEC PPC considered the following motion:

Date: 3/9/2020
Motion: The PPC approves the minutes from the January 6, 2020 and February 10, 2020 Regular Meetings, and January 24, 2020 and February 19, 2020 Special Meetings.

Moved by: CDWR
Seconded by: MID

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	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	8	87.1501%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	5	12.8499%

MONTHLY REPORTS

4. Operational Reports for February 2020

Rafael Santana presented the Operational Report for February 2020. There were no OSHA recordable accidents, no NERC/WECC or permit violations, and the forced outage from January 16, 2020 continues. Rafael mentioned the CT Transformer replacement is on track for May 2020 and the CT major outage is scheduled for 2022/2023.

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

5. Market Data Report for January 2020

Zackary Liske presented the operating and financial settlement results for the month. LEC was committed to CAISO 0 out of 0 available days. There were no startups in the month of February, due to the January 2020 forced outage.

6. Monthly Asset Report

Michael DeBortoli presented the monthly asset report for January 2020. Michael mentioned the month of January was good until the forced outage on January 16, 2020.

7. Bidding Strategies Report

Ken Geoke mentioned, due to the January 2020 forced outage, there was no update or presentation for the Bidding Strategies Report for February 2020. When LEC returns online, they will continue to review bidding and calculating net start-up costs, along with DA and RT net revenues over the month with the Committee.

Consent Calendar (Items 8-13)

The consent calendar was considered. Chairman Chiang 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: 3/9/2020

Motion: The PPC approves the Consent Calendar items consisting of agenda items no.:
8. Treasurer's Report for January 2020; **9.** Financial Report for January 2020;

10. GHG Reports (excerpted from the Monthly ARB); **11.** Integrity Inspections, LLC MTGSA for specialty mechanical and inspection services, not to exceed \$500,000 over five years, for use at all NCPA facilities and Members/SCPPA; **12.** Hunt & Sons, Inc. MTEMS for purchase and delivery of diesel fuel, propane, and other oils and lubricants, with a not to exceed of \$500,000, for use at all NCPA facilities; **13.** Coffman Engineers, Inc. MTPSA for fire protection, mechanical, electrical, and civil engineering services, with a not to exceed of \$1,000,000, for use at all NCPA facilities and Members/SCPPA.

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	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	8	87.1501%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	5	12.8499%
Result:	Motion Passes	

BUSINESS ACTION ITEMS

14. Lodi Energy Center FY21 Annual Budget

Monty Hanks reviewed the proposed FY21 annual budget with a PowerPoint presentation and discussed the budget process and timeline. Monty discussed the challenges with market pricing, insurance increases and plant O&M projects, capital projects and maintenance reserve.

The PPC considered the following motion:

Date: 3/9/2020
Motion: The PPC approves the Lodi Energy Center FY21 Annual Budget.

Moved by: Lodi
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	Absent	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Yes	2.6679%
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Ukiah	Absent	1.7857%
Vote Summary		
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Total Abstain	0	0.0000%
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Result:	Motion Passes	

15. Lodi Energy Center Spring Outage

Michael DeBortoli presented a PowerPoint outlining the scope of work, cost, and recommendation for the Spring 2020 outage. Chairman Jiayo Chiang confirmed this is the

planned May 2020 outage. Vice Chairman Ghassan AlQaser wanted to know how the forced outage and planned outages were scheduled. Michael mentioned it will be a careful balance to schedule the install of the new gas turbine and switch out the transformer. The PPC considered the following motion:

Date: 3/9/2020

Motion: The PPC approves the Lodi Energy Center 2020 Spring Outage, and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the outage in accordance with NCPA Purchasing Policies and Procedures without further approval by the Commission, for a total cost not to exceed \$2,060,000.

Moved by: CDWR

Seconded by: MID

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%
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Ukiah	Absent	1.7857%
Vote Summary		
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Total Abstain	0	0.0000%
Total Absent	5	12.8499%
Result:	Motion Passes	

INFORMATIONAL ITEMS

16. Lodi Energy Center Unit Outage Update

Michael DeBortoli updated the Committee with the latest information on the status of the forced LEC outage. The Siemens Energy, Inc. contract for the purchase of the new F4 model gas turbine is complete. The next step is the approval from the San Joaquin Valley Air Pollution Control District to replace the F3 model gas turbine with the available F4 model.

Monty Hanks presented the AEGIS insurance letter to the Committee that indicated the property damage deductible exception for a turbine/generator unit for the forced outage is a \$1 Million and not the standard \$500,000 deductible for property damage.

Monty also proved the AIG insurance letter stating they are the recovery agents for Lexington Insurance Company and our carrier intends to pursue a subrogation action against any responsible party(s). The Committee will decide whether to include the deductible in the subrogation or not by the end of March 2020. Jane Luckhardt mentioned a motion would need to be created if the Committee wants to stay in the subrogation. No motion made.

17. Additional Operational Updates

Gordon Lloyd presented a PowerPoint presentation regarding the root cause failure analysis (RCFA), performed by Tetra Engineering, about the November 21, 2019 forced outage. The determination of the HRH pipe leak and failure was a poor pipe install, which caused a butt weld to rub on the pipe.

Adjournment

The next regular meeting of the PPC is scheduled for Monday, April 6, 2020 at 10:00am.

The meeting was adjourned at 10:55am.

Submitted by: Melissa Conrad