



Commission Staff Report

COMMISSION MEETING DATE: December 5, 2024

SUBJECT: Second Amendment to Resolution 23-13, Revised Deposit Calculation for Schedule Coordination Program Agreement, Third Phase Agreements, Market Purchase Program, Gas Purchase Program, NCPA Green Power Program, and Single Member Services Agreements

AGENDA CATEGORY: Consent

FROM:	Monty Hanks Assistant General Manager/CFO	METHOD OF SELECTION:	N/A
Division:	Administrative Services		
Department:	Accounting & Finance		

IMPACTED MEMBERS:			
All Members	<input type="checkbox"/>	City of Lodi	<input checked="" type="checkbox"/>
Alameda Municipal Power	<input checked="" type="checkbox"/>	City of Lompoc	<input checked="" type="checkbox"/>
San Francisco Bay Area Rapid Transit	<input checked="" type="checkbox"/>	City of Palo Alto	<input checked="" type="checkbox"/>
City of Biggs	<input checked="" type="checkbox"/>	City of Redding	<input type="checkbox"/>
City of Gridley	<input checked="" type="checkbox"/>	City of Roseville	<input checked="" type="checkbox"/>
City of Healdsburg	<input checked="" type="checkbox"/>	City of Santa Clara	<input checked="" type="checkbox"/>
		City of Shasta Lake	<input type="checkbox"/>
		City of Ukiah	<input checked="" type="checkbox"/>
		Plumas-Sierra REC	<input checked="" type="checkbox"/>
		Port of Oakland	<input checked="" type="checkbox"/>
		Truckee Donner PUD	<input type="checkbox"/>
		Other	<input type="checkbox"/>
<i>If other, please specify</i>			

RECOMMENDATION:

Approve the Second Amendment to Resolution 23-13 extending the temporary implementation timeframe to allow staff to continue working with the Members to obtain their governing bodies' approval of the updated program agreement terms, to be completed as soon as administratively possible. The temporary Schedule Coordination Program Agreements deposit calculation is based on the highest two months of estimated CAISO costs, and the temporary deposit calculation for the other Programs is based on the highest single-month contract cost(s) plus the two highest months of Mark-to-Market.

BACKGROUND:

The Northern California Power Agency (NCPA) provides various Power Management services to its members pursuant to various program-based agreements that are signed by the participating member. These agreements provide for the obligation of the participating member to cover all costs and liabilities incurred through the program, thereby shielding other participating and non-participating members from the procurement costs and risks of the respective program. On February 23, 2023, the Commission authorized the revised deposit calculation requirements for the Programs and authorized the General Manager or his designee to temporarily implement the revised deposit calculations through calendar year 2023. Staff implemented the revised calculation methodologies in the month of February 2023. On November 30, 2023, the Commission authorized an extension of the temporarily revised deposit calculations through calendar year 2024.

Staff will continue to work with members to revise respective program agreements. The extension of time will provide the continued benefit of the revised calculation methodologies to participating members until the agreements have been amended by the Commission and the participating members' governing bodies which will occur as soon as administratively possible.

This new methodology is not applicable to the Purchase Agreements Between Geysers Power Company, LLC and Northern California Power Agency and the Third Phase Agreement for Purchase Agreements with Geysers Power Company, LLC. These executed agreements require security in an amount equal to the highest three (3) months of estimated project costs for the initial term from January 2025 through December 2026, which was collected by NCPA on November 25, 2024. No later than November 1, 2026, each Participant shall adjust the Security Deposit to an amount equal to the highest three (3) months of estimated Project Costs for the period January 2027 through December 2036, as estimated by NCPA.

FISCAL IMPACT:

Approval of the Second Amendment to Resolution 23-13 will not have a fiscal impact.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore, not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

Pending: On November 6, 2024, the Facilities Committee reviewed and endorsed the recommendation above for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments:

- Second Amendment to Resolution 23-13

DRAFT

AMENDED RESOLUTION 23-13

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING SECOND AMENDMENT TO REVISED DEPOSIT CALCULATION
REQUIREMENTS TO EXTEND UNTIL AMENMENDMENT OF RESPECTIVE AGREEMENTS IS
ADMINISTRATIVELY POSSIBLE**

(reference Staff Report #xxx:24)

WHEREAS, the Northern California Power Agency (NCPA) provides various Power Management services to its members pursuant to various program-based agreements that are signed by the participating member. These agreements provide for the obligation of the participating member to cover all costs and liabilities incurred through the program, thereby shielding other participating and non-participating members from the procurement costs and risks of the respective program; and

WHEREAS, on February 23, 2023, the Commission authorized the revised deposit calculation requirements for the Programs and authorized the General Manager or his designee to temporarily implement the revised deposit calculations through calendar year 2023; and

WHEREAS, on November 30, 2023, the Commission authorized the extension of the temporarily revised deposit calculations through calendar year 2024; and

WHEREAS, staff continues to work with participating members updating the agreements and needs the temporarily revised deposit calculations timeframe extended until it is administratively possible to amend the agreements; and

WHEREAS, the extension of time will provide the continued benefit of the revised calculation methodologies to participating members until the agreements and Policy No. 200-101 have been amended by the Commission and the participating members' governing bodies; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the Second Amendment to Resolution 23-13 extending the temporary implementation timeframe until it is administratively possible for staff and participating members to approve changes to the program agreement terms.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2024 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

JENELLE OSBORNE
CHAIR

ATTEST:

CARRIE POLLO
ASSISTANT SECRETARY

DRAFT