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LEC PPC Meeting Minutes

Date: Monday, September 12, 2022

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

Location: via teleconference

Subject: Lodi Energy Center Project Participant Committee Meeting

1. Review Safety Procedures

Due to continued remote teleconference meetings, Safety Procedures were not formally reviewed.

2. Call Meeting to Order and Roll Call

The PPC meeting was called to order at 10:00 a.m. Pacific Standard Time by Chairman Deane Burk. He asked that roll be called for the Project Participants as listed below.

PPC Meeting Attendance Summary		
Participant	Attendance	Particulars / GES
Azusa - Torres	Absent	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Schmidt	Present	0.2679%
CDWR - Burk	Present	33.5000%
Gridley - Wagner	Present	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Chiang	Present	9.5000%
Lompoc - McDonald	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 -	Absent	1.7857%
Summary		
Present	7	84.3644%
Absent	6	15.6356%
Quorum by #:	Yes	
Quorum by GES:	Yes	
Meeting Date:	September 12, 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 August 8, 2022 Regular Meeting and the August 30, 2022 Special Meeting were considered. The LEC PPC considered the following motion:

Date: 9/12/2022

Motion: The PPC approves the minutes from the August 8, 2022 Regular Meeting and the August 30, 2022 Special Meeting.

Moved by: SVP

Seconded by: Gridley

Discussion: There was no further discussion

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Absent	2.7857%
BART	Absent	6.6000%
Biggs	Abstain	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	6	84.0965%
Total Noes	0	0.0000%
Total Abstain	1	0.2679%
Total Absent	6	15.6356%
Result:		Motion Passes

MONTHLY REPORTS

4. Operational Reports for August 2022

Ryan Johnson presented the Operational Report for August. There were no OSHA recordable accidents, and no NERC/WECC or permit violations. Ryan reviewed the details of an outage that took place on August 16. There are no changes to the 2023 outage schedule.

The operational report reflected monthly production of 133,587 MWH, 574 service hours, and equivalent operating availability of 100%. The report set for the Capacity Factor @ 302MW Pmax of 59.5%. There were 0 hot starts, 13 warm starts, and 0 cold starts during the month.

5. Bidding Strategies Report

Jesse Shields presented the Bidding Strategies Report for August 2022. Jesse reviewed bidding and calculating net start-up costs. Jesse reviewed DA and RT net revenues over the month with the Committee. There was a question regarding performance during the heatwave the previous week. Jesse confirmed that the current bid strategy worked well even during the heat wave, and that LEC was online for energy during all hours. Pricing for ancillary services was still being analyzed and will be presented in the next regular LEC PPC meeting.

6. Market Data Report for August 2022

Bob Caracristi 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 mid to long-term runs, with eighteen 24-hour runs. There was a question regarding the amount listed for the Accrued LT Maintenance Costs on the Cumulative Monthly Margin slide. Bob and Rafael Santana both clarified that if the Plant is running continuously, the LTP Agreement with Siemens results in a charge of \$15,000 per day (which is a maintenance adder). The value listed on the Cumulative Monthly Margin slide is for 18 days of continuous running.

7. Monthly Asset Report

Rafael Santana presented the monthly asset report for July 2022. Rafael reported that July was not a good month for revue, due to rising market weakness and a ~43% increase in fuel costs. Rafael reviewed the monthly historical comparisons as well as the 12-month history.

Consent Calendar (Items 8 – 14)

The consent calendar was considered. Chairman Burk requested that Item 15 be pulled from the Consent Calendar for further discussion. Hearing no protests, the item was pulled. Chairman Burk 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: 9/12/2022

Motion: The PPC approves the Consent Calendar items consisting of agenda items no.: **8.** Treasurer's Report for July 2022; **9.** Financial Report for July 2022; **10.**

GHG Reports (excerpted from the Monthly ARB); **11.** Resolution 2022-11 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 September 12, 2022, through October 12, 2022, pursuant to the Ralph M. Brown Act (Brown Act); **12.** Modesto Industrial Electrical Co., Inc. dba Industrial Electrical Co., Inc. MTGSA for motor maintenance services, not to exceed \$500,000, for use at all facilities owned and/or operated by NCPA, Members/SCPPA; **13.** Nooter/Eriksen, Inc. MTGSA-EMS for heat recovery steam generator (HRSG) support services and parts, not to exceed \$500,000, for use at all facilities owned and/or operated by NCPA; **14.** Unique Scaffold MTGSA for scaffolding related services, not to exceed \$4,000,000, for use at all facilities owned and/or operated by NCPA, Members/SCPPA.

Moved by: Gridley
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	Absent	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	7	86.8822%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	6	13.1178%
Result:	Motion Passes	

BUSINESS ACTION ITEMS

15. Casualty Insurance Program Extension

Randall Kramer presented a PowerPoint to the Committee regarding the extension of the current Casualty Insurance Program. Randall gave background regarding the current casualty program, and the timing of renewal discussions. Having these discussions during the height of wildfire season can cause an increase in wildfire coverage premiums. Extending the current program by a few months to move these discussions outside of wildfire season could result in lower premiums. There were no questions from the Committee Members. The LEC PPC considered the following motion:

Date: 9/12/2022

Motion: The PPC approves the Casualty Insurance Program Extension authorizing the General Manager to extend the expiration of the Agency's Casualty Insurance coverage from December 31, 2022 to February 28, 2023, at not to exceed premium of \$347,000.

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	

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16. Appointment of a New Secretary for LEC PPC

This item was a continuation of the discussion which took place in the August 8, 2022 regular LEC PPC Meeting. Chairman Burk asked Committee Members if there were any nominations for Secretary. Hearing none, following a brief discussion, the Committee determined this role would go unfilled for the time being. This item will be up for discussion annually at the same time that nominations for LEC PPC Chair and Vice Char are presented (typically in the November LEC PPC meeting).

INFORMATIONAL ITEMS

17. Additional Operational Updates

Rafael stated that he there are plans to bring LEC up to normal load for 4 hours, as requested by Siemens, to test how the unit does (there have been no vibration issues recently). The results of this 4-hour test will be sent to Siemens for analysis. If all looks normal, staff will potentially raise the load limits to normal limits as outlined to handle the gearbox issue.

Rafael also stated that the gearbox is on target to be delivered in mid-November.

Adjournment

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

The meeting was adjourned at 10:37 a.m.

Submitted by: MICHELLE SCHELLENTRAGER