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LEC PPC Meeting Minutes

Date: May 3, 2021

Time: 10:00 a.m.

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 10:03 a.m. by Chairman Basil Wong. 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 - Sharma | Present | 33.5000% |
| Gridley - Sanchez | Present | 1.9643% |
| Healdsburg - Crowley | Absent | 1.6428% |
| Lodi - Chiang | Present | 9.5000% |
| Lompoc - Main | Present | 2.0357% |
| MID - Costalupes | Present | 10.7143% |
| Plumas-Sierra - Brozo | Absent | 0.7857% |
| PWRPA - Bradley | Absent | 2.6679% |
| SVP - Wong | Present | 25.7500% |
| Ukiah - Grandi | Absent | 1.7857% |
| Summary | | |
| Present | 8 | 86.5179% |
| Absent | 5 | 13.4821% |
| Quorum by #: | Yes | |
| Quorum by GES: | Yes | |
| Meeting Date: | 5/3/2021 | |

Public Forum

Chairman Wong 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.

INFORMATIONAL/DISCUSSION ITEMS

3. Hydrogen Underground Storage Concept

Mike DeBortoli summarized hydrogen's potential role in power supply. He reviewed the outstanding questions posed by the PPC in the previous meeting (B&V energy pricing, REC "sharing" availability, and pricing of hydrogen vs natural gas).

Mike reviewed the drivers that B&V used in modeling. He noted that B&V does not focus on revenues, and that they used a more conservative energy pricing for their models. Some Project Participants remarked that they were not comfortable with the use of inflation to estimate energy pricing, and would prefer to see cost of generating at Lodi with ancillary costs (fuel, operating costs, etc.) included to compare to market. Project Participants requested a more detailed analysis.

Mike acknowledged that REC sharing is a new concept, which has not been fully vetted or explored. It is clear that burning hydrogen should result in lower emissions, which should lower the amount of Greenhouse Gas Credits needed. Mike confirmed that REC sharing is not being accounted for in baseline model analysis, the potential impact in lower costs with REC sharing are being examined separately. NCPA is aware that REC sharing will require a market design change.

Mike reviewed current data regarding hydrogen cost parity. Assumptions factored into NCPA's pricing analysis were reviewed. Mike walked Project Participants through a series of graphs and charts regarding energy pricing.

Mike wrapped up the presentation by reviewing the current energy storage options with the PPC. Those options are above ground (which was included in the B&V Feasibility Study), underground, and via the current pipeline system (PG&E is currently studying this). NCPA staff are aware that storage is the limiting factor when it comes to hydrogen.

PPC Members wanted to know the status on NCPA's efforts to resolve outstanding political issues surrounding hydrogen energy technology. NCPA's L&R continue to have discussions at the State and Federal level surrounding this issue.

PPC Members also expressed a desire to have early retirement of the plant considered as an alternative, and requested the costs associated with that option also be presented as hydrogen talks move forward.

CLOSED SESSION ITEMS

4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS –

The Committee went into Closed Session at 10:58 a.m. – Conference with Real Property Negotiators – Authority to conduct real property negotiations pursuant to Government Code Section 54956.8.

Property: APN # 055-070-07, APN # 055-070-08, APN # 055-080-02

Agency Negotiator: Joel Ledesma and Michael DeBortoli

Negotiating Parties: Patrick Ross, Sierra Stream, LLC

Under Negotiation: The instruction to negotiators will concern price and terms of payment.

The meeting reconvened to Open Session at 11:29 a.m. General Counsel Jane Luckhardt advised that no reportable action was taken during the Closed Session.

ADJOURNMENT

The next regular meeting of the PPC is scheduled for Monday, May 10, 2021 at 10:00 a.m.

The meeting was adjourned at 11:31 a.m.

Submitted by: MICHELLE SCHELLENTRAGER