



12745 N. Thornton Road
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LEC PPC Agenda

Date: January 7, 2016

Subject: January 11, 2015 Lodi Energy Center Project Participant Committee Meeting

Location: 12745 N. Thornton Road, Lodi, CA and/or Posted Teleconference Location

Time: 10:00 a.m.

*** In compliance with the Brown Act, you may participate in person at the meeting location or via teleconference at one of the locations listed below. In either case, please: (1) post this notice at a publicly accessible location at the participation location at least 72-hours before the meeting begins, and (2) have a speaker phone available for any member of the public who may wish to attend at your location.

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NCPA 12745 N. Thornton Road Lodi, CA	NCPA 651 Commerce Drive Roseville, CA	CITY OF HEALDSBURG 401 Grove Street Healdsburg, CA
BAY AREA RAPID TRANSIT 300 Lakeside Drive, 16 th Floor Oakland, CA	CITY OF GRIDLEY 685 Kentucky Street Gridley, CA	CITY OF LOMPOC 100 Civic Center Plaza Lompoc, CA
CITY OF BIGGS 465 "C" Street Biggs, CA	PLUMAS-SIERRA RURAL ELECTRIC COOP 73233 Highway 70 Portola, CA	POWER & WATER RESOURCES POOLING AUTHORITY 915 L Street, Suite 1480 Sacramento, CA 95814
CALIFORNIA DEPARTMENT OF WATER RESOURCES 2135 Butano Drive, Suite 100 Room 125 Sacramento, CA 95825	Silicon Valley Power Santa Clara 1500 Warburton Avenue, Santa Clara, CA 95050	City of Ukiah 300 Seminary Avenue Ukiah, CA 95482

The Lodi Energy Center Project Participant Committee may take action on any of the items listed on this Agenda regardless of whether the matter appears on the Consent Calendar or is described as an action item, a report, or an information item. If this Agenda is supplemented by staff reports, they are available to the public upon written request. Pursuant to California Government Code Section 54957.5, the following is the location at which the public can view Agendas and other public writings: NCPA, 651 Commerce Drive, Roseville, CA or www.ncpa.com

Persons requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participant in this meeting are requested to contact the NCPA Secretary at 916.781.3636 in advance of the meeting to arrange for such accommodations.

1. Call Meeting to Order and Roll Call

PUBLIC FORUM

Any member of the public who desires to address the Lodi Energy Center Project Participant Committee on any item considered by the Lodi Energy Center Project Participant Committee at this meeting, before or during the Committee's consideration of that item, shall so advise the Chair and shall thereupon be given an opportunity to do so. Any member of the public who desires to address the Lodi Energy Center Project Participant Committee on any item within the jurisdiction of the Lodi Energy Center Project Participant Committee and not listed on the Agenda may do so at this time.

2. Meeting Minutes - Approval of December 14, 2015 regular meeting minutes

MONTHLY REPORTS

3. Operational Report for December 2015 - (*Jeremy Lawson*)

4. Market Data Report for December 2015 – Verbal Report (*Bob Caracristi*)

5. Monthly Asset Report for November 2015 – (*Michael DeBortoli*)

6. Bidding Strategies Report - Verbal Report and update regarding bidding strategies and regulation down revenues (*Ken Goeke*)

CONSENT CALENDAR

All items on the Consent Calendar are considered routine and will be approved without discussion by a single roll call vote. Any Project Participant or member of the public may remove any item from the Consent Calendar. If an item is removed, it will be discussed separately following approval of the remainder of the Consent Calendar. Prior to the roll call vote to approve the Consent Calendar, the Participants will be polled to determine if any Participant wishes to abstain from one or more items on the Consent Calendar.

7. Treasurer's Report for December 2015 - Accept by all Participants

8. Financial Report for December 2015 - Approve by all Participants

9. GHG Reports (excerpted from monthly ARB) - Accept by all Participants

10. Pacific Star Chemical, LLC dba Northstar Chemical Agreement– Staff seeking approval of the five year Multi-Task Agreement for the Purchase of Equipment, Materials and Supplies with Northstar Chemical in an amount not to exceed \$1,500,000, with any non-substantial changes recommended and approved by the NCPA General Counsel, for chemical purchases as needed at all NCPA locations; and authorizing the NCPA General Manager to approve the issuance of purchase orders in any amount associated with the contract.

11. Worley Parsons Group, Inc. First Amendment – Staff seeking approval of a First Amendment to the existing five year Multi-Task Consulting Services Agreement with Worley Parsons Group, Inc. increasing the total compensation authorized by the agreement from a not to exceed amount of \$225,000 to a not to exceed amount of \$1,000,000 for consulting services related to project support and plant operations as needed at all facilities owned or operated by NCPA, its members, SCPPA, or by SCPPA members.

- 12. KM Industrial, Inc. Agreement** – Staff seeking approval of a five year Multi-Task General Services Agreement with KM Industrial, Inc. in an amount not to exceed \$500,000, with any non-substantial changes recommended and approved by the NCPA General Counsel, for labor, equipment, and materials to perform various specialized high pressure cleaning of industrial equipment as needed at all facilities owned and/or operated by NCPA, its members, SCPPA, or by SCPPA members.
- 13. LEC PMOA Schedule 1, Exhibit 5, CAISO Charges** – Staff seeking approval of revised Exhibit 5 to Schedule 1.00 of the Project Management and Operations Agreement for revised 2016 CAISO Grid Management Charge (GMC) rates related to the Market Services and System Operation Charge.
- 14. LEC PMOA Schedule 6 – Contact List** – Staff seeking approval of revised Schedule 6.00 of the Project Management and Operations Agreement to update the contact information for the Project Participants.

Consent Items pulled for discussion: _____

BUSINESS ACTION ITEMS

- 15. FY 2015 Annual Billing Settlements** – Staff seeking approval of the FY15 Annual Billing Settlement for the period July 1, 2014 through June 30, 2015 (*Donna Stevener/Ken Speer*)

INFORMATIONAL/ DISCUSSION ITEMS

- 16. Standard Large Generator Interconnection Agreement Upgrade Project with CAISO** – Staff to provide update (*Michael DeBortoli*)
- 17. LEC Operational Insurance Renewed for 2016** – Staff to provide update regarding the insurance coverages renewed for LEC for 2016 (*Donna Stevener*)
- 18. One-Time Bill Credit From PG&E To Its End-Use Natural Gas Customers Resulting from CPUC Decision 15-04-024** – Staff to provide update (*Ken Goeke*)
- 19. Other New Business**

ADJOURNMENT

Next Regular Meeting: February 8, 2016

**Lodi Energy Center
Project Participant Committee Meeting
December 14, 2015 - MEETING MINUTES**

Location: Lodi Energy Center
12745 N. Thornton Rd, Lodi CA 95242
and by teleconference
10:00 A.M.

1. Call Meeting to Order and Roll Call

The PPC meeting was called to order at 10:00 a.m. by Chairman George Morrow. He asked that roll be called of the Project Participants as listed below.

PPC Meeting Attendance Summary		
Participant	Attendance	Particulars / GES
Azusa - Morrow	Present	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Sorenson	Present	0.2679%
CDWR - Werner	Present	33.5000%
Gridley - Borges	Absent	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Cadek	Present	9.5000%
Lompoc - Stassi	Absent	2.0357%
MID - Caballero	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - McLaughlin	Absent	2.6679%
SVP - Hance	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
Summary		
Present	6	82.5179%
Absent	7	17.4821%
Quorum by #:	No	
Quorum by GES:	Yes	
Meeting Date:	December 14, 2015	

Public Forum

Chairman Morrow 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. Marty Hostler said that for those participants who were not aware, he is now serving as the Reliability Compliance Manager for NCPA. Ron Stassi has been appointed as the primary representative for the City of Lompoc for the LEC PPC. No other members of the public were present.

2. Meeting Minutes

The draft minutes of the regular meeting held on November 9, 2015, and special meeting held on December 2, 2015, were considered. The LEC PPC considered the following motion:

Date: 12/14/2015

Motion: The PPC approves the minutes of the November 9, 2015, regular meeting and December 2, 2015, special meeting as presented.

Moved by: MID

Seconded by: Lodi

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	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Absent	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Absent	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	6	82.5179%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	17.4821%
Result:	Motion passed.	

MONTHLY REPORTS

3. Operational Reports for November 2015

Jeremy Lawson presented the Operational Report for November. He spoke about five separate outages during the month. The first outage occurred on November 6-9 when the internal duct work of the HRSG failed and exposed hot combustion turbine exhaust gas to the exterior shell of the HRSG. After the plant cooled down, the welding repairs were done and the plant was returned to operation. Mike DeBortoli said during this process staff observed cracking around the combustion turbine flow shield. That repair was scheduled and done on November 28-29 so the plant was not impacted. He said installation of a new flow shield is one of the modifications Siemens will be making in the upcoming outage next year. He said the new shield is a new design and made with new material.

On November 14 a fuel gas compressor tripped the plant offline. The issue was quickly solved. The next outage occurred on November 15 when the combustion turbine vibration monitoring equipment failed during operation. Because the monitoring function was lost, the plant was shut down because if a problem were to occur it would be undetected. This computer lockup problem was solved and the plant was put back into service in about two hours. The final outage was on November 30 when plant start-up was delayed due to a failed steam turbine lube oil temperature control valve. It was repaired and the plant put into service. The plant is still scheduled for the planned outage on May 1-29, 2016.

There were no OSHA recordable accidents, no permit violations and no NERC/WECC violations. The report reflected monthly production of 75,199 MWH, 304 service hours, and equivalent operating availability of 82.4%. Due to the low fired hours this month, the report set forth the Capacity Factor @ 280MW Pmax of 37.25% and @ 302MW Pmax of 34.54%. The plant's heat rate statistics in Segment 2 are a bit higher this month than stated in the PMOA schedule due to some leaking by. He reported the starting reliability and fuel time is below the benchmarks; from a market perspective it is OK. The plant had six hot starts, one warm start, and two cold starts. The question was asked if the plant operates above 280 MW. Jeremy said, yes as needed, but that circumstance is rare.

4. Market Data Report for November 2015

Bob Caracristi discussed the operating and financial settlement results for the month which dovetailed with the operational report.

5. Monthly Asset Report

Mike DeBortoli presented the monthly asset report/budget review for October. He said the revenues are soft and the cost numbers are not falling as much as the revenues. During October the injection well cleaning, which appears to be needed annually, increased costs and unexpected HRSG related costs incurred during November will also add to the actual expenditure numbers. The margins for October were average as compared to the low in 2013 and high in 2014. There were no questions from the committee.

6. Bidding Strategies Report

Ken Goeke presented his monthly report about the bidding strategies utilized in November, regulation revenues, and a costs comparison. He said again this month no special strategies were used. He presented the cumulative numbers for 2015 and while the monthly numbers for Reg Down and Reg Up Real Time Net Revenues show a loss, the Reg Down and Reg up Net Revenue Capacity Energy results are positive with \$1,429,526 and \$159,858, respectively. George Morrow asked how an increase in MWs would affect the plant's profitability. Ken responded that increased MWs affect the capacity claim so that is positive and noted that there would be more margin on which to recoup revenue.

Consent Calendar (Items 7 – 12)

The consent calendar was considered. Chairman Morrow asked if any Participant wished to have any item removed for separate discussion. Hearing none, Chairman Morrow 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: 11/9/2015

Motion: The PPC approves the Consent Calendar consisting of agenda items no. 7. Treasurer's Report for November 2015; 8. Financial Reports for November 2015; 9. GHG Reports for November 2015; 10. Fairchild & Associates First Amendment to existing five year Multi-Task General Services Agreement increasing the not to exceed amount to \$500,000 and expanding the scope of work; 11. Irani Engineering, Inc. First Amendment to existing Multi-Task General Services Agreement increasing the not to exceed amount to \$1,500,000 and expanding the scope of work; and 12. MP Environmental Services, Inc. five year Multi-Task General Services Agreement for not to exceed \$3,000,000.

Moved by: DWR

Seconded by: MID

Martin Caballero inquired as to whether the scope of work for any of these agreements allows for services at NCPA member and/or SCPPA locations. Ken Speer responded that in the case of these particular agreements, a conscious decision was made not to expand the scope of work to include members/SCPPA because these agreements to some extent involve hazardous materials so the scope is limited to use at NCPA owned and operated facilities. Hearing no further discussion, the Chairman called for the vote.

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	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Absent	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Absent	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	6	82.5179%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	17.4821%
Result:		Motion passed.

INFORMATIONAL ITEMS

13. FY 15 Annual Billing Settlements

Donna Stevener presented the draft analysis of the FY 15 billing settlements for review and noted that final approval by the PPC and recommendation for NCPA Commission approval will be sought at the January 2016 PPC meeting. The written staff report and its attachments provided the billing settlements summary, an allocation of the project costs by participant, and the detailed budget variance analysis. She said that a special 13th month All Resources Bill is planned for dispatch on January 28 for amounts which were under collected during FY 15. A question was asked whether the moneys over collected for the Interconnection Agreement Upgrade Project may be netted against this cost since about \$4.5 million dollars will be coming back. Mike DeBortoli said that it is a timing issue because the money will not be refunded back until the financial security is released.

Ken Speer noted that revenues exceeded the budget due to greater than budgeted output. As a result, the variable operating costs also exceeded the budget but the increased revenue should be equal or greater than the budget overrun. Staff will investigate and report back at the next meeting regarding the cause of the adjustment.

14. Standard Large Generator Interconnection Agreement Upgrade Project with CAISO

Mike DeBortoli updated the Committee advising that the final version of the First Amended and Restated Interconnection Agreement has still not been received but that final edits have been exchanged among PGE, CAISO, NCPA, and their legal counsel. Due to the timeline mandated by CAISO for execution, a Notice of Deficiency has been issued since the agreement has not yet been executed but all parties are working together toward that end. Signatures to the agreement will be obtained electronically and the final deadline is December 15 in order to keep the project moving forward this year. Mike noted that even if the agreement is signed, he anticipates other future delays. George Morrow said he would be happy to make some calls if that would help move the process along.

15. LEC PPC Meeting Management

Linda Stone introduced this item and noted that presently the meeting materials are distributed three ways including by email, within the Outlook calendar entry, and by posting to the NCPA website for this public meeting. Increased issues have been encountered by various participants in receiving and accessing the materials by email and Outlook due to size limitations. There are no issues accessing the materials through the NCPA website. Linda also advised that NCPA is looking into meeting management software, eScribe, which has the ability to include links within an agenda document to the meeting materials for that item. It also provides a mechanism for assembly of a compiled pdf document of the materials, much like is now provided, and allows access from various electronic devices such as an iPad and mobile phones. She said she is also looking at a way to make available to the participants various documents through a portal or other means for sharing of documents. The participants present at the meeting unanimously agreed that going forward accessibility of meeting materials from the NCPA website is acceptable. Linda confirmed that in addition to being posted to the website, the agendas will still be emailed to the LEC PPC distribution list for posting in advance of the meeting at the various locations in accordance with the Brown Act.

Other New Business

Mike Werner announced that he will be retiring at the end of the year and this is his last PPC meeting. He anticipates that Bill Forsythe, his current alternate, will replace him as the representative for CDWR on the PPC. Chairman Morrow and all of those present congratulated Mike on his retirement and expressed appreciation for his service and contributions to the LEC PPC.

Adjournment

The next regular meeting of the PPC is scheduled for Monday, January 11, 2016. The meeting was adjourned at 11:14 a.m.

Submitted by: Linda Stone

DRAFT



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Lodi, CA 95242

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Lodi Energy Center Project Participant Committee Operational Report

Agenda Item No.: 3

Date: 1/7/2016

To: Lodi Energy Center Project Participant Committee

Safety

- OSHA Recordable: 0 Accidents

Notice of Violations

- Permits: 0 Violations
- NERC/WECC: 0 Violations

Outage Summaries:

- **12/31/15 0951 to 1148 – Vibration Instrument Failure** – The Combustion Turbine Generator (CTG) Excitation Y-Axis vibration probe failed due to misalignment. The vibration probe provided false indication and tripped the CT. The probe was recalibrated and the unit was placed back into service.

Planned Outage Summaries:

- 2016, May 1st – May 29th: Hot Gas Path (HGP), Hot Reheat Valve (HRH), Misc

Generating Unit Statistics:

LEC

Report**Date:**

Start Date 12/1/2015

End Date 12/31/2015

1. Monthly Production 131,782 MWH
2. Productivity Factor
 - a. Service Hours 528 Hours
 - b. Service Factor 70.96 %
 - c. Capacity Factor @ 280MW Pmax 63.26 %
 - d. Capacity Factor @ 302MW Pmax 58.65 %
3. Equivalent Operating Availability (EOA) 99.73 %
4. Forced Outage Rate (FOR)
 - a. Combustion Turbine Generator 0.38 %
 - b. Steam Turbine Generator 0.38 %
5. Heat Rate Deviation (HRD)
 - a. Fuel Cost (Not Current Market Price) 4.00 \$/mmBTU

MW Range		Average HR BTU/kW-Hr	PMOA HR BTU/kW-Hr	Deviation %	Production MWH	Cost \$
Seg. 1	296 - 302	6,850	6850	0.00%	0	\$0
Seg. 2	284 - 296	6,970	6870	1.46%	46,228	\$18,583
Seg. 3	275 - 284	6,988	6971	0.24%	13,384	\$896
Seg. 4	250 - 275	7,019	7081	-0.87%	34,545	-\$8,539
Seg. 5	225 - 250	7,077	7130	-0.75%	14,407	-\$3,077
Seg. 6	200 - 225	7,180	7315	-1.85%	8,862	-\$4,791
Seg. 7	175 - 225	7,330	7711	-4.94%	8,896	-\$13,559
Seg. 8	165 - 175	7,712	7856	-1.83%	3,359	-\$1,930
					129,681	-\$12,418

6. AGC Control Deviation

MW Range		High Dev MWH	Low Dev MWH	Absolute Dev MWH	Cost \$
Seg. 1	296 - 302	0	0	0	\$0
Seg. 2	284 - 296	126	-101	227	\$6,318
Seg. 3	275 - 284	42	-87	129	\$3,613
Seg. 4	250 - 275	156	-54	210	\$5,891
Seg. 5	225 - 250	82	-47	130	\$3,669
Seg. 6	200 - 225	57	-41	98	\$2,818
Seg. 7	175 - 225	37	-37	74	\$2,159
Seg. 8	165 - 175	15	-6	21	\$654
		515	-373	888	\$25,122

7. Starting Reliability

Start Type	Hot Starts	Warm Starts	Cold Starts
Number of Starts	12	2	0
Start Time Benchmark (Minutes)	85	160	235
Start Time Actual (Average Minute)	75.6	160.0	235.0
Start Time Deviation (%)	-11.1%	0.0%	0.0%
Start Fuel Benchmark PMOA (mmBTU)	1,967	5,200	5,430
Start Fuel Actual (Average mmBTU)	1,373	3,244	5,430
Fuel Deviation	-30.2%	-37.6%	0.0%
Costs of Fuel Deviations (\$)	-\$2,378	-\$7,822	\$0

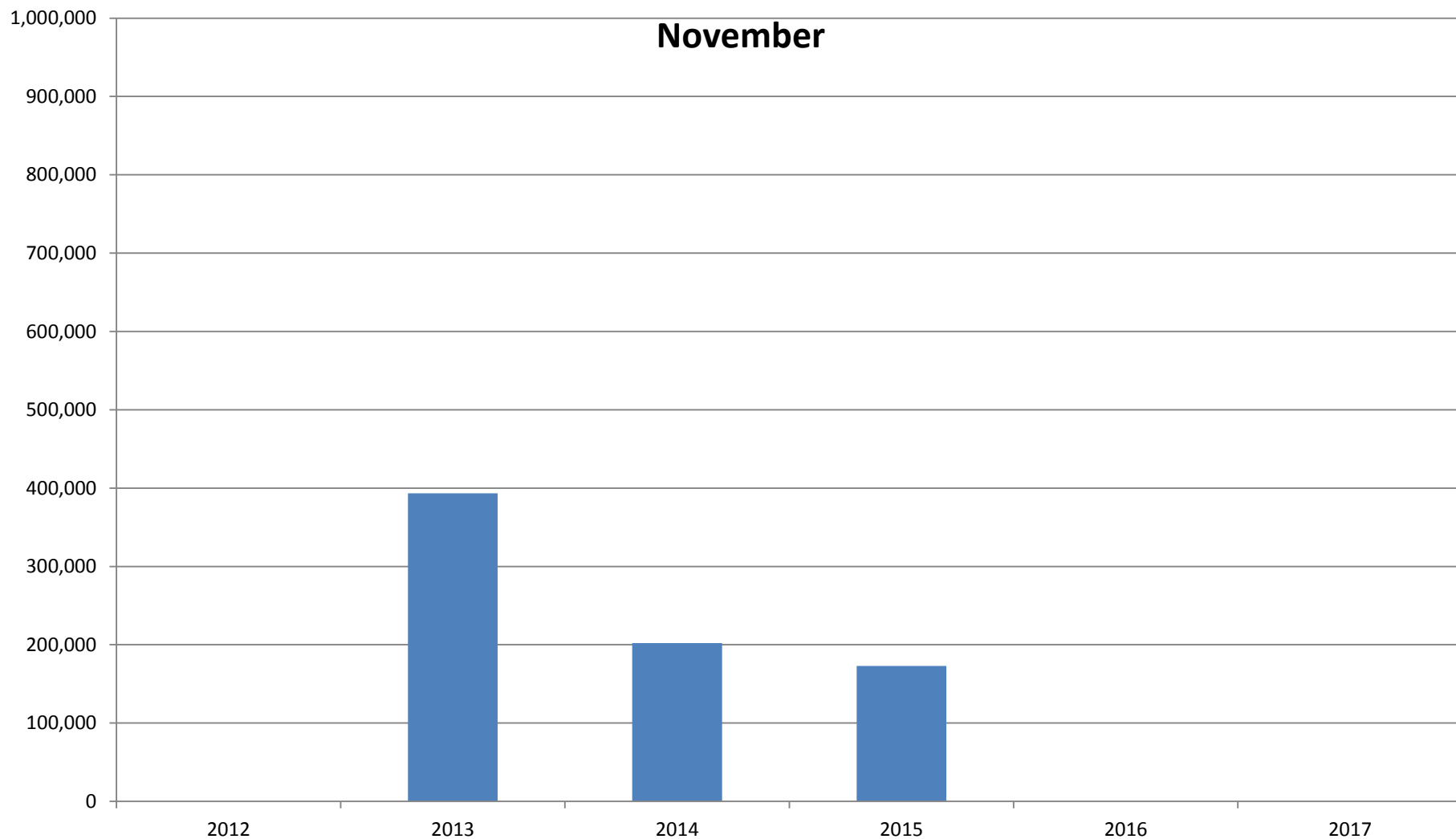
Definitions:

1. Monthly Production = Plant Net MWH's
2. Capacity Factor
 - a. Service Hours = In Production or in Service State
 - b. Service Factor = $SH / PH \times 100\%$
 - c. Capacity Factor = $Production / 302MW \times PH$
 - d. Capacity Factor = $Production / 280MW \times PH$
3. Monthly Equivalent Availability Factor (EAF) = $(AH - EPDH - EFDH) / PH \times 100\%$
4. Forced Outage Rate = $(FOH / (FOH + SH)) \times 100\%$
5. Heat Rate Deviation (HRD)
 - a. Fuel Cost = Cost of Fuel in \$/mmBTU
 - b. Average Heat Rate = The Average Heat Rate for the given Range
 - c. Heat Rate Deviation = $(Heat\ Rate\ Average - Heat\ Rate\ Expected) / Heat\ Rate\ Expected \times 100\%$
 - d. Production = The Sum of Production for the given Range
 - e. Costs of Heat Rate Deviations = $(Average\ Heat\ Rate - Expected\ Heat\ Rate) \times Production \times Cost\ of\ Fuel$
6. AGC Deviation-
 - a. MWH's = AGC Set Point Generation - LEC Actual Generation
 - b. Cost of Deviations = Fuel Cost x Heat Rate x Generation
7. Starting Reliability
 - a. Number of Starts = Start Count for Hot, Warm, and Cold
 - b. Start Time = Average Time from 0 Fuel Flow to Pmin
 - c. Start Fuel = Average Fuel Consumption to Pmin
 - d. Cost of Fuel Deviation = $(Actual\ Fuel\ Consumed - Expected\ Fuel) \times Cost\ of\ Fuel$

November Asset Report

	Most Recent			Above / (below)	Percent Difference	
	Actual	Forecast	Budget	Forecast	Above / (below)	
Revenue	2,441,755	4,247,743	5,872,697	(1,805,988)	-43%	Revenue softer than VOM/Fuel
VOM	2,164,031	3,497,942	5,180,378	(1,333,911)	-38%	
Fixed	669,583	852,595	824,801	(183,012)	-21%	Maint activity abnormally light
Projects	159,020	250,000	239,798	(90,980)	-36%	
A&G	174,752	191,174	191,174	(16,422)	-9%	
Debt	2,203,974	2,203,413	2,203,413	561	0.03%	
Net Cost	(2,929,605)	(2,747,381)	(2,766,868)	(182,224)	7%	
Net Annual Cost		(39,753,970)	(37,575,891)	(\$2,178,080)		
				Above budget by 5.80%		

Historical Margins



Lodi Energy Center
Monthly Budget Analysis
Forecast Anaysis

	July	August	September	October	November	December	January	February	March	April	May	June	Year	FY2016 Budget	Percent Used	Comments
VOM	3,256,746	4,271,658	4,471,138	5,486,424	3,497,942	3,418,246	4,136,319	3,120,852	3,463,384	3,328,481	1,844,840	2,181,478	42,477,507	62,570,196	67.9%	
Capacity Factor	49%	66%	69%	69%	55%	50%	49%	47%	49%	40%	26%	26%	50%	58%		
Fuel Consumed (mmBTU, estimated)	740,458	972,815	987,098	1,026,582	789,679	738,349	718,607	647,536	718,607	576,465	390,891	379,046	8,686,135	10,997,634	79.0%	
Avg Fuel Cost (\$/mmBTU)	3.48	3.46	3.60	3.65	3.50	3.70	3.79	3.89	3.89	3.79	3.79	3.79	3.69	4.53		
Power Produced (MWhr, estimated)	103,023	137,230	139,028	144,589	111,222	103,993	101,212	91,202	101,212	81,192	55,055	53,387	1,222,346	1,605,494	76.1%	
Avg Power Price (\$/MWhr)	38.00	36.21	37.00	38.00	37.00	36.00	36.00	35.00	33.00	32.00	32.00	32.00	35.18	40.64		
Operations / Variable / LTSA	119,507	159,187	161,272	952,835	129,018	120,632	862,201	105,795	117,406	701,991	63,864	454,471	3,948,178	4,844,522	81.5%	At true-up will be paid. It has been collected under Maintenance Reserve and is estimated to be \$3,600,000 and is not included in this number.
Fuel (estimated)	2,576,794	3,365,940	3,553,554	3,747,025	2,763,875	2,731,893	2,723,522	2,518,917	2,795,383	2,184,804	1,481,476	1,436,583	31,879,766	49,851,535	63.9%	
AB32 GHG Offset (estimated)	515,115	686,150	695,140	722,945	556,112	519,964	506,062	456,012	506,062	405,962	275,275	266,934	6,111,731	7,216,850	84.7%	
CA ISO Charges (estimated)	45,330	60,381	61,172	63,619	48,938	45,757	44,533	40,129	44,533	35,725	24,224	23,490	537,832	657,289	81.8%	
														0		
Routine O&M (Fixed)	780,088	839,746	766,691	976,687	852,595	1,586,691	798,354	798,352	781,356	766,686	977,594	766,687	10,691,527	10,217,618	104.6%	
Maintenance / Fixed	139,091	139,091	139,091	349,091	225,000	139,091	139,091	139,091	139,091	139,091	350,000	139,091	2,175,912	1,780,003	122.2%	-395,909
Administration	109,680	109,680	109,681	109,680	109,680	109,681	109,680	109,680	109,681	109,680	109,680	109,680	1,316,163	1,316,163	100.0%	103,099
Mandatory Costs	26,519	69,918	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	235,000	235,000	100.0%	
Inventory Stock	33,333	33,333	33,334	33,333	33,333	33,334	65,000	65,000	48,000	33,333	33,333	33,334	478,000	400,000	119.5%	
Labor	365,086	365,085	365,088	365,086	365,085	365,088	365,086	365,085	365,088	365,086	365,085	365,086	4,381,034	4,381,034	100.0%	0
Insurance	0	0	0	0	0	820,000	0	0	0	0	0	0	820,000	820,000	100.0%	
Power Management & Settlements	102,379	102,379	102,379	102,379	102,379	102,379	102,379	102,378	102,378	102,378	102,378	102,378	1,228,543	1,228,543	100.0%	
Other Costs	4,000	20,260	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	56,875	56,875	100.0%	0
														-		
Projects	150,000	158,229	157,775	219,462	250,000	195,000	150,000	150,000	420,740	254,000	370,000	150,000	2,625,206	2,954,589	88.9%	
Maintenance Reserve	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000	1,800,000	100.0%	
Operations & Maintenance Projects	0	0	0	45,000	100,000	10,000	0	0	120,740	104,000	0	0	379,740	343,450	110.6%	
Capital Projects	0	8,229	7,775	24,462		35,000	0	0	150,000	0	220,000	0	445,466	811,139	54.9%	
														-		
A&G	191,174	191,175	191,174	191,174	191,174	148,000	148,000	148,000	148,000	148,000	148,000	640,000	2,483,872	2,294,095	108.3%	
Administrative & General (Allocated)	158,792	158,792	158,792	158,792	158,792	130,000	130,000	130,000	130,000	130,000	130,000	450,000	2,023,960	1,905,505	106.2%	
Generation Services Shared	32,382	32,383	32,382	32,382	32,382	18,000	18,000	18,000	18,000	18,000	18,000	190,000	459,912	388,590	118.4%	
														-		
Total O&M Cost	4,378,008	5,460,808	5,586,778	6,873,747	4,791,712	5,347,937	5,232,673	4,217,204	4,813,480	4,497,167	3,340,434	3,738,165	58,278,112	78,036,498	74.7%	
														-		
Debt Service	2,203,444	2,203,413	2,203,413	2,203,414	2,203,413	2,203,413	2,203,414	2,203,414	2,203,414	2,203,414	2,203,414	2,203,414	26,440,994	26,441,024	100.0%	
														-		
Revenues	4,117,892	5,101,615	5,276,551	5,626,900	4,247,743	3,876,262	3,776,161	3,324,598	3,472,525	2,730,672	1,894,280	1,840,893	45,286,091	66,901,632	67.7%	
ISO Energy Sales (estimated)	3,914,874	4,969,098	5,144,033	5,494,383	4,115,226	3,743,744	3,643,644	3,192,081	3,340,007	2,598,154	1,761,762	1,708,375	43,625,380	65,240,921		
Other Income	203,018	132,517	132,518	132,517	132,517	132,518	132,517	132,517	132,518	132,518	132,518	132,518	1,660,711	1,660,711.0		
														0		
Net	(\$2,463,560)	(\$2,562,606)	(\$2,513,640)	(\$3,450,261)	(\$2,747,381)	(\$3,675,088)	(\$3,659,926)	(\$3,096,020)	(\$3,544,370)	(\$3,969,909)	(\$3,649,568)	(\$4,100,686)	(\$39,433,014)	(\$37,575,891)	Above budget by 4.94%	



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LEC Treasurer's Report

AGENDA ITEM NO.: 17

Date: January 11, 2016
To: LEC Project Participant Committee
Subject: Treasurer's Report for the Month Ended December 31, 2015

In compliance with NCPA policy and State of California Government Code Sections 53601 and 53646(b), the following monthly report is submitted for your information and acceptance.

Cash - At month end cash totaled \$1,393,383.

Investments - The carrying value of the LEC's investment portfolio totaled \$30,303,834 at month end. The current market value of the portfolio totaled \$30,139,024.

The overall portfolio had a combined weighted average interest rate of 1.024% with a bond equivalent yield (yield to maturity) of 0.976%. Investments with a maturity greater than one year totaled \$17,390,000. During the month \$11 million was invested.

Funds not required to meet annual cash flow are reinvested and separately reported as they occur.

Interest Rates - During the month, rates on 90 day T-Bills increased 4 basis points (from 0.17% to 0.21%) and rates on one year T-Bills increased 15 basis points (from 0.51% to 0.66%).

To the best of my knowledge and belief, all securities held by LEC as of December 31, 2015 are in compliance with the Agency's investment policy. There are adequate cash flow and investment maturities to meet next month's cash requirements.

Environmental Analysis

The Treasurer's report will 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 of the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,

DONNA STEVENER
Assistant General Manager/CFO
Administrative Services/Finance

Prepared by:

SONDRA AINSWORTH
Treasurer-Controller

Attachments

LODI ENERGY CENTER

TREASURER'S REPORT

DECEMBER 31, 2015

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Northern California Power Agency/Lodi Energy Center
Treasurer's Report
Cash & Investment Balance
December 31, 2015

	CASH	INVESTMENTS	TOTAL	PERCENT	INVESTMENTS at MARKET
MANDATORY FUNDS					
Debt Service Account	-	7,071,392	7,071,392	22.31%	7,069,054
Debt Service Reserve	-	11,864,437	11,864,437	37.43%	11,801,501
O & M Reserve	-	11,296,938	11,296,938	35.64%	11,197,402
	-	30,232,767	30,232,767	95.38%	30,067,957
ADDITIONAL PROJECT FUNDS					
GHG Cash Account	-	71,066	71,066	0.22%	71,066
Transmission Upgrade Escrow ¹	1,393,383		1,393,383	4.40%	
Participant Deposit Account	-	1	1	0.00%	1
	\$ 1,393,383	\$ 30,303,834	\$ 31,697,217	100.00%	\$ 30,139,024

NOTE A -Investment amounts shown at book carrying value.

¹ Amount held in escrow

Northern California Power Agency/Lodi Energy Center
Treasurer's Report
Cash Activity Summary
December 31, 2015

	RECEIPTS			EXPENDITURES			CASH INCREASE / (DECREASE)
	OPS/CONSTR	INTEREST (NOTE B)	INVESTMENTS (NOTE A)	OPS/CONSTR	INVESTMENTS (NOTE B)	INTER-COMPANY/ FUND TRANSFERS	
MANDATORY FUNDS							
Debt Service Account	\$ -	\$ 17	\$ 11,130,000	\$ (11,585,439)	\$ (1,747,259)	\$ 2,202,681	\$ 0
Debt Service Reserve	-	39,710	-	-	(39,710)	-	-
O & M Reserve	-	-	-	-	-	-	-
	-	39,727	11,130,000	(11,585,439)	(1,786,969)	2,202,681	0
ADDITIONAL PROJECT FUNDS							
GHG Cash Account	-	-	-	-	-	-	-
Transmission Upgrade Escrow ¹		24					24
Participant Deposit Account	-	-	-	-	-	-	-
							-
TOTAL	\$ -	\$ 39,751	\$ 11,130,000	\$ (11,585,439)	\$ (1,786,969)	\$ 2,202,681	\$ 24

NOTE A -Investment amounts shown at book carrying value.

NOTE B -Net of accrued interest purchased on investments.

¹ Amount held in escrow

Northern California Power Agency/Lodi Energy Center
Treasurer's Report
Investment Activity Summary
December 31, 2015

			(NON-CASH)	(NON-CASH)	INVESTMENTS	
	PURCHASED	SOLD OR MATURED	DISC/(PREM) AMORT	GAIN/(LOSS) ON SALE	TRANSFERS	INCREASE / (DECREASE)
MANDATORY FUNDS						
Debt Service Account	1,747,259	(11,130,000)	1,214	-	-	(9,381,527)
Debt Service Reserve	39,710	-	(50)	-	-	39,660
O & M Reserve	-	-	(1,562)	-	-	(1,562)
	<u>1,786,969</u>	<u>(11,130,000)</u>	<u>(398)</u>	<u>-</u>	<u>-</u>	<u>(9,343,429)</u>
ADDITIONAL PROJECT FUNDS						
GHG Cash Account		-	-	-		-
Participant Deposit Acct.		-	-	-	-	-
TOTAL	<u>\$ 1,786,969</u>	<u>\$ (11,130,000)</u>	<u>\$ (398)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,343,429)</u>

Less Non- Cash Activity

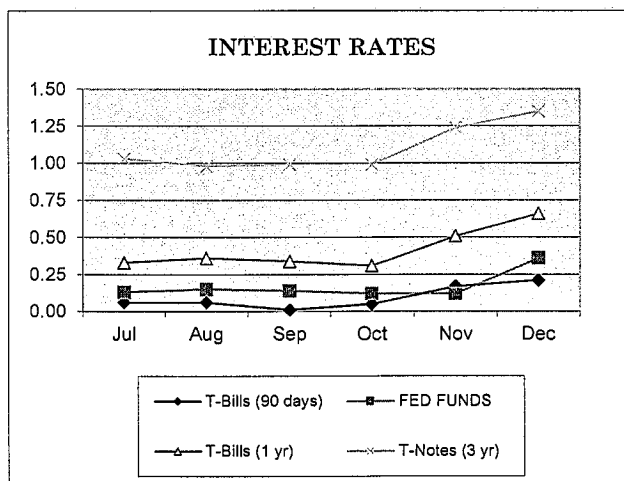
Disc/(Prem) Amortization & Gain/(Loss) on Sale	398
Net Change in Investment --Before Non-Cash Activity	<u>\$ (9,343,031)</u>

NOTE A -Investment amounts shown at book carrying value.

**Northern California Power Agency
Lodi Energy Center
Interest Rate/Yield Analysis
December 31, 2015**

	WEIGHTED AVERAGE INTEREST RATE	BOND EQUIVALENT YIELD
OVERALL COMBINED	<u>1.024%</u>	<u>0.976%</u>
Debt Service Account	0.330%	0.335%
Debt Service Reserve	1.005%	1.041%
O & M Reserve	1.486%	1.312%
GHG Cash Account	0.319%	0.319%

KEY INTEREST RATES		
	CURRENT	PRIOR YEAR
Fed Fds (Ovrnight)	0.36%	0.12%
T-Bills (90da.)	0.21%	0.03%
Agency Disc (90da.)	0.33%	0.07%
T-Bills (1yr.)	0.66%	0.25%
Agency Disc (1yr.)	0.65%	0.22%
T-Notes (3yr.)	1.35%	1.11%



Northern California Power Agency
Total Portfolio
Investment Maturities Analysis
December 31, 2015

Type	0-7 Days	8-90 Days	91-180 Days	181-270 Days	271-360 Days	1-5 Years	5-10 Years	Total	Percent
US Government Agencies	\$0	\$0	\$7,039	\$0	\$0	\$17,390	\$0	\$24,429	80.75%
US Bank Trust Money Market Commercial Paper	3,448							3,448	11.40%
Investment Trusts (LAIF)	2,376							2,376	7.85%
U.S.Treasury Market Acct.								0	0.00%
U.S.Treasury Bill								0	0.00%
Certificates of Deposit								0	0.00%
Total Dollars	\$5,824	\$0	\$7,039	\$0	\$0	\$17,390	\$0	\$30,253	100.00%
Total Percents	19.25%	0.00%	23.27%	0.00%	0.00%	57.48%	0.00%	100.00%	

Investments are shown at Face Value, in thousands.

NORTHERN CALIFORNIA POWER AGENCY

Detail Report Of Investments

APPENDIX

Note: This appendix has been prepared to comply with
Government Code section 53646.



Northern California Power Agency

Treasurer's Report

12/31/2015

LEC Issue#1 2010A DS Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	508	0.100	07/01/2013	508		1	0.100	508	SYS79003	79003	508
Federal Home Loan Ba	USBT	695,000	0.520	12/24/2015	693,474	05/24/2016	144	0.528	693,853	313384XF1	26288	693,554
Federal Home Loan Ba	USBT	2,560,000	0.240	12/02/2015	2,556,979	05/27/2016	147	0.243	2,555,699	313384XJ3	26278	2,557,491
Fund Total and Average		\$ 3,255,508	0.300		\$ 3,250,961		146	0.304	\$ 3,250,060			\$ 3,251,553

LEC Issue #1 2010B DS Fund

US Bank Trust	USB	413	0.100	07/01/2013	413		1	0.100	413	SYS79004	79004	413
Federal Home Loan Ba	USBT	811,000	0.520	12/24/2015	809,219	05/24/2016	144	0.528	809,662	313384XF1	26289	809,313
Fund Total and Average		\$ 811,413	0.520		\$ 809,632		144	0.528	\$ 810,075			\$ 809,726

LEC Issue #2 2010A DS Fund

US Bank Trust	USB	76	0.100	07/01/2013	76		1	0.100	76	SYS79011	79011	76
Federal Home Loan Ba	USBT	436,000	0.519	12/24/2015	435,043	05/24/2016	144	0.528	435,281	313384XF1	26290	435,093
Federal Home Loan Ba	USBT	2,188,000	0.240	12/02/2015	2,185,418	05/27/2016	147	0.243	2,184,324	313384XJ3	26279	2,185,856
Fund Total and Average		\$ 2,624,076	0.286		\$ 2,620,537		146	0.291	\$ 2,619,681			\$ 2,621,025

LEC Issue #2 2010B DS Fund

US Bank Trust	USB	40,814	0.100	07/01/2013	40,814		1	0.100	40,814	SYS79012	79012	40,814
Federal Home Loan Ba	USBT	349,000	0.520	12/24/2015	348,234	05/24/2016	144	0.528	348,424	313384XF1	26291	348,274
Fund Total and Average		\$ 389,814	0.476		\$ 389,048		129	0.483	\$ 389,238			\$ 389,088

GRAND TOTALS:	\$ 7,080,811	0.330	\$ 7,070,178	145	0.335	\$ 7,069,054	\$ 7,071,392
---------------	--------------	-------	--------------	-----	-------	--------------	--------------

*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 12/31/2015



Northern California Power Agency
Treasurer's Report
12/31/2015

LEC Issue #1 2010 DSR Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	58,508	0.100	07/01/2013	58,508		1	0.100	58,508	SYS79005	79005	58,508
Federal National Mtg	USB	4,170,000	0.875	05/30/2014	4,171,960	08/28/2017	605	0.977	4,155,780	3135GOMZ3	26136	4,171,002
Federal Farm Credit	USBT	4,287,000	1.850	06/08/2015	4,287,000	06/08/2020	1,620	1.850	4,239,286	3133EEU65	26230	4,287,000
Fund Total and Average		\$ 8,515,508	1.360		\$ 8,517,468		1112	1.411	\$ 8,453,574			\$ 8,516,510

LEC Iss#1 2010B BABS Subs Resv

US Bank Trust	USB	2,261,313	0.100	07/01/2013	2,261,313		1	0.100	2,261,313	SYS79006	79006	2,261,313
Fund Total and Average		\$ 2,261,313	0.100		\$ 2,261,313		1	0.100	\$ 2,261,313			\$ 2,261,313

LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	1,086,614	0.100	07/01/2013	1,086,614		1	0.100	1,086,614	SYS79013	79013	1,086,614
Fund Total and Average		\$ 1,086,614	0.100		\$ 1,086,614		1	0.100	\$ 1,086,614			\$ 1,086,614

GRAND TOTALS: \$ 11,863,435 1.005 \$ 11,865,395 798 1.041 \$ 11,801,501 \$ 11,864,437

*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 12/31/2015

Investment # 26230 – FFCB - Callable on 6/8/16, then any time.



Northern California Power Agency
Treasurer's Report
12/31/2015

LEC O & M Reserve

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		2,305,201	0.319	07/01/2013	2,305,201		1	0.319	2,305,201	SYS70047	70047	2,305,201
Union Bank of Califo	UBOC	0	0.002	07/18/2013	0		1	0.002	0	SYS70041	70041	0
Federal National Mtg	UBOC	2,933,000	1.875	08/28/2015	2,998,142	02/19/2019	1,145	1.220	2,972,361	3135G0ZA4	26248	2,991,737
Federal Farm Credit	UBOC	6,000,000	1.740	09/30/2015	6,000,000	09/30/2020	1,734	1.740	5,919,840	3133EFFZ5	26260	6,000,000
Fund Total and Average		\$ 11,238,201	1.486		\$ 11,303,343		1224	1.312	\$ 11,197,402			\$ 11,296,938
GRAND TOTALS:		\$ 11,238,201	1.486		\$ 11,303,343		1224	1.312	\$ 11,197,402			\$ 11,296,938

*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 12/31/2015

Investment # 26260 – FFCB - Callable on 3/30/16, then any time.



Northern California Power Agency
Treasurer's Report
12/31/2015

LEC GHG Auction Acct

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		71,066	0.319	07/01/2013	71,066		1	0.319	71,066	SYS70046	70046	71,066
Fund Total and Average		\$ 71,066	0.319		\$ 71,066		1	0.319	\$ 71,066			\$ 71,066
GRAND TOTALS:		\$ 71,066	0.319		\$ 71,066		1	0.319	\$ 71,066			\$ 71,066

*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 12/31/2015



Northern California Power Agency
Treasurer's Report
12/31/2015

LEC Construction Revolving

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		1	0.254	07/01/2013	1		1	0.254	1	SYS70040	70040	1
Fund Total and Average		\$ 1	0.254		\$ 1		1	0.254	\$ 1			\$ 1
GRAND TOTALS:		\$ 1	0.254		\$ 1		1	0.254	\$ 1.			\$ 1

*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 12/31/2015



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LEC Financial Reports

AGENDA ITEM NO.: 8

Date: January 11, 2016

Subject: December 31, 2015 Financial Reports (Unaudited)

**NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
STATEMENTS OF NET POSITION
UNAUDITED**

	December 31	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 71,066	\$ 70,868
Interest receivable	48,105	12,811
Inventory and supplies - at average cost	1,563,068	1,341,702
Prepaid insurance	515,598	13,885
Due from (to) Agency, net	19,583,027	22,890,141
TOTAL CURRENT ASSETS	21,780,864	24,329,407
RESTRICTED ASSETS		
Cash and cash equivalents	11,890,153	9,399,572
Investments	19,735,972	20,722,371
Interest receivable	19,711	22,924
TOTAL RESTRICTED ASSETS	31,645,836	30,144,867
ELECTRIC PLANT		
Electric plant in service	423,412,179	423,372,867
Less: accumulated depreciation	(45,033,814)	(30,433,878)
	378,378,365	392,938,989
Construction work-in-progress	95,332	3,425
TOTAL ELECTRIC PLANT	378,473,697	392,942,414
OTHER ASSETS		
Regulatory assets	17,543,679	14,886,312
TOTAL OTHER ASSETS	17,543,679	14,886,312
TOTAL ASSETS	\$ 449,444,076	\$ 462,303,000

**NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
STATEMENTS OF NET POSITION
UNAUDITED**

	December 31	
	2015	2014
LIABILITIES & NET POSITION		
CURRENT LIABILITIES		
Accounts and retentions payable	\$ 3,020,259	\$ 3,447,782
Operating reserves	14,645,055	12,324,923
Current portion of long-term debt	9,480,000	9,025,000
Accrued interest payable	1,410,980	1,428,906
TOTAL CURRENT LIABILITIES	28,556,294	26,226,611
NON-CURRENT LIABILITIES		
Operating reserves and other deposits	5,491,128	981,974
Long-term debt, net	362,086,092	372,364,945
TOTAL NON-CURRENT LIABILITIES	367,577,220	373,346,919
TOTAL LIABILITIES	396,133,514	399,573,530
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	43,845,191	45,891,204
NET POSITION		
Invested in capital assets, net of related debt	(7,529,470)	(7,680,260)
Restricted	12,879,291	15,961,824
Unrestricted	4,115,550	8,556,702
TOTAL NET POSITION	9,465,371	16,838,266
TOTAL LIABILITIES AND NET POSITION	\$ 449,444,076	\$ 462,303,000

**NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
STATEMENT OF REVENUES, EXPENSES
& CHANGES IN NET POSITION
UNAUDITED**

	Six Months Ended December 31	
	2015	2014
SALES FOR RESALE		
Participants	\$ 16,177,809	\$ 19,718,492
Other	28,373,652	36,067,337
TOTAL SALES FOR RESALE	44,551,461	55,785,829
OPERATING EXPENSES		
Operations	19,857,468	27,880,702
Depreciation	7,300,201	7,299,523
Purchased power	2,712,351	-
Maintenance	3,265,644	3,069,608
Administrative and general	1,898,410	2,475,346
Transmission	333,931	3,594,719
Intercompany (sales) purchases	87,475	122,068
TOTAL OPERATING EXPENSES	35,455,480	44,441,966
NET OPERATING REVENUES	9,095,981	11,343,863
OTHER REVENUES (EXPENSES)		
Interest expense	(8,118,472)	(8,234,424)
Interest income	164,221	101,251
Other	2,638,781	1,751,673
TOTAL OTHER REVENUES (EXPENSES)	(5,315,470)	(6,381,500)
FUTURE RECOVERABLE AMOUNTS	1,152,962	2,268,164
REFUNDS TO PARTICIPANTS	(93)	(49)
INCREASE IN NET POSITION	4,933,380	7,230,478
NET POSITION		
Beginning of year	4,531,991	9,607,788
End of period	\$ 9,465,371	\$ 16,838,266

**Lodi Energy Center
FY 2016 Operating Costs
As of December 31, 2015**

	Annual Budget	Actual	Remaining	YTD % Remaining	Notes
Routine O&M Costs					
Variable	\$ 4,844,523	\$ 1,543,580	\$ 3,300,943	68%	B
Fixed	1,780,003	1,148,264	631,739	35%	
Administration	1,316,163	598,926	717,237	54%	
Mandatory Costs	235,000	121,379	113,621	48%	
Inventory Stock	400,000	88,628	311,372	78%	
Routine O&M Costs without Labor	8,575,689	3,500,777	5,074,912	59%	
Labor	4,381,034	2,017,391	2,363,643	54%	
Total Routine O&M Cost	12,956,723	5,518,168	7,438,555	57%	
Other Costs					
Fuel	49,851,536	16,857,659	32,993,877	66%	A
CA ISO Charges	657,289	333,931	323,358	49%	
CA ISO Purchased Energy	-	2,712,351	(2,712,351)	N/A	
Debt Service	26,440,994	13,223,842	13,217,152	50%	C
Insurance	820,000	410,000	410,000	50%	
Other Costs	56,875	38,776	18,099	32%	
Generation Services Shared	388,592	112,475	276,117	71%	
Administrative & General (Allocated)	1,905,508	770,018	1,135,490	60%	
Power Management Allocated Costs	1,228,543	614,271	614,272	50%	
Total O&M Cost	94,306,060	40,591,491	53,714,569	57%	
Projects					
Operations & Maintenance	371,740	132,289	239,451	64%	
Capital	782,849	52,020	730,829	93%	
Maintenance Reserve	1,800,000	900,000	900,000	50%	
Total Projects	2,954,589	1,084,309	1,870,280	63%	
Annual Cost	97,260,649	41,675,800	55,584,849	57%	
Less: Third Party Revenue					
Interest Income	44,489	99,367	(54,878)	-123%	
ISO Energy Sales	67,279,734	27,576,903	39,702,831	59%	
Ancillary Services Sales	1,616,222	796,749	819,473	51%	
Other Income	-	1,136	(1,136)	N/A	
	68,940,445	28,474,155	40,466,290	59%	
Net Annual Cost to Participants	\$ 28,320,204	\$ 13,201,645	\$ 15,118,559	53%	
Total Variable Costs	55,353,348	18,735,170	36,618,178		
Total Fixed Costs	41,907,301	22,940,630	18,966,671		
	\$ 97,260,649	\$ 41,675,800	\$ 55,584,849		
Net Cumulative Generation (MWh)	1,605,494	745,497			
Total O&M Cost Per MWh	\$ 58.74	\$ 54.45			
Net Annual Cost Per MWh	\$ 17.64	\$ 17.71			

Footnotes:

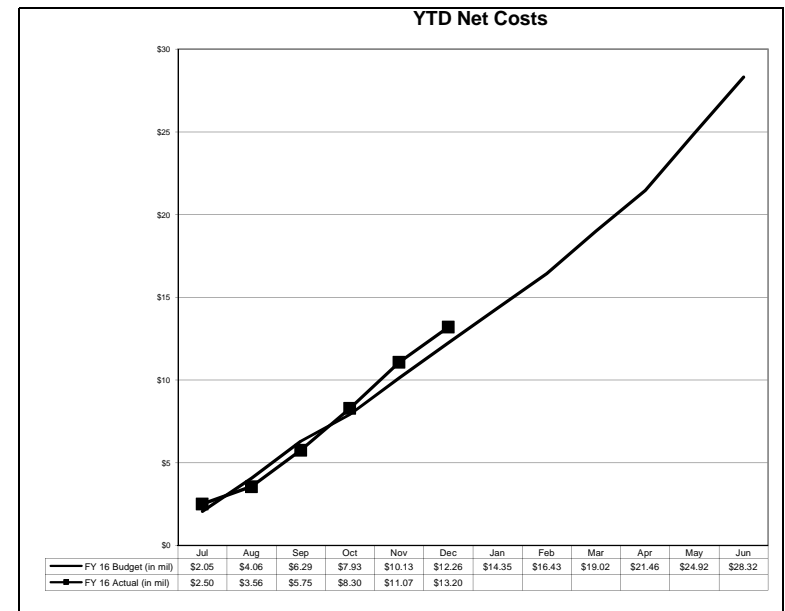
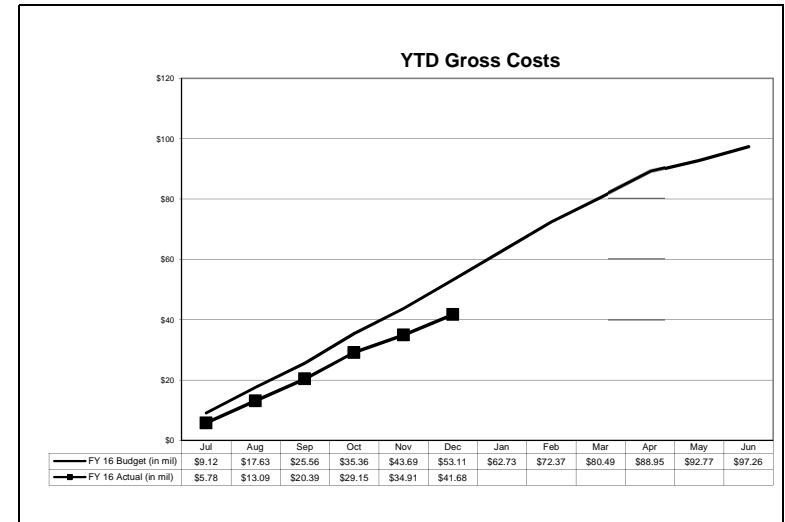
General - December payroll, A&G allocation and generation services allocation are estimated.

A - Non-budgeted costs due to CA ISO calls for regulation down resulting in additional market purchases and

Participants purchasing energy from CA ISO using LEC as the SC.

B - Higher costs due to maintenance and clean out of water treatment system. Variance expected to level out during the year.

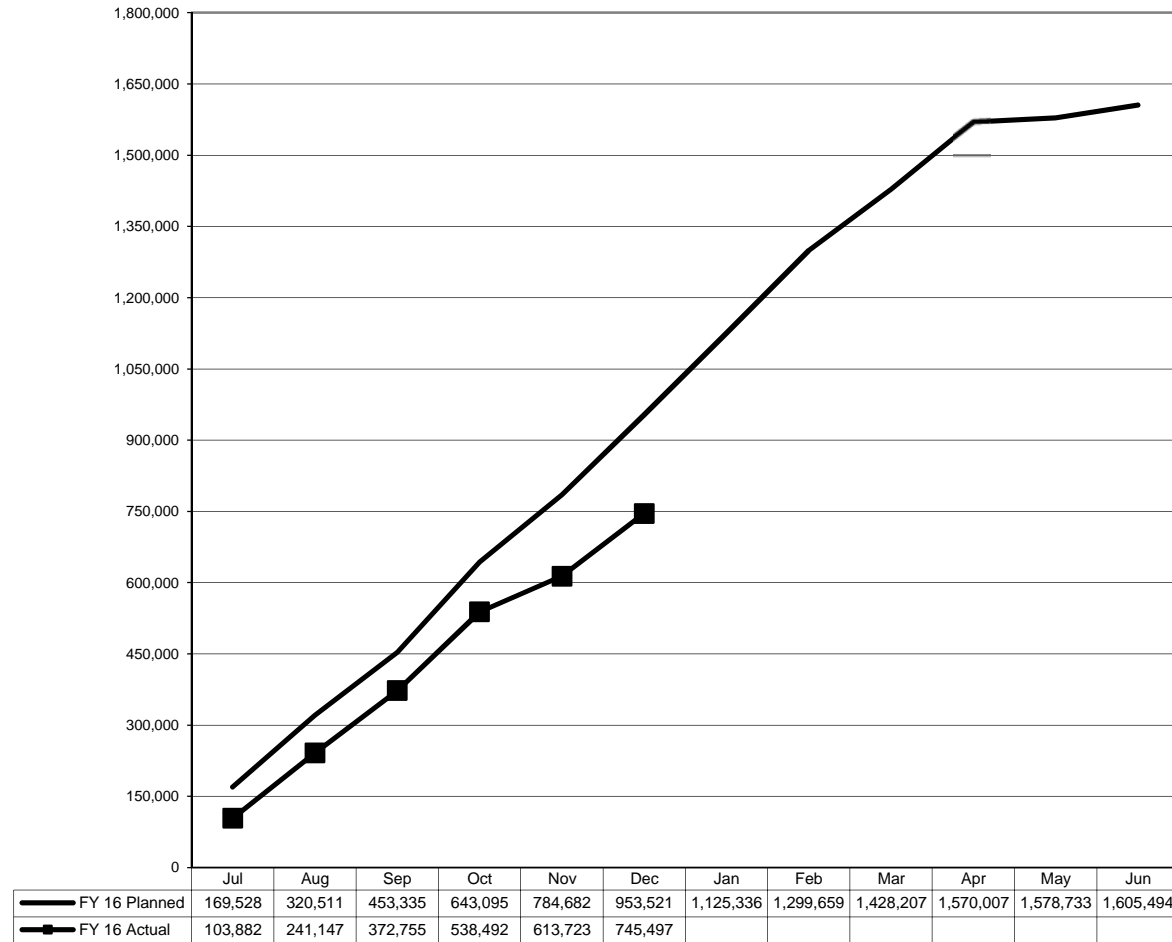
C - Higher costs due to annual trustee fee paid during month. Variance expected to level out during the year.



Annual Budget LEC Generation Analysis Planned vs. Actual FY 2016

In MWh

Lodi Energy Center





651 Commerce Drive
Roseville, CA 95678

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LEC Financial Reports

AGENDA ITEM NO.: 9

Date: January 11, 2016

Subject: December 31, 2015 Financial Reports (Unaudited)



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LEC GHG Reports

AGENDA ITEM NO.: 9

Date: January 11, 2016

Subject: GHG Reports (excerpted from monthly ARB)

2013 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report
for the Lodi Energy Center

IDENTIFIER	Actual													Compliance Year 2013 Total
	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Energy (MWh)	0	82,787	101,925	128,167	134,284	32,545	80,153	122,492	94,615	92,091	98,739	105,078	138,068	1,210,944
Gas Schedule (MMBtu)	0	593,484	723,038	894,657	952,529	229,724	579,650	870,331	673,965	650,250	692,396	738,008	965,292	8,563,324
Emissions Factor (MT/MMBtu)	0	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054
HVAC/Water Heater (MT)													86.000	
Monthly MT Emissions (MT)	0	32,027	39,019	48,280	51,403	12,397	31,281	46,967	36,371	35,091	37,365	39,827	52,178	462,206
Cumulative MT Obligation (MT)	0	32,027	71,046	119,326	170,730	183,127	214,407	261,375	297,745	332,836	370,201	410,028	462,206	462,206
Compliance Instrument Participant Transfers (to LEC)														
Auction Allowances	92,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	460,633
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	92,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	460,633
NCPA Compliance Instrument Purchases (for LEC)														
Auction Purchases	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000
Compliance Instruments Surrendered to CARR (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Monthly Activity (MT)	139,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	507,633
Cumulative MT Account Balance [MTA] (MT)	139,695	145,045	145,045	158,689	263,689	314,321	344,949	346,549	448,749	461,343	461,343	461,343	507,633	507,633
MTA Shortfall (MT)	(139,695)	(113,018)	(73,999)	(39,363)	(92,959)	(131,194)	(130,542)	(85,174)	(151,004)	(128,507)	(91,142)	(51,315)	(45,427)	(45,427)

2014 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center													
	Actual												Compliance Year 2014
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
Energy (MWh)	136,604	156,089	120,489	55,378	71,210	51,037	118,473	69,006	178,831	197,715	51,636	106,338	1,312,806
Gas Schedule (MMBtu)	951,700	1,092,730	858,805	391,272	512,068	371,695	836,762	496,327	1,251,547	1,371,546	372,826	759,691	9,266,969
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054
HVAC/Water Heater (MT)												173,000	
Monthly MT Emissions (MT)	51,358	58,969	46,345	21,115	27,634	20,059	45,156	26,784	67,540	74,015	20,120	41,170	500,265
Cumulative MT Obligation (MT)	513,564	572,533	618,879	639,994	667,628	687,686	732,842	759,626	827,166	901,181	782,385	823,555	823,555
Compliance Instrument Participant Transfers (to LEC)													
Auction Allowances	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	100,350	350	529,957
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	100,350	350	529,957
NCPA Compliance Instrument Purchases (for LEC)													
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0
Compliance Instruments Surrendered to CARR (MT)	0	0	0	0	0	0	0	0	0	0	138,916	0	138,916
Total Monthly Activity (MT)	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	100,350	350	529,957
Cumulative MT Account Balance [MTA] (MT)	609,980	659,980	708,046	733,046	734,336	872,784	872,784	872,784	886,370	936,890	898,324	898,674	898,674
MTA Shortfall (MT)	(96,416)	(87,447)	(89,167)	(93,052)	(66,708)	(185,098)	(139,942)	(113,158)	(59,204)	(35,709)	(115,939)	(75,119)	(75,119)

	2015 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center												
	Actual											Estimated	Compliance Year 2015
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
Energy (MWh)	196,019	151,600	184,507	181,244	91,067	142,275	103,883	137,266	131,608	165,737	75,231	103,992	1,664,430
Gas Schedule (MMBtu)	1,368,474	1,073,330	1,299,294	1,269,481	646,027	1,009,450	740,553	971,283	927,730	1,171,129	541,136	727,946	11,745,833
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	
HVAC/Water Heater (MT)													
Monthly MT Emissions (MT)	73,850	57,922	70,116	68,508	34,863	54,475	39,964	52,415	50,065	63,200	29,202	39,284	633,864
Cumulative MT Obligation (MT)	897,404	955,327	1,025,443	1,093,951	1,128,814	1,183,288	1,223,252	1,275,668	1,325,733	1,388,933	592,071	631,355	631,355
Compliance Instrument Participant Transfers (to LEC)													
Auction Allowances	41,342	250	250,100	15,000	86,000	107,327	104,000	0	0	58,201	375	0	662,595
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	41,342	250	250,100	15,000	86,000	107,327	104,000	0	0	58,201	375	0	662,595
NCPA Compliance Instrument Purchases (for LEC)													
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0
Compliance Instruments Surrendered to CARR (MT)	0	0	0	0	0	0	0	0	0	0	826,064	0	826,064
Total Monthly Activity (MT)	41,342	250	250,100	15,000	86,000	107,327	104,000	0	0	58,201	375	0	662,595
Cumulative MT Account Balance [MTA] (MT)	940,016	940,266	1,190,366	1,205,366	1,291,366	1,398,693	1,502,693	1,502,693	1,502,693	1,560,894	735,205	735,205	735,205
MTA Shortfall (MT)	(42,612)	15,061	(164,923)	(111,415)	(162,552)	(215,405)	(279,441)	(227,025)	(176,960)	(171,961)	(143,134)	(103,850)	(103,850)

2016 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center										
IDENTIFIER	Estimated						Compliance Year 2016	Cumulative Totals	Charge Code	Source
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	Total	Total		
Energy (MWh)	101,212	91,202	101,212	81,192	55,055	53,386	483,258	4,671,438		Forecast/Meter
Gas Schedule (MMBtu)	708,482	638,413	708,482	568,343	385,383	373,705	3,382,808	32,958,935		Forecast/Meter
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054				MARS
HVAC/Water Heater (MT)										
Monthly MT Emissions (MT)	38,233	34,452	38,233	30,671	20,797	20,167	182,553	1,596,335		derived
Cumulative MT Obligation (MT)	669,588	704,040	742,273	772,944	793,741	813,908	813,908	813,908		derived
Compliance Instrument Participant Transfers (to LEC)										
Auction Allowances	0	0	0	0	0	0	0	1,653,185		CITSS
Secondary Market Allowances	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Allowances	0	0	0	0	0	0	0	0		CITSS
Offsets	0	0	0	0	0	0	0	0		CITSS
Total Compliance Instrument Participant Transfers (MT)	0	0	0	0	0	0	0	1,653,185		
NCPA Compliance Instrument Purchases (for LEC)										
Auction Purchases	0	0	0	0	0	0	0	47,000		CITSS
Secondary Market Purchases	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Purchases	0	0	0	0	0	0	0	0		CITSS
Offset Purchases	0	0	0	0	0	0	0	0		CITSS
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	47,000		
Compliance Instruments Surrendered to CARR (MT)	0	0	0	0	0	0	0	964,980		CITSS
Total Monthly Activity (MT)	0	0	0	0	0	0	0	1,700,185		derived
Cumulative MT Account Balance [MTA] (MT)	735,205	735,205	735,205	735,205	735,205	735,205	735,205	735,205		derived
MTA Shortfall (MT)	(65,617)	(31,165)	7,068	37,739	58,536	78,703	78,703	78,703	MTA SHORTFALL	derived

Forecast has been updated through June 2016

NCPA All Resources Bill LEC GHG Obligation Detail Report (Cumulative) January 2016																
IDENTIFIER	AZUSA	BART	BIGGS	CDWR	GRI	HEA	LOD	LOM	MID	PLU	PWRPA	SNCL	UKI	TOTAL	Charge Code	Source
Allocation Percentages																
Generation Entitlement Share %	2.7857%	6.6000%	0.2679%	33.5000%	1.9643%	1.6428%	9.5000%	2.0357%	10.7143%	0.7857%	2.6679%	25.7500%	1.7857%	100%		MARS
Obligation Accounts																
Current MT Compliance Obligation (MTO) Balance (MT)	18,715	44,341	1,800	225,066	13,197	11,037	62,834	13,628	71,983	5,277	17,924	172,999	14,478	673,279		derived
Current MT Compliance Instrument Account (MTA) Balance (MT)	17,888	56,754	2,343	233,572	16,193	13,083	66,692	23,278	74,878	5,278	20,609	174,215	14,890	719,673		derived
MTA Shortfall (MT)	827	(12,413)	(543)	(8,507)	(2,996)	(2,046)	(3,858)	(9,651)	(2,895)	(0)	(2,685)	(1,216)	(412)	(46,395)	MTA SHORTFALL	Derived
Monthly GHG Price \$/MT	12.84	12.84	12.84	12.84	12.84	12.84	12.84	12.84	12.84	12.84	12.84	12.84	12.84	12.84	MTA SHORTFALL	ICE Index
GHG Minimum Cash Compliance Obligation (\$)	10,618	0	0	0	0	0	0	0	0	0	0	0	0	10,618	MTA SHORTFALL	Derived
Current Month CCA Balance (\$)*	60,991	0	143	0	1,103	4,780	755	0	0	0	0	0	2,652	70,424	CCA BALANCE	Accounting
Net GHG Obligation (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NET GHG OBLIG	Derived

* The Current Month CCA Balance (\$) consists of the current cash balance plus any outstanding balance of Net GHG Obligation (\$) billed but not yet received.



Lodi Energy Center Project Participant Committee

Staff Report

AGENDA ITEM NO.: 10

Date: January 11, 2015
To: Lodi Energy Center Project Participant Committee
Subject: **Pacific Star Chemical, LLC dba Northstar Chemical** – Five Year Agreement for the Purchase of Equipment, Materials and Supplies; Applicable to the following projects: All NCPA locations

Proposal

Approve a five year Multi-Task Agreement for the Purchase of Equipment, Materials and Supplies with Pacific Star Chemical, LLC dba Northstar Chemical in an amount not-to-exceed \$1,500,000 for chemical purchases as needed at all NCPA locations and authorize the General Manager to approve the issuance of purchase orders for any amount as needed pursuant to the contract.

Background

Chemicals are needed at various NCPA locations for the operation of the plants. Pacific Star Chemical, LLC dba Northstar Chemical is a supplier of chemicals.

Selection Process

This five year contract does not commit NCPA to any purchases. In addition to Pacific Star Chemical, LLC dba Northstar Chemical, NCPA currently has entered into four other enabling agreements with suppliers for similar chemical purchases. NCPA will issue purchase orders based on cost and availability of the product(s) needed at the time of order. Chemicals are ordered on a daily, weekly, and monthly basis. The decision as to which supplier to use to provide these chemicals will be based on the supplier with the lowest cost who can meet the needed delivery schedule at the time of order.

Fiscal Impact

Total cost of the agreement is not-to-exceed \$1,500,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures. The annual cost of these chemicals exceeds the General Manager's authority of \$250,000. It is recommended that the General Manager be authorized to approve the issuance of purchase orders in any amount as needed pursuant to this contract.

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.

Recommendation

NCPA staff recommends that the PPC pass a motion approving the five year Multi-Task Agreement for the Purchase of Equipment, Materials and Supplies with Pacific Star Chemical, LLC dba Northstar Chemical in an amount not to exceed \$1,500,000, with any non-substantial changes recommended and approved by the NCPA General Counsel, for chemical purchases as needed at all NCPA locations; and authorizing the NCPA General Manager to approve the issuance of purchase orders in any amount associated with the contract.

Prepared by:

/s/

KEN SPEER
Assistant General Manager
Generation Services

Attachment: (1)

- Multi-Task Agreement for the Purchase of Equipment, Materials and Supplies with Pacific Star Chemical, LLC dba Northstar Chemical

SR:



**MULTI-TASK
AGREEMENT FOR PURCHASE OF
EQUIPMENT, MATERIALS AND SUPPLIES
BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
PACIFIC STAR CHEMICAL, LLC dba NORTHSTAR CHEMICAL**

This Agreement for Purchase of Equipment, Materials and Supplies ("Agreement") is entered into on _____, 2016 (the "Effective Date") between the NORTHERN CALIFORNIA POWER AGENCY, ("Agency"), a public joint powers agency, with offices located at 651 Commerce Drive, Roseville, CA, 95678-6420 and Pacific Star Chemical, LLC dba Northstar Chemical, ("Supplier"), whose principal office is located at 14200 SW Tualatin Sherwood Road, Sherwood, OR 97140 (together sometimes referred to as the "Parties").

Section 1. SCOPE. In accordance with the terms and conditions set forth in this Agreement, Supplier is willing to deliver the equipment, materials and supplies ("Goods") described in Exhibit A, attached hereto and incorporated herein to Agency's Project Site, DDP, when requested by the Agency. Supplier shall be responsible at its sole expense for delivering the Goods to Agency's Project Site and title shall not pass until the Agency accepts delivery at this Site. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

Section 2. TERM OF AGREEMENT. This Agreement shall begin upon Effective Date and shall end on the earlier of five (5) years after the Effective Date or when Supplier has provided to Agency the Goods described in Exhibit A.

Section 3. REQUEST FOR GOODS. At such time that Agency determines to have Supplier provide Goods under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Goods to be provided ("Requested Goods"), may include a not-to-exceed cap or monetary cap on the Requested Goods and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Goods shall be delivered.

Section 4. COMPENSATION. Agency hereby agrees to pay Supplier for the Goods an amount not to exceed ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00) as total compensation under this Agreement, which includes all shipping, taxes (if applicable), insurance, delivery charges, and any other fees, costs or charges.

4.1 Invoices. Supplier shall have ninety (90) days after the delivery of Goods to invoice Agency for all amounts due and outstanding under this Agreement. Supplier shall include the number of the Purchase Order which authorized the Goods for which Supplier is seeking payment. In the event Supplier fails to invoice Agency for all amounts due within such ninety (90) day period, Supplier waives its right to collect payment from Agency for such amounts. All invoices shall be submitted to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable

- 4.2 **Payment.** Agency shall pay all invoices within thirty (30) days of the receipt of any invoice for Goods satisfactorily received.
- 4.3 **Timing for Submittal of Final Invoice.** Supplier shall have ninety (90) days after delivery of the Requested Goods to submit its final invoice for the Requested Goods. In the event Supplier fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Supplier is deemed to have waived its right to collect its final payment for the Requested Goods from Agency.

Section 5. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Supplier, at its own cost and expense, shall procure the types and amounts of insurance listed below for the period covered by the Agreement.

- 5.1 **Workers' Compensation.** If Supplier employs any person, Supplier shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Supplier with limits of not less than one million dollars (\$1,000,000.00) per accident.
- 5.2 **Automobile Liability.** Supplier shall maintain automobile liability insurance for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle, whether or not owned by the Supplier, on or off Agency premises. The policy shall provide a minimum limit of \$1,000,000 per each accident, with \$2,000,000 aggregate. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment utilized in the transport of the Goods to the Agency's Project Site.
- 5.3 **Commercial General Liability (CGL).** Supplier shall maintain commercial general liability coverage covering Goods, including product liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Supplier in regard to this Agreement with not less than \$1,000,000/\$2,000,000 aggregate for bodily injury and property damage, on an occurrence basis. No endorsement shall be attached limiting the coverage.
- 5.4 **General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.
- 5.5 **All Policies Requirements.**
- 5.5.1 **Verification of Coverage.** Prior to beginning any work under this Agreement, Supplier shall, at the sole option of the Agency, provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the automobile liability policy and the CGL policy adding the Northern California Power Agency as an Additional Insured and declaring such insurance primary in regard to

work performed pursuant to this Agreement and that Agency's insurance is excess and non-contributing.

5.5.2 **Notice of Reduction in or Cancellation of Coverage.** Supplier agrees to provide at least thirty (30) days prior written notice of any cancellation or reduction in scope or amount of the insurance required under this Agreement.

5.5.3 **Waiver of Subrogation.** Supplier agrees to waive subrogation which any insurer of Supplier may acquire from Supplier by virtue of the payment of any loss. Supplier agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

5.5.4 **Self-Insured Retention.** Supplier shall declare the amount of the self-insured retention to the Agency; the amount shall be not more than \$100,000.

5.6 **Hazardous Materials Transport.** In the event Supplier transports any hazardous materials it shall additionally provide, or if it utilizes a third party for transportation it shall ensure that the third party provides, all insurance and bonds required by the Federal Motor Carrier Safety Administration (including endorsements for motor carrier policies required by the Motor Carrier Act of 1980) and such insurance required by the California Department of Toxic Substances Control.

Section 6. **WARRANTY.** In addition to any and all warranties provided or implied by law or public policy, or any other warranties provided by Supplier, Supplier warrants that all Goods are free from defects in design and workmanship; comply with applicable federal, state and local laws and regulations; are new, of good quality and workmanship, and free from defects; are suitably safe and sufficient for the purpose for which they are normally used; and are not subject to any liens or encumbrances. Supplier shall provide all Goods in accordance with all applicable engineering, construction and other codes and standards, in accordance with prudent electrical utility standards, and in accordance with the terms of this Agreement applicable to such Goods, all with the degree of high quality and workmanship expected from purveyors engaged in the practice of providing materials and supplies of a similar nature. Moreover, if, during the term of this Agreement (or during the one (1) year period following the term hereof, unless Supplier's warranty is for greater than one (1) year, in which case Supplier's warranty shall be applied), the Goods provided by Supplier under this Agreement fail due to defects in material and/or workmanship or other breach of this Agreement, Supplier shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.

Section 7. **INDEMNIFICATION AND SUPPLIER'S RESPONSIBILITIES.**

7.1 **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Supplier from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Supplier acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

- 7.2 **Scope.** Supplier shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Supplier, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.
- 7.3 **Transfer of Title.** Supplier shall be deemed to be in exclusive possession and control of the Goods and shall be responsible for any damages or injury caused thereby, including without limitation any spills, leaks, discharges or releases of any Goods, until Agency accepts delivery at its Site. For the purposes of this Agreement, such acceptance shall occur after Supplier or its agents complete transfer of the Goods into appropriate containers, machinery, storage tanks or other storage apparatus identified by NCPA. In the event a spill, leak, discharge or release requires notification to a federal, state or local regulatory agency, Supplier shall be responsible for all such notifications. Should Supplier be required to remedy or remove Goods as a result of a leak, spill, release or discharge of Goods into the environment at Agency's Site or elsewhere, Supplier agrees to remediate, remove or cleanup Agency's Site to a level sufficient to receive a "No Further Action Required" or "Closure Letter" from the appropriate regulatory authority.

Section 8. **MISCELLANEOUS PROVISIONS.**

- 8.1 **Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Supplier and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 8.2 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 8.3 **Compliance with Applicable Law.** Supplier shall comply with all applicable federal, state, and local laws, rules and regulations in regard to this Agreement and the Goods supplied and transported hereunder, including but not limited to the Federal Motor Carrier Safety Improvement Act of 1990 and California regulations for the transportation of hazardous materials found at Health and Safety Code section 25160 *et seq.*
- 8.4 **Construction of Agreement.** The Parties agree that the usual construction of an agreement against the drafting party shall not apply here.
- 8.5 **Supplier's Status.** Supplier is an independent contractor and not an employee or agent of NCPA.

- 8.6 **Non-assignment.** Supplier may not assign this Agreement without the prior written consent of NCPA, which shall not be unreasonably withheld.
- 8.7 **Governing Law.** This Agreement and all matters pertaining to it, shall be governed by the laws of the State of California and venue shall lie in Placer County or in the county to which the Goods are delivered.
- 8.8 **Affidavit of Compliance for Contractors.** Consistent with the Conditions of Certification issued by the California Energy Commission, Supplier shall, upon the request of Agency, execute and provide to Agency Exhibit B hereto for any employees, agents or other representatives of Supplier who will be present on site at NCPA's Lodi Energy Center, Lodi, California. During the term of this Agreement, Supplier shall keep current the Certificate, a copy of which is attached hereto as Exhibit B and incorporated herein by reference.
- 8.9 **Affidavit of Compliance for Hazardous Materials Transport Vendors.** Consistent with the Conditions of Certification issued by the California Energy Commission, Supplier shall, upon the request of Agency, execute and provide to Agency Exhibit C hereto for any employees, agents or other representatives of Supplier who will be present on site at NCPA's Lodi Energy Center, Lodi, California. During the term of this Agreement, Supplier shall keep current the Certificate, a copy of which is attached here to as Exhibit C and incorporated herein by reference.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

PACIFIC STAR CHEMICAL, LLC dba
NORTHSTAR CHEMICAL

Date: _____

Date: _____

RANDY S. HOWARD, General Manager

MATTHEW WERGER, General Manager

Attest:

Assistant Secretary of the Commission

Approved as to Form:

General Counsel

EXHIBIT A PURCHASE LIST

Supplier deliveries shall be made by a vehicle suitably constructed to contain chemicals meeting Agency's product specifications.

All delivery vehicles shall be labeled and constructed to meet all requirements of the California State Highway Patrol, the Surface Transportation Board and any and all jurisdictions having control over said delivery truck operations.

Chemicals currently used at NCPA facilities include (but are not limited to):

Chemical	Pricing
Hydrated Lime 90%	\$ 0.50 / lb
Mag Ox 36%	\$ 5,000 / ton
Sulfuric Acid 93%	\$ 157.00 / wet ton or \$ 0.0785 / lb
Sodium Hypochlorite 12.5% (Bleach)	\$ 0.92 / gallon or \$ 0.092 / lb
Magnesium Sulfate 30%	\$ 50.00 / gallon
Sodium Bisulfite 12%	\$ 0.90 / lb
Sodium Bisulfite 40%	\$ 0.99 / lb
Sodium Hydroxide 15%	\$ 0.48 / lb

NCPA acknowledges that Supplier's chemical pricing may be subject to change every six to twelve (6 -12) months. NCPA shall compensate Supplier in accordance with such price list revisions, provided, however, that (1) Supplier shall provide NCPA with written notice of such bi-annual revisions thirty (30) days in advance; and (2) regardless of such price list revisions, total compensation for all tasks, including all chemicals delivered under this Agreement, shall not exceed the amount set forth in Section 4 (Compensation) of this Agreement.

NOTE: As a public agency, NCPA shall not reimburse Supplier for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT B

CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

PACIFIC STAR CHEMICAL, LLC dba NORTHSTAR CHEMICAL

(Company name)

for contract work at

LODI ENERGY CENTER, 12745 N. Thornton Road, Lodi, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in conformity with 49 CFR 172, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), as the same may be amended from time to time,

PACIFIC STAR CHEMICAL, LLC dba NORTHSTAR CHEMICAL

(Company name)

for hazardous materials delivery to:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

2408782.1



Lodi Energy Center Project Participant Committee

Staff Report

AGENDA ITEM NO.: 11

Date: January 11, 2016
To: Lodi Energy Center Project Participant Committee
Subject: **Worley Parsons Group, Inc. – First Amendment to Five Year Multi-Task Consulting Services Agreement;** Applicable to the following projects: All NCPA locations, NCPA Members, SCPPA, and SCPPA Members

Proposal

Approve a First Amendment to the existing five year Multi-Task Consulting Services Agreement with Worley Parsons Group, Inc. increasing the total compensation authorized by the agreement from a not to exceed amount of \$225,000 to a not to exceed amount of \$1,000,000 for consulting services related to project support and plant operations as needed at all facilities owned and/or operated by NCPA, its members, SCPPA, or by SCPPA members.

Background

Various consulting services are required at the NCPA plant locations from time to time. Worley Parsons Group, Inc. is a provider of these services. NCPA entered into a five year Multi-Task Consulting Services Agreement with Worley Parsons Group, Inc. effective May 8, 2014 for an amount not-to-exceed \$225,000. Worley Parsons was the lowest bidder on several projects which used a large portion of the contract funds. This amendment will add additional funds to the agreement for future use and expand the scope of work to include NCPA members, SCPPA, and/or SCPPA members.

Selection Process

This five year contract does not commit NCPA to any expenditure of funds. When consulting services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. This is the first enabling agreement for these types of services. NCPA will seek bids from as many qualified providers as possible and enter into additional enabling agreements as needed. The bid is awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

Fiscal Impact

Upon execution, the total cost of the agreement will be not to exceed \$1,000,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

SR:

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.

Recommendation

NCPA staff recommends that the PPC pass a motion approving the First Amendment to the existing five year Multi-Task Consulting Services Agreement with Worley Parsons Group, Inc., increasing the not exceed amount from \$225,000 to \$1,000,000, with any non-substantial changes recommended and approved by the NCPA General Counsel, for consulting services related to project support and plant operations as needed at all facilities owned and/or operated by NCPA, its members, SCPPA, or by SCPPA members,

Prepared by:

/s/

KEN SPEER
Assistant General Manager
Generation Services

Attachments: (2)

- First Amendment to Multi-Task Consulting Services Agreement with Worley Parsons Group, Inc.
- Multi-Task Consulting Services Agreement with Worley Parsons Group, Inc.

SR:



FIRST AMENDMENT TO MULTI-TASK CONSULTING SERVICES AGREEMENT BETWEEN THE NORTHERN CALIFORNIA POWER AGENCY AND WORLEY PARSONS GROUP, INC.

This First Amendment ("Amendment") to Multi-Task Consulting Services Agreement is entered into by and between the Northern California Power Agency ("Agency") and WorleyParsons Group, Inc. ("Consultant") (collectively referred to as "the Parties") as of _____, 2016.

WHEREAS, the Parties entered into a Multi-Task Consulting Services Agreement dated effective May 8, 2014, (the "Agreement") for Consultant to provide consulting services related to project support and plant operations; and

WHEREAS, the Agency now desire to amend the Agreement to add a new Section 1.5, Services Provided, to expand the services provided under the Agreement to Agency members, Southern California Public Power Authority ("SCPPA"), or SCPPA members; and

WHEREAS, the Agency now desires to amend the Agreement to increase the total compensation authorized by the Agreement from a "NOT TO EXCEED" amount of \$225,000.00 to a 'NOT TO EXCEED' amount of \$1,000,000.00; and

WHEREAS, the Agency now desires to amend the Agreement to add a new Section 4.4.3, Additional Certificates and Endorsements, with respect to services which may be provided to an Agency member, SCPPA, and/or a SCPPA member; and

WHEREAS, the Agency also desires to amend Section 10.15, No Third Party Beneficiaries, with respect to services which may be provided to an Agency member, SCCPA, and/or a SCPPA member; and

WHEREAS, the Agency now desires to amend the SCOPE OF WORK set forth in Exhibit A to the Agreement; and

WHEREAS, the Agency now desire to amend the COMPENSATION SCHEDULE AND HOURLY FEES set forth in Exhibit B to the Agreement; and

WHEREAS, the Parties have agreed to modify the Agreement as set forth above; and

WHEREAS, in accordance with Section 8.2 all changes to the Agreement must be in writing and signed by all the Parties; and

NOW, THEREFORE, the Parties, as evidenced by the signatures of their respective authorized representatives below, agree as follows:

1. **Section 1.5-Services Provided** is added to the Agreement as follows:

Services provided under this Agreement by Consultant may include Services directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.

2. **Section 2—Compensation** of the Agreement is amended and restated to read as follows:

Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED ONE MILLION DOLLARS** (\$1,000,000.00) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

The remainder of Section 2 of the Agreement is unchanged.

3. **Section 4.4.3-Additional Certificates and Endorsements** is added to the Agreement as follows:

If Consultant provides services to Agency members, SCPPA, and/or SCPPA members pursuant to this Agreement, Agency shall have the right to require Consultant to provide certificates of insurance and/or policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCPPA or SCPPA member.

4. **Section 10.15-No Third Party Beneficiaries** of the Agreement is amended and restated to read as follows:

This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Consultant provide Services to an Agency member, SCCPA and/or a SCPPA member (collectively for the purposes of this section only "Member") pursuant to section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Services relating to such Member. If requested by Agency, such Member agrees to sign the "Acknowledgement of Agreement", attached hereto as Exhibit D and incorporated herein, prior to receiving Services under the Purchase Order.

5. **Exhibit A – SCOPE OF SERVICES** is amended and restated to read in full as set forth in the attached Exhibit A.
6. **Exhibit B – COMPENSATION SCHEDULE AND HOURLY FEES** is amended and restated to read in full as set forth in the attached Exhibit B.

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7. This Amendment in no way alters the terms and conditions of the Agreement except as specifically set forth herein.

Date: _____

Date: _____

NORTHERN CALIFORNIA POWER AGENCY

WORLEY PARSONS GROUP, INC.

RANDY S. HOWARD, General Manager

GARRY KING, Senior Vice President-Power-US-East

Attest:

Assistant Secretary of the Commission

Approved as to Form:

General Counsel

EXHIBIT A

SCOPE OF SERVICES

As requested, Worley Parsons Group Inc. ("Consultant") shall provide the following consulting services related to project support and plant operations to the Northern California Power Agency ("Agency"), its Members, SCPPA, and/or SCPPA Members:

Services to include, but not be limited to the following:

- Feasibility Studies
- Business Model Development
- Conceptual Design Cost
- Estimating Contract
- Planning
- Engineering Services (preliminary and detailed)
- Engineering Studies
- Execution Planning
- Operations and Maintenance Evaluation and Support
- Vendor Quality Assurance
- Construction Management
- Start-up and Commissioning service

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 hereof. The current hourly rates and or compensation break down and an estimated amount of expenses is attached. Consultant may revise the rates set forth herein no more frequently than once per year, with thirty days' prior written notice, and a list of the revised rates to NCPA.

See Rate Sheet Attachment

Rates for work to be performed at NCPA Member/SCPPA locations will be proposed at the time work is needed.

EXHIBIT D

Acknowledgement of Agreement

This Acknowledgement confirms the intent of _____, a _____ ("Member") to participate in and utilize the Multi-Task Agreement to which this Exhibit is attached, including all other Exhibits attached hereto, between the Northern California Power Agency ("Agency") and Worley Parsons Group, Inc. ("Consultant") effective May 8, 2014, ("Agreement"). Member has reviewed the terms and conditions of the Agreement in detail and agrees to abide by them. It is understood and agreed that payments for Services by Consultant provided to Member shall be paid by Agency and funded by Member to Agency pursuant to a Support Services Program Agreement between Agency and Member. All invoices for Services for Member shall be addressed to Agency.

Further, Member agrees and acknowledges that the terms, conditions, and applicable Exhibits set forth in the Agreement will apply between Member and Consultant.

MEMBER

By: _____

Printed: _____

Title: _____

Date: _____

CONSULTANT

By: _____

Printed: _____

Title: _____

Date: _____



**MULTI-TASK
CONSULTING SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
WORLEY PARSONS GROUP, INC.**

This agreement for consulting services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Worley Parsons Group, Inc., a Delaware Corporation with its office located at 2330 East Bidwell Street, Suite 150, Folsom, CA 95630 ("Consultant") (together sometimes referred to as the "Parties") as of 5/8/, 2014 ("Effective Date") in Roseville, California.

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant is willing to provide to Agency the range of services described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Services").

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Consultant completes the Services, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 Standard of Performance.** Consultant shall perform the Services in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged and for which Consultant is providing the Services. Consultant represents that it is licensed, qualified and experienced to provide the Services set forth herein.
- 1.2.1** If Contractor's failure to conform to this standard of performance is discovered within two (2) years of the completion of the Services under any Purchase Order, and provided that Contractor is notified of such nonconformance within one hundred twenty (120) days after the discovery thereof, then Contractor shall, as its sole obligation, re-perform the deficient Services at no cost to Agency.
- 1.2.2** The standard of performance set forth above are the only warranties made by Contractor in connection with the Services and no other warranties of any kind, whether statutory, oral, written, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, shall apply. The remedies set forth above are in lieu of and excludes all other remedies available to Agency against Contractor either at law or in equity, and regardless of whether such claims are alleged to have risen from negligence; breach of warranty; breach of contract; or other act, error or omission; or from strict or absolute liability in tort; or from any other cause whatsoever; or any combination of the foregoing.

- 1.3 **Assignment of Personnel.** Consultant shall assign only competent personnel to perform the Services. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Consultant shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 **Request for Services.** At such time that Agency determines to use Consultant's Services under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific services to be performed ("Requested Services"), may include a not-to-exceed monetary cap on Requested Services and expenditures authorized by that Purchase Order, and a time by which the Requested Services shall be completed.

Section 2. COMPENSATION. Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED** two hundred and twenty-five thousand dollars (\$225,000) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

- 2.1 **Invoices.** Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:
- The beginning and ending dates of the billing period;
 - Services performed;
 - The Purchase Order number authorizing the Requested Services;
 - At Agency's option, the total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder.
 - At Agency's option, for each work item in each task, a copy of the applicable time entries showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation;

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable

- 2.2 **Monthly Payment.** Agency shall make monthly payments, based on invoices received, for Services satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Consultant; provided that in the event Agency disputes an

invoice in whole or in part, the Agency shall notify Consultant in writing by the payment due date of the basis for the portion in dispute and pay the undisputed amount of the invoice within the time provided for herein. Consultant shall be entitled to suspend until fully paid, or terminate the Services under this Agreement should Agency fail to compensate Consultant in accordance with the terms and conditions of this Agreement for undisputed Services performed.

- 2.3 Payment of Taxes.** Consultant is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.
- 2.4 Authorization to Perform Services.** The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.
- 2.5 Timing for Submittal of Final Invoice.** Consultant shall have ninety (90) days after completion of the Requested Services to submit its final invoice for the Requested Services. In the event Consultant fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Consultant is deemed to have waived its right to collect its final payment for the Requested Services from Agency.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Services.

Section 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Consultant, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

- 4.1 Workers' Compensation.** If Consultant employs any person, Consultant shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant with limits of not less than one million dollars (\$1,000,000.00) per accident.
- 4.2 Commercial General and Automobile Liability Insurance.**
- 4.2.1 Commercial General Insurance.** Consultant shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Consultant, with limits of \$1,000,000 per occurrence/\$2,000,000 general aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

4.2.2 Automobile Liability. Consultant shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Consultant, on or off Agency premises, and with a combined single limit of \$1,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

4.2.3 General Liability/Umbrella Insurance. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 Professional Liability Insurance. Consultant shall maintain professional liability insurance appropriate to Consultant's profession performing work in connection with this Agreement and with limits of one million dollars (\$1,000,000.00) per claim and two million dollars (\$2,000,000) annual aggregate covering the Consultant's errors and omissions.

4.4 All Policies Requirements.

4.4.1 Verification of coverage. Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2, adding the Agency as an additional insured, in respect of the liabilities assumed by Consultant under this Agreement and subject to the coverage limits set forth above, and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.4.2 Notice of Reduction in or Cancellation of Coverage. Consultant shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.5 Waiver of Subrogation. Consultant agrees to waive subrogation which any insurer of Consultant may acquire from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Consultant, its employees, agents and subcontractors.

4.6 Consultant's Obligation. Consultant shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Services are operated,

provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Consultant shall also ensure that all workers involved in the provision of Services are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION, CONSULTANT'S RESPONSIBILITIES AND LIMITATION OF LIABILITY.

- 5.1 Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.
- 5.2 Scope.** Consultant shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency and its officials, commissioners, officers, employees, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, all to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of Consultant or its employees, subcontractors, or agents, or by acts for which they could be held strictly liable, or by the quality or character of their work. However, such obligations to defend, hold harmless and indemnify the Agency shall not apply to the extent that such obligations are attributed to the negligence or willful misconduct of the Agency.
- 5.3 Limitation of Liability.** Notwithstanding any other provision herein to the contrary:
- 5.3.1** In no event shall either Party be liable to the other for special, indirect, incidental, punitive or consequential damages of any nature (regardless of whether such damages are alleged to have risen from negligence; breach of warranty; breach of contract; or other act, error or omission; or from strict or absolute liability in tort; or from any other cause whatsoever; or any combination of the foregoing) including, but not limited to: damages arising from the use or loss of use of any facility; loss of anticipated profits or revenues; costs of replacement services, goods and utilities; damages arising from delay; claims of customers; or interest; and
- 5.3.2** Contractor's maximum cumulative liability as to property damage and bodily injury under any Purchase Order issued hereunder shall be limited to the greater of the compensation received by Contractor under such Purchase Order or two million dollars (\$2,000,000).

Section 6. STATUS OF CONSULTANT.

- 6.1 Independent Contractor.** Consultant is an independent contractor and not an employee of Agency. Agency shall have the right to control Consultant only insofar as the results of Consultant's Services and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Consultant accomplishes Services rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Consultant shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Consultant and Agency acknowledge and agree that compensation paid by Agency to Consultant under this Agreement is based upon Consultant's estimated costs of providing the Services, including salaries and benefits of employees, agents and subcontractors of Consultant.

- 6.2 Consultant Not Agent.** Except as Agency may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.
- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Agency. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Consultant shall supervise all work subcontracted by Consultant in performing the services and shall be responsible for all work performed by a subcontractor as if Consultant itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Consultant from any of its obligations under this Agreement with respect to the services and Consultant is obligated to ensure that any and all subcontractors performing any services shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

- 6.4 **Certification as to California Energy Commission.** If requested by the Agency, Consultant shall, at the same time it executes this Agreement, execute Exhibit C.

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Consultant and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Licenses and Permits.** Consultant represents and warrants to Agency that Consultant and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4 **Work Requiring Payment of Prevailing Wages.** If applicable, in accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which these services are to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in the California Labor Code shall be paid to all workers engaged in performing the services under this Agreement.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 **Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Consultant.

In the event of termination, Consultant shall be entitled to compensation for Services satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Consultant delivering to Agency any or all records or documents, as referenced in Section 9.1 hereof.

- 8.2 **Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties.
- 8.3 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Consultant shall survive the termination of this Agreement.
- 8.4 **Options upon Breach by Consultant.** If Consultant materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:

- 8.4.1 Immediately terminate the Agreement;
- 8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;
- 8.4.3 Retain a different consultant to complete the Services not finished by Consultant; and/or
- 8.4.4 Charge Consultant the difference between the costs to complete the Services that is unfinished at the time of breach and the amount that Agency would have paid Consultant pursuant hereto if Consultant had completed the Services.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 **Records Created as Part of Consultant's Performance.** All reports, data, maps, models, charts, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Consultant hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Consultant agree that, unless approved by Agency in writing, Consultant shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.
- 9.2 **Consultant's Books and Records.** Consultant shall maintain any and all records or other documents evidencing or relating to charges for Services or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under the Agreement, provided that Consultant shall not be required to make available and Agency shall have no right to access or audit, the components of any amounts that are based on fixed rates or agreed on multipliers, except to the extent required by state law.
- 9.4 **Confidential Information and Disclosure.**

9.4.1 Confidential Information. The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose ("The Disclosing Party") confidential Information to the other party ("the Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, consultants, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 Handling of Confidential Information. Conclusion of Agreement. Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof) upon termination of this Agreement, if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal

department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10 **MISCELLANEOUS PROVISIONS.**

- 10.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2 Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 10.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 10.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 10.6 Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*
- Consultant shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Section 1090 *et seq.*
- 10.7 Contract Administrator.** This Agreement shall be administered by Ken Speer, Assistant General Manager, or his designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative

10.8 Notices. Any written notice to Consultant shall be sent to:

Worley Parsons Group, Inc.
Attn: Marc Pelletier
2330 East Bidwell Street, Suite 150
Folsom, CA 95630

Any written notice to Agency shall be sent to:

James H. Pope
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Michael F. Dean
General Counsel
Northern California Power Agency
Meyers Nave
555 Capitol Mall, Suite 1200
Sacramento, CA 95814

10.9 Professional Seal. Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

10.10 Integration; Incorporation. This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

10.11 Alternative Dispute Resolution. If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Consultant agree to resolve the dispute in accordance with the following:

10.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;

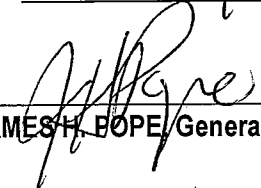
10.11.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

- 10.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
- 10.11.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
- 10.11.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
- 10.11.6** The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*
- 10.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Consultant's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Consultant's Proposal, the Exhibits shall control.
- 10.13 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 10.14 Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.
- 10.15 No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties.

The Parties have executed this Agreement as of the date signed by the Agency.


NORTHERN CALIFORNIA POWER AGENCY

Date 5/8/14

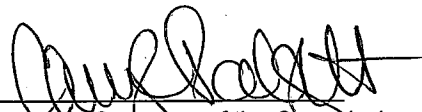

JAMES H. POPE, General Manager

WORLEY PARSONS GROUP INC.

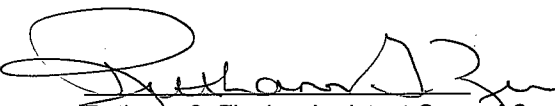
Date 4/30/14


John Rohde, Vice President-Power

Attest:


Assistant Secretary of the Commission

Approved as to Form:


Ruthann G. Ziegler, Assistant General Counsel

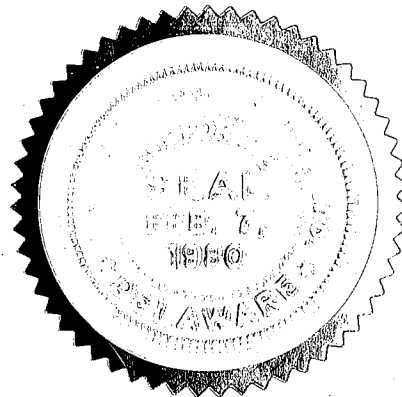


EXHIBIT A
SCOPE OF SERVICES

Worley Parsons Group Inc. ("Consultant") shall provide the Northern California Power Agency ("Agency") with consulting services related to project support and plant operations as needed by the Agency.

Services to include, but not be limited to the following:

- Feasibility Studies
- Business Model Development
- Conceptual Design
- Cost Estimating
- Contract Planning
- Engineering Services (preliminary and detailed)
- Engineering Studies
- Execution Planning
- Operations and Maintenance Evaluation and Support
- Vendor Quality Assurance
- Construction Management
- Start-up and Commissioning service

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks, including hourly fees and expenses, shall not exceed two hundred and twenty-five thousand dollars (\$225,000.00). The current hourly rates and or compensation break down and an estimated amount of expenses is attached. Consultant may revise the rates set forth herein, no more frequently than once per year, with thirty days' prior written notice, and a list of the revised rates, to NCPA.

See Rate Sheet Attachment

NOTE: As a public agency, NCPA shall not reimburse Consultant for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Consultants

I,

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

(Company name)

for contract work at

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20_____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

2052544.5



Lodi Energy Center Project Participant Committee

Staff Report

AGENDA ITEM NO.: 12

Date: January 11, 2016
To: Lodi Energy Center Project Participant Committee
Subject: **KM Industrial, Inc.** – Five Year Multi-Task General Services Agreement;
Applicable to the following projects: All NCPA Locations, Members, SCPPA,
and SCPPA Members

Proposal

Approve a five year Multi-Task General Services Agreement with KM Industrial, Inc. in an amount not to exceed \$500,000 for labor, equipment, and materials to perform various specialized high pressure cleaning of industrial equipment at all facilities owned and/or operated by NCPA, its members, SCPPA, or by SCPPA members.

Background

The NCPA Geothermal facility presently has in place with KM Industrial, Inc. a three year Multi-Task agreement which will expire on January 29, 2016. Over the last three years, KM Industrial, Inc. has been the winning bidder on various tasks at the GEO including, but not limited to: Cooling Tower Basin Cleaning, Mercury filter carbon bed flips, Sedimentation Bed cleaning, Condenser Tube shooting and Stretford cleanings. Staff desires to enter into an enabling agreement for use at all locations.

Selection Process

This five year enabling agreement does not commit NCPA to any expenditure of funds. When work is required NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has entered into enabling agreements with MP Environmental, Gifford's Backhoe, Hugs Painting, and Northern Industrial Construction for similar services. NCPA will seek bids from as many qualified contractors as possible. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time work is required.

Fiscal Impact

Total cost of the agreement will not exceed \$500,000 over the five year term to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

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.

SR:

Recommendation

NCPA staff recommends that the PPC pass a motion approving the five year Multi-Task General Services Agreement with KM Industrial Inc. in an amount not to exceed \$500,000, with any non-substantial changes recommended and approved by the NCPA General Counsel, for labor, equipment, and materials to perform various specialized high pressure cleaning of industrial equipment as needed at all facilities owned and/or operated by NCPA, its members, SCPPA, or by SCPPA members.

Prepared by:

/s/

KEN SPEER
Assistant General Manager
Generation Services

Attachments: (1)

- Multi-Task General Services Agreement with KM Industrial, Inc.

SR:



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
KM INDUSTRIAL, INC.**

This agreement for general services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and KM Industrial, Inc., a corporation, with its office located at 2375 West Esther Street, Long Beach, CA 90813 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2016 ("Effective Date") in Roseville, California.

Section 1. SCOPE OF WORK. Subject to the terms and conditions set forth in this Agreement, Contractor is willing to provide to Agency the range of services and/or goods described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Work").

- 1.1 **Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 **Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.
- 1.3 **Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 **Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 **Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform

the Requested Work, begins to perform the Requested Work or does not respond within the seven day period specified, then Contractor will have agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED** Five Hundred Thousand and No/100 dollars (\$500,000) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 **Invoices.** Contractor shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Work performed;
- The Purchase Order number authorizing the Requested Work;
- At Agency's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency's reasonable satisfaction;
- At Agency's option, the total number of hours of work performed under the Agreement by Contractor and each employee, agent, and subcontractor of Contractor performing work hereunder.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable

2.2 **Monthly Payment.** Agency shall make monthly payments, based on invoices received, for Work satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Contractor.

2.3 **Payment of Taxes.** Contractor is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

2.4 **Authorization to Perform Work.** The Contractor is not authorized to perform any Work or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.

- 2.5 **Timing for Submittal of Final Invoice.** Contractor shall have ninety (90) days after completion of the Requested Work to submit its final invoice for the Requested Work. In the event Contractor fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Contractor is deemed to have waived its right to collect its final payment for the Requested Work from Agency.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Work.

Section 4. INSURANCE REQUIREMENTS. Before beginning any Work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

- 4.1 **Workers' Compensation.** If Contractor employs any person, Contractor shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor with limits of not less than one million dollars (\$1,000,000.00) per accident.

4.2 **Commercial General and Automobile Liability Insurance.**

- 4.2.1 **Commercial General Insurance.** Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of \$1,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

- 4.2.2 **Automobile Liability.** Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of \$1,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

- 4.2.3 **General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.
- 4.3 **Professional Liability Insurance.** Intentionally omitted.
- 4.4 **All Policies Requirements.**
- 4.4.1 **Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.
- 4.4.2 **Notice of Reduction in or Cancellation of Coverage.** Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.
- 4.4.3 **Higher Limits.** If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.
- 4.4.4 **Additional Certificates and Endorsements.** If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Agency shall the right to require Contractor to provide the certificates of insurance and/or policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.
- 4.5 **Waiver of Subrogation.** Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.
- 4.6 **Contractor's Obligation.** Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees,

agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

- 5.1 **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.
- 5.2 **Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

Section 6. STATUS OF CONTRACTOR.

- 6.1 **Independent Contractor.** Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge and agree that compensation paid by Agency to

Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Contractor.

- 6.2 **Contractor Not Agent.** Except as Agency may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.
- 6.3 **Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.
- 6.4 **Certification as to California Energy Commission.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit C.
- 6.5 **Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.

- 6.6 **Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4 **Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5 **Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.
- 7.6 **Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding Bodies, copies of the applicable determination of the Director can be found on the web at: <http://www.dir.ca.gov/DLSR/PWD/> and may be reviewed at any time.

Contractor shall be required to submit to the Agency during the contract period, copies of Public Works payroll reporting information per California Department of Industrial Relations, Form A- 1-131 (New 2-80) concerning work performed under this Agreement.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency \$50.00 for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any Work done under the Agreement by Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 **Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Contractor.

In the event of termination, Contractor shall be entitled to compensation for Work satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Contractor delivering to Agency any or all records or documents (as referenced in Section 9.1 hereof).

- 8.2 **Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties.

- 8.3 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Contractor shall survive the termination of this Agreement.

- 8.4 **Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:

- 8.4.1 Immediately terminate the Agreement;

- 8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;
- 8.4.3 Retain a different Contractor to complete the Work not finished by Contractor; and/or
- 8.4.4 Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 **Records Created as Part of Contractor's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.
- 9.2 **Contractor's Books and Records.** Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement.
- 9.4 **Confidential Information and Disclosure.**
 - 9.4.1 **Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information.

Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as Confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose (the "Disclosing Party") Confidential Information to the other party (the "Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 Handling of Confidential Information. Conclusion of Agreement. Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof) upon termination of this Agreement, if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, Contractors, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. PROJECT SITE.

- 10.1 **Operations at the Project Site.** Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.
- 10.2 **Contractor's Equipment, Tools, Supplies and Materials.** Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.
- 10.3 **Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, for the performance of Work.

Section 11. WARRANTY.

- 11.1 **Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.

- 11.2 **Deficiencies in Work.** In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.
- 11.3 **Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

Section 12. HEALTH AND SAFETY PROGRAMS. The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

- 12.1 Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2 Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3 Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4 Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.

- 12.5 Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6 Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 12.7 Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8 Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9 Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials to include diesel fuel used for trucks owned or leased by the Contractor.

Section 13 MISCELLANEOUS PROVISIONS.

- 13.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 13.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 13.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

13.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

13.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

13.6 **Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

13.7 **Contract Administrator.** This Agreement shall be administered by Ken Speer, Assistant General Manager, or his designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.

13.8 **Notices.** Any written notice to Contractor shall be sent to:

Mary Jo (MJ) Olsson
KM Industrial, Inc.
2375 West Esther Street
Long Beach, CA 90813

Any written notice to Agency shall be sent to:

Randy S. Howard, General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Michael F. Dean
General Counsel
Northern California Power Agency
Meyers Nave
555 Capitol Mall, Suite 1200
Sacramento, CA 95814

- 13.9 **Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 13.10 **Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 13.11 **Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:
- 13.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;
- 13.11.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
- 13.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
- 13.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
- 13.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
- 13.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*
- 13.12 **Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Contractor's Proposal, the Exhibits shall control.

- 13.13 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 13.14 **Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.
- 13.15 **No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member. If requested by Agency, such Member will sign the "Acknowledgement of Agreement", attached hereto as Exhibit F and incorporated herein, prior to the Contractor performing Work under the Purchase Order.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

KM INDUSTRIAL, INC.

Date_____

Date_____

RANDY S. HOWARD, GENERAL MANAGER

MARY JO (MJ) OLSSON, SENIOR VICE
PRESIDENT – WEST COAST OPERATIONS

Attest:

Assistant Secretary of the Commission

Approved as to Form:

General Counsel

2553025.1

EXHIBIT A

SCOPE OF WORK

As requested by NCPA, Contractor to provide labor, equipment and materials to perform specialized high pressure cleaning of industrial equipment at any facilities owned and/or operated by NCPA, by its members, by the Southern California Public Power Authority (SCPPA"), or by SCPPA members.

As requested by NCPA, Contractor to provide labor for outages and general maintenance work at any facilities owned and/or operated by NCPA, by its members, by the Southern California Public Power Authority (SCPPA"), or by SCPPA members.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all work, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 hereof. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Rates provided in this contract are effective from 1/1/2016 thru 12/31/2017. Effective 1/1/2018 and for each year thereafter, the hourly rates as provided for labor shall be adjusted by the percent of change, if any, of the Consumer Price Index (CPI) of the Bureau of Labor Statistics of the U.S. Department of Labor for Solano County, provided however, that any such change in the CPI shall not be less than the year prior.

Rates for work to be performed at NCPA Member/SCPPA locations will be proposed at the time work is needed.

KM INDUSTRIAL, INC.
TIME & MATERIAL RATES
NORTHERN CALIFORNIA
NCPA Prevailing wage 2016
Terms & Conditions

STRAIGHT TIME: MONDAY THROUGH FRIDAY FOR THE FIRST EIGHT HOURS.

OVER TIME: MONDAY THROUGH FRIDAY FROM 8 TO 12 HOURS WORKED. ALL DAY SATURDAY.

PREMIUM TIME: MONDAY THROUGH SATURDAY AFTER THE FIRST 12 HOURS WORKED.
ALL DAY SUNDAY. THE FOLLOWING HOLIDAYS:

NEW YEARS DAY
MEMORIAL DAY
INDEPENDENCE DAY
LABOR DAY
THANKSGIVING DAY
CHRISTMAS DAY

- * There is a 4 hour job site minimum.
- * Per diem is \$120.00 per man per day.
- * All rates are portal to portal.
- * Payment terms are net 30 days.
- * All disposal will be at cost plus 20%.
- * All third party charges will be billed at a cost plus 20%.
- * All hydro-blast and vacuum equipment comes with 100 feet of hose.
- * Daily and shift rates are to be considered 8 hours.

KM INDUSTRIAL, INC. - LABOR RATES
TIME & MATERIAL RATES
NORTHERN CALIFORNIA
NCPA Prevailing wage 2016

EQUIPMENT OPERATOR	STRAIGHT TIME	\$99.79	PER HOUR
	OVER TIME	\$122.24	PER HOUR
	DOUBLE TIME	\$144.67	PER HOUR
40-HOUR TRAINED TECH	STRAIGHT TIME	\$90.48	PER HOUR
	OVER TIME	\$112.51	PER HOUR
	DOUBLE TIME	\$134.54	PER HOUR
FOREMAN	STRAIGHT TIME	\$99.79	PER HOUR
	OVER TIME	\$122.24	PER HOUR
	DOUBLE TIME	\$144.67	PER HOUR
SUPERVISOR	STRAIGHT TIME	\$103.42	PER HOUR
	OVER TIME	\$127.41	PER HOUR
	DOUBLE TIME	\$151.39	PER HOUR
PROJECT MANAGER	STRAIGHT TIME	\$121.58	PER HOUR
	OVER TIME	\$153.25	PER HOUR
	DOUBLE TIME	\$184.91	PER HOUR
SAFETY COORDINATOR	STRAIGHT TIME	\$113.23	PER HOUR
	OVER TIME	\$136.73	PER HOUR
	DOUBLE TIME	\$160.24	PER HOUR

KM INDUSTRIAL, INC. - EQUIPMENT RATES
TIME & MATERIAL RATES
NORTHERN CALIFORNIA
NCPA Prevailing wage 2016

Hydroblast Equipment	2016 - 2021	
Hydroblaster 10,000 psi 34 gpm (10-200)	\$69.11	per hour
Hydroblaster 6,000 - 10,000 psi 52-93 gpm (10-250)	\$104.31	per hour
UHP Blaster 20,000 psi @ 12 to 20 gpm	\$135.60	per hour
UHP Blaster 36,000 psi @ 2.8 gpm	\$156.46	per hour
UHP Blaster 40,000 psi @ 6 gpm	\$200.79	per hour
UHP Surface Cleaning Tool (Rotating Shotgun)	\$93.88	per hour
UHP Abrasive Cutting Head W/ Feed Hopper	\$143.42	per hour
UHP Tube Side Unit (Spinning Whip Tip)	\$37.49	per hour
Hydro Tracking System	\$33.90	per hour
Abrasive Garnet for Cutting Head	\$2.16	per Lb.
Note: All Hydroblast Units come with 1- Hand Gun, 2- 50' lengths of High Pressure Hose and 100' of Water Supply Hose		
Hydroblast Systems		
Hydrostatic Testing System	\$22.81	per hour
Automated OD Cleaner (cleans 2 OD's)	\$169.50	per hour
Automated ID Cleaning (5 lance)	\$78.23	per hour
Hurricane 3D Cleaning Head	\$32.60	per hour
10K Spinning Nozzle (Turbo)	\$18.25	per hour
Hydroblast Accessories		
1/4" to 3/8" Interior Cleaning Equipment - per lance (flex)	\$19.56	per hour
Wet Garnet Blast Injection Unit	\$26.08	per hour
Shot Gun	\$20.86	per hour
MGV Valve for double gun operation	\$97.79	per hour
2-D Sugino Cleaning Head	\$32.60	per hour
3-D Sugino Cleaning Head	\$45.64	per hour
Spin Jet - 10,000 psi	\$47.66	per hour
Spin Jet - 20,000 psi	\$71.72	per hour
10K Rotary Nozzle (RJV)	\$19.56	per hour
20K Rotary Nozzle	\$32.60	per hour
30K Rotary Nozzle	\$45.64	per hour
Rotating Shell Cleaning Head (BJV)	\$39.11	per hour
Non-Rotating Pipe Cleaning Head (Sputnik)	\$13.30	per hour
Air Compressor		
185 cfm	\$39.11	per hour

375 cfm	\$48.25	per hour
825 cfm	\$59.98	per hour
<u>Blowers and Movers</u>		
Coppus CP 20 Blower	\$116.50	per shift
Land 12" Venturi	\$17.86	per shift
Land 9" Venturi	\$13.69	per shift
<u>Unoperated Vacuum Equipment</u>		
King Vac	\$136.91	per hour
Guzzler/Supersucker (27in. Vac)	\$123.87	per hour
Vacuum Truck 70 bbl	\$59.98	per hour
Vacuum Truck 120 bbl	\$73.01	per hour
Roll-Off Truck (Bobtail)	\$53.46	per hour
Roll-Off Bins (20 yd. Open-top)	\$22.81	per day
Vacuum Bins	\$68.45	per day
Vec Loader	\$74.32	per hour
Reach	\$78.23	per hour
Ramps	\$282.21	per shift
<u>Breathing Air and Other Respiratory Systems</u>		
Thirty (30) Minute Pressure Demand, Self Contained Breathing Air Pack (escape pack)	\$78.23	per shift
Pressure Demand Mask with Egress System		
Safety Line & Harness, continuous flow air Line Masks w/hose (1-4)	\$443.30	per shift
Additional Masks (5 or more)	\$32.60	ea./per shift
Resuscitator/Inhaler	\$19.38	per shift
Full Face Respirator Mask w/Chemical Cartridge for medium toxic atmosphere	\$56.85	per shift
Additional Cartridge	\$23.47	per set
Half Face Respirator	\$32.27	per shift
Disposable for Light Toxic Atmosphere	\$16.96	per set
Breathing Air Cylinders - 235 cubic feet	\$29.99	per bottle
Paper Dust+A119 Mask- 8710 Respirator (20 per box)	\$16.63	per box
Hepa Filter	\$18.58	per set
Air Purifier Cell	\$54.76	per shift
<u>Communication Equipment</u>		
2 - Way Radio	\$39.11	each
Sound Powered Phone	\$65.19	each
<u>Disposal Ensembles</u>		
Level B Protection for Light Corrosive Exposure	\$119.95	per man/per shift
Level C Protection for Light Corrosive Exposure	\$82.28	per man/per shift
Level D Protection	\$21.19	per man/per shift
Decontamination	\$130.38	per shift

Drums		
DOT Over-pack Recovery Drum	\$230.13	per drum
DOT 17E Close Top	\$66.30	per drum
DOT 17H Open Top	\$49.22	per drum
DOT 65 Gallon Plastic Drum	\$69.75	per drum
Acid Carboy	\$28.68	per drum
Hoses/Pipes		
1" x 50', Air, Wash, Fire	\$6.13	per shift
1-1/2" x 50' Air, Wash, Fire	\$7.56	per shift
2" x 20' Cam Lock Suction/discharge, vacuum	\$45.64	per shift
2" x 25' Suction/discharge, vacuum	\$18.25	per shift
3" x 20' Cam Lock Suction/discharge, vacuum	\$45.64	per shift
4" x 20' Cam Lock Suction/discharge, vacuum	\$58.68	per shift
6" x 10' Rubber Suction/discharge, vacuum	\$45.64	per shift
6" x 20' Rubber Suction/discharge, vacuum	\$58.68	per shift
2-1/2" x 50' Fire Hose	\$18.25	per shift
3" x 50' Water Transfer, vacuum	\$23.60	per shift
6" x 10' Stainless Steel Flanged	\$45.64	per shift
8" x 10' Stainless Steel Flanged	\$52.15	per shift
6" x 10' Rubber SS Hose	\$19.56	per shift
4" Disposable Plastic Hose (ADS)	\$208.61	per roll
6" Disposable Plastic Hose (ADS)	\$254.25	per roll
3/8" x 50' Chemical	\$7.17	per shift
1/2" x 50' Hydroblast	\$11.74	per shift
3/4" x 50' Wash, Air	\$4.56	per shift
3/4" x 50' Chemical, Hydroblast, Steam	\$14.21	per shift
1" x 25' Steam	\$9.13	per shift
4" Safety Tee	\$19.56	per shift
4" Safety Cage for Plastic Hose	\$19.56	per shift
6" Safety Tee	\$26.08	per shift
6" Safety Cage for Plastic Hose	\$26.08	per shift
1" x 25' Chemical Hose	\$13.04	per shift
2" x 25' Chemical Hose	\$20.01	per shift
3" x 25' Chemical Hose	\$39.11	per shift
4" x 12' Chemical Hose	\$35.85	per shift
4" x 25' Chemical Hose	\$71.72	per shift
6" x 12' Chemical Hose	\$42.38	per shift
6" x 25' Chemical Hose	\$84.75	per shift
8" x 10' Chemical Hose	\$84.75	per shift
1.5" x 50' Fire Water Hose	\$15.65	per shift
2.5" x 50' Fire Water Hose	\$15.65	per shift
3/4" x 50' Steam Hose	\$15.65	per shift
1" x 50' Steam Hose	\$15.65	per shift
3/4" x 50' Air Hose	\$15.65	per shift

<u>Jackhammers</u>		
Pneumatic - 30 lb.	\$44.33	per shift
Pneumatic - 90 lb.	\$57.37	per shift
Chipping Gun	\$38.79	per shift
<u>Ladders</u>		
6' Step Ladder	\$12.26	per shift
12' Folding Ladder	\$34.94	per shift
18' Extension Ladder	\$28.92	per shift
20' Extension Ladder	\$33.35	per shift
Rope/Chain Ladder or Boarding Ladder	\$45.64	per shift
<u>Lights</u>		
Air Driven Explosion Proof Lights	\$126.48	per shift
Vapor Proof 12' Drop Light	\$52.15	per shift
Vapor Proof 12' Volt Light	\$26.47	per shift
Stand Lights (dual)	\$78.23	per shift
Light Box w/extension cord	\$12.26	per shift
Replacement Quartz Bulb - 115 bulb	\$5.87	per shift
Extension Cord (0 rated)	\$11.09	per shift
Flashlights	\$11.29	per shift
<u>Materials</u>		
Duct Tape	\$5.87	per roll
Muslin Filter Bags	\$3.36	each
Plastic Bags - Large 55 gallon drum liners	\$2.74	each
Plastic Sheets (Polypropylene)	\$67.80	per roll
Quick Sorb (50 lb bags)	\$10.76	each
Rags - Wiping	\$2.00	per lb.
HS1000 Big Dog Soap/Degreaser	\$28.68	per gallon
Sand Bags - full	\$10.04	per bag
Sand Bag	\$3.65	each
Saw Dust	\$5.07	per bag
Visquene (Plastic) Roll 20" x 100', 5 MIL	\$100.23	per roll
<u>Miscellaneous Equipment</u>		
Hoe	\$7.82	per shift
Squeegee	\$7.82	per shift
Shovel	\$7.82	per shift
Wheelbarrows	\$15.65	per shift
Bucket		Cost + 15%
Rope		Cost + 15%
Scraper	\$7.82	per shift
Rakes	\$7.82	per shift

Miscellaneous Shop Equipment		
White Tyvek	\$13.69	each
Yellow Tyvek	\$44.98	each
Chemical Tyvek	\$65.19	each
Sigil Rain Gear	\$91.27	each
Rubber Gloves	\$5.41	pair
Leather Gloves	\$9.32	pair
Acid Gloves	\$17.73	pair
Acid Boots	\$69.75	pair
Pumps		
M-2 1" Wilden	\$45.64	per shift
M-4 1-1/2" Wilden	\$58.68	per shift
M-8 2" Wilden	\$58.68	per shift
M-15 3" Wilden	\$78.23	per shift
M-20 Wilden	\$195.57	per shift
1" x 1" Chemical Pump	\$70.41	per shift
2" x 2" Chemical Pump	\$89.97	per shift
3" x 3" Chemical Pump	\$161.67	per shift
1" Barrel	\$21.78	per shift
3" Submersible	\$64.54	per shift
2-1/2" Submersible	\$58.15	per shift
2" Double Diaphragm	\$49.41	per shift
1/2" Barrel	\$30.12	per shift
1/2" Gear	\$27.51	per shift
1" Gear	\$45.64	per shift
1-1/2" High Pressure Washing	\$13.82	per shift
6" Super Hydraulic Submersible (Thompson)	\$49.94	per shift
Hudson Sprayers	\$16.96	per shift
Polymer Pump	\$30.12	per shift
Metering Pump	\$45.64	per shift
3" x 4" Skid Pump	\$36.51	per hour
4" x 4" Skid Pump	\$44.00	per hour
4" x 6" Skid Pump	\$50.53	per hour
6" x 8" Skid Pump	\$64.54	per hour
Pump - Diesel		
3" x 2-1/2" Turbine Pump	\$26.64	per hour
3" x 3" Viking, Rotary Gear	\$27.06	per hour
4" x 3" Barnes, Centrifuge	\$27.06	per hour
5" x 4" Viking, Rotary Gear	\$26.64	per hour
6" x 6" Barnes Centrifugal, Self Priming	\$35.21	per hour
10" x 10" Barnes Centrifugal, Self Priming	\$45.83	per hour
Safety Equipment		
Safety Package "A"	\$78.23	each
Includes 2 tyvek, 2 pair gloves and 2 raingear each		

Safety Package "B"	\$52.15	each
Includes 1 tyvek, 1 pair gloves and 1 raingear each		
Safety Package "C"	\$32.60	each
Includes 1 tyvek, 1 pair gloves each		
Main Lift Tripod (top entry)	\$44.33	per shift
Main Lift A-Frame	\$91.27	per shift
Safety Harness with Lanyard	\$9.98	per shift
Fire Extinguisher (30lb)	\$9.98	per shift
Air Alert Horn	\$19.56	per shift
Orange Safety Vest	\$5.22	per shift
<u>Safety Equipment (Continued)</u>		
CO ₂ Monitor	\$71.72	per shift
Dragger Tubes	\$5.87	each
Tri-Meter	\$71.72	per shift
Hydroblast Turtle Skins	\$33.90	per shift
<u>Pressure Washers and Steam Cleaning Equipment</u>		
Steamer - 1.5 million BTU 1-4 Gun, 200" hose	\$58.68	per hour
Pressure Washer 1000-2000 PSI Hot or Cold (6gpm)	\$36.51	per hour
Pressure Washer 3000-4000 PSI Hot or Cold (30gpm)	\$52.15	per hour
Chemical Circulation - 1,000 gallon truck	\$84.75	per hour
Chemical Circulation Support Trailer	\$73.34	per hour
<u>Sewer Cleaning Equipment</u>		
Jetter 2000 psi 80 gpm	\$65.19	per hour
Camel (Jetter and Vacuum)	\$143.42	per hour
<u>Supply Trucks</u>		
Flat - Bed 2.5 ton	\$26.08	per hour
Gear Truck/Crew Cab	\$18.25	per hour
Passenger Van	\$22.17	per hour
<u>Vacuum Equipment Accessories</u>		
55 - Gallon Venturi Vacuum System	\$16.63	per hour
Drumloader	\$16.30	per hour
Replacement bags		
NOMEX	\$36.57	each
Dacron	\$16.63	each
Super Sacks		
Cyclone Airlock Drum Top Loader with Heppa Filters	\$58.68	per hour
6" x 10' Hard Pipe	\$35.85	per shift
Ramps	\$189.90	per shift
<u>Additional Equip. and or Materials</u>		
PerDiem	\$125.00	per man/overnight

See following "FUEL COST INDEX" for fuel charges.

KM INDUSTRIAL, INC.
Fuel Cost Index-Industrial Cleaning/Waste Division

HOURLY FUEL CHARGE CALCULATION TABLE					Diesel
Fuel Price Index: Dated Index Calculation - Printout to Accompany Invoice					\$4.50
EQUIPMENT	HOURLY FUEL CONSUMPTION (Gallons)	EQUIPMENT UTILIZATION FACTOR	HOURLY FUEL CONSUMPTION (Gallons)	OPERATED HOURS	8 HOUR SHIFT FUEL CHARGE
1.0 HYDROBLAST EQUIPMENT					
10,000 PSI / <25 GPM	6	75.00%	4.5		\$0.00
10,000 PSI / 25-75 GPM	8	75.00%	6		\$0.00
20,000 PSI / <6 GPM	6	75.00%	4.5		\$0.00
20,000 PSI / 10-20 GPM	8	75.00%	6		\$0.00
1.1 ULTRA HIGH PRESSURE (UHP) HYDROBLASTING					
36,000 - 40,000 PSI <10 GPM	6	75.00%	4.5		\$0.00
1.2 UHP Shell-side Cleaners					
Shell-side Unit - Remote Controlled	5	75.00%	3.75		\$0.00
2.0 VACUUM SERVICE					
70 BBL VACUUM TRUCK	8	75.00%	6		\$0.00
120 BBL VACUUM TRUCK - With Tractor	8	75.00%	6		\$0.00
Air Mover (28" Mercury) Vacuum	8	75.00%	6		\$0.00
Air Mover with Cyclone	8	75.00%	6		\$0.00
Air Mover Combo Sewer Cleaner	8	75.00%	6		\$0.00
3.1 Chemical Circulation Units includes tankage					
0-1000gpm	6	75.00%	4.5		\$0.00
1000-2000gpm	9	75.00%	6.75		\$0.00
3.2 Circulation Pumps					
0-500gpm	4	75.00%	3		\$0.00
0-1000gpm	6	75.00%	4.5		\$0.00
0-2000gpm	8	75.00%	6		\$0.00
3.5 Support Equipment					
1.5 MM BTU Steamer	15	75.00%	11.25		\$0.00
Pressure Washer	2	75.00%	1.5		\$0.00
5.0 TEMPORARY STORAGE TANKS					
Roll-off Truck 3 axle	6	75.00%	4.5		\$0.00
Roll-off Truck 5 axle with Double box trailer	6	75.00%	4.5		\$0.00
9.1 Miscellaneous					
Air Compressor [185 cfm]	3	75.00%	2.25		\$0.00
Air Compressor [375 cfm]	8	75.00%	6		\$0.00
10.0 OTHER EQUIPMENT					
		75.00%			
		75.00%			
Diesel Fuel Surcharge					\$0.00

NCPA FUEL COST INDEX

NOTE: As a public agency, NCPA shall not reimburse Contractor for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

(Company name)

for contract work at

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

EXHIBIT D
CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in conformity with 49 CFR 172, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), as the same may be amended from time to time,

(Company name)

for hazardous materials delivery to:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

EXHIBIT E

MAINTENANCE LABOR AGREEMENT ATTACHMENT

ATTACHMENT A AGREEMENT TO BE BOUND

MAINTENANCE LABOR AGREEMENT LODI ENERGY CENTER PROJECT

The undersigned hereby certifies and agrees that:

- 1.) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement") because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Sections 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2.) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and conditions of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3.) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4.) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5.) It will secure a duly executed Agreement to be Bound, in form identical to this document, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)

2252-012a

EXHIBIT F

Acknowledgement of Agreement

This Acknowledgement confirms the intent of _____, a _____ ("Member") to participate in and utilize the Multi-Task Agreement to which this Exhibit is attached, including all other Exhibits attached hereto, between the Northern California Power Agency ("Agency") and _____ ("Contractor") effective _____, 20__ ("Agreement"). Member has reviewed the terms and conditions of the Agreement in detail and agrees to abide by them. It is understood and agreed that payments for Services by Contractor provided to Member shall be paid by Agency and funded by Member to Agency pursuant to a Support Services Program Agreement between Agency and Member. All invoices for Services for Member shall be addressed to Agency.

Further, Member agrees and acknowledges that the terms, conditions, and applicable Exhibits set forth in the Agreement will apply between Member and Contractor.

MEMBER

By: _____

Printed: _____

Title: _____

Date: _____

CONTRACTOR

By: _____

Printed: _____

Title: _____

Date: _____



12745 N. Thornton Road
Lodi, CA 95242

phone (209) 333-6370
fax (209) 333-6374
web www.ncpa.com

Lodi Energy Center Project Participant Committee

Staff Report

AGENDA ITEM NO.: 13

Date: January 7, 2016
To: Lodi Energy Center Project Participant Committee
Subject: Revision to Exhibit 5 of PMOA Agreement Schedule 1.00

Proposal

Adopt revision of PMOA Exhibit 5 of Schedule 1.00 for revised 2016 CAISO Grid Management Charge (GMC) rates related to the Market Services and System Operation Charge.

Background

The CAISO recovers its cost through allocation among three defined service categories that are billed based on five different grid management charges and fees assessed to market participants. The CAISO recently completed its 2016 budget stakeholder process based on a slightly lower 2016 revenue requirement. Two GMC rates were adjusted to account for the revised budgeted costs indicated in the table below. These revised annual GMC rates became effective on January 1, 2016.

Charge Code	CAISO GMC Charge Code Name	2015 Rate	2016 Rate	Change	Unit of Measure
4560	GMC - Market Services Charge	\$0.0876	\$0.0850	(\$0.0026)	Awarded Schedules (MWh)
4561	GMC - System Operation Charge	\$0.2978	\$0.2979	\$0.0001	Metered Energy (MWh)
		\$0.3854	\$0.3829	(\$0.0025)	

The market services charge is assessed to the LEC Project based on awarded CAISO energy and ancillary service schedules, while the system operations charge is assessed to the Project based on metered energy. NCPA includes these GMC rates into the Economic Operations bid calculation indicated in Agreement Schedule 1.00 under the defined term 'CAISO GMC' in order to internalize these costs in the awarded energy bid amount.

Fiscal Impact

There is no fiscal impact on an overall basis to Participants as these costs will be included in the Economic Operations bid calculation in order to internalize these CAISO GMC costs.

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.

Recommendation

NCPA staff recommends that the PPC pass a motion authorizing adopting the revised PMOA Exhibit 5 of Schedule 1.00 for revised 2016 CAISO Grid Management Charge (GMC) rates.

Prepared by:

/s/

ROBERT W. CARACRISTI
Manager, Information Services
and Power Settlements

Attachment: (1)

- Proposed PMOA Exhibit 5 Schedule 1.00, CAISO Charges

EXHIBIT 5

CAISO Charges

The CAISO Charges component used to determine Economic Operations is calculated as shown in the table below:

Market Charge Code	CAISO Charge Code Name	2015 Rate	Unit of Measure
4560	GMC - Market Services Charge	\$ 0.0876 <u>0.0850</u>	per MWh
4561	GMC - System Operation Charge	\$ 0.2978 <u>0.2979</u>	per MWh
Total GMC Amount		<u>\$ 0.3854 <u>0.3829</u></u>	- per MWh

Schedule 1.00 —Exhibit 5

LEC Project Management and Operations Agreement

Effective ~~8-1-12~~~~1-13~~1-1-2016



Lodi Energy Center Project Participant Committee

Staff Report

AGENDA ITEM NO.: 14

Date: January 7, 2016
To: Lodi Energy Center Project Participant Committee
Subject: Approval of Updated Lodi Energy Center (LEC) Project Management and Operations Agreement Schedule 6.00 – Contact List

Proposal

Approval of revised Project Management and Operations Agreement (“PMOA”) Schedule 6.00 to reflect changes made for the City of Lompoc and Power and Water Resources Pooling Authority.

Background

NCPA and the LEC Project Participants executed the LEC PMOA, which became effective on August 1, 2010. The PMOA contains multiple Schedules, which provide procedures and protocols, and guidelines regarding Project operations. Pursuant to the PMOA, Schedules may be revised, deleted or added from time to time based on then existing operating or market conditions, and subject to the approval of the Project Participant Committee (PPC), and with regard to certain Schedules, approval additionally by the NCPA Commission when such Schedules “...could be reasonably viewed as having an impact on other NCPA projects.” (PMOA, Article 10).

Staff is recommending changes to PMOA Schedule 6.00, “Contact List” which provides the contact information for each of the Project Participants. Schedule 6.00 does not require approval by the NCPA Commission.

Fiscal Impact

No significant costs will be incurred to implement the change to the PMOA Schedule 6.00 and funds are available in the Project Budget to support the work associated with this update.

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.

Recommendation

NCPA staff recommends that the PPC approve the revised PMOA Schedule 6.00, dated 1-11-2016 for reference.

Prepared by:

/s/

KEN SPEER
Assistant General Manager Generation Services

Attachments: (1): PMOA Schedule 6.00 Contact List dated 1-11-2016

Agreement Schedule 6.00

Contact List

Northern California Power Agency

Northern California Power Agency
Attn: Michael DeBortoli, Lodi Energy Center Manager
651 Commerce Drive
Roseville, California, 95678
Telephone: (209) 210-5000
Facsimile: (209) 333-5215
Email: michael.debortoli@ncpa.com

With copies to:

Northern California Power Agency
Attn: Ken Speer, Assistant General Manager – Generation Services
651 Commerce Drive
Roseville, California, 95678
Telephone: (916) 781-4201
Facsimile: (916) 783-7693
Email: ken.speer@ncpa.com

Northern California Power Agency
Attn: David Dockham, Assistant General Manager – Power Management
651 Commerce Drive
Roseville, California, 95678
Telephone: (916) 781-4256
Facsimile: (916) 783-4252
Email: dave.dockham@ncpa.com

City of Azusa

City of Azusa
Azusa Light & Water Department
Attn: George Morrow, Electric Utility Director
729 N. Azusa Avenue
P.O. Box 9500
Azusa, California 91702-9500
Telephone: (626) 812-5219
Facsimile: (626) 334-3163
Email: gmorrow@ci.azusa.ca.us

Bay Area Rapid Transit District

Bay Area Rapid Transit District
Attn: Connee Lloyd
300 Lakeside Drive, 16th Floor
Oakland, California 94612-3534
Telephone: (510) 464-6435 or (510) 915-2509
Facsimile: (510) 464-6118
Email: clloyd@bart.org

Modesto Irrigation District

Modesto Irrigation District
Attn: James McFall
Resource Planning and Development Manager
P.O. Box 4060
1231 Eleventh Street
Modesto, California 95352
Telephone: (209) 526-1521
Facsimile: (209) 526-7575
Email: jamesm@mid.org

California Department of Water Resources:

Department of Water Resources
Attention: William Forsythe, Chief, Power Contracts Branch
2135 Butano Drive, Suite 100/Room 125
Sacramento, California 95825
Telephone: (916) 574-0310
Facsimile: (916) 574-0660
Email: william.forsythe@water.ca.gov

Plumas-Sierra Rural Electric Cooperative

Plumas-Sierra REC
Attn: Bob Marshall, General Manager
73233 Highway 70
Portola, California 96122-7064
Telephone: (530) 832-4261
Facsimile: (530) 832-6070
Email: marshall@psln.com

City of Biggs

City of Biggs
Attn: Mark Sorensen, City Administrator
465 "C" Street
P.O. Box 307
Biggs, California 95917-0307
Telephone: (530) 868-5493
Facsimile: (530) 868-5239
Email: biggs1@biggs-ca.gov

City of Gridley

City of Gridley
Attn: Ray Borges, Council Member
685 Kentucky Street
Gridley, California 95948-2117
Telephone: (530) 846-5695
Facsimile: (530) 846-3229
Email: rayborges43@gmail.com

City of Healdsburg

City of Healdsburg
Attn: Terry Crowley, Electric Utility Director
401 Grove Street
Healdsburg, California 95448
Telephone: (707) 431-3340
Facsimile: (707) 431-2710
Email: tcrowley@ci.healdsburg.ca.us

City of Lodi

City of Lodi
Attn: Elizabeth Kirkley, Utility Director
221 W. Pine Street
Lodi, California 95240
Telephone: (209) 333-6828 or (209) 200-1107
Facsimile: (209) 333-6839
Email: ekirkley@lodielectric.com

City of Lompoc

City of Lompoc
Attn: Ronald Stassi, Interim Electrical Utility Manager
100 Civic Center Plaza
P.O. Box 8001
Lompoc, California 93438-8001
Telephone: (805) 736-1261 (switchboard) or (805) 736-1261
Facsimile: (805) 875-8399
Email: r_stassi@ci.lompoc.ca.us

Silicon Valley Power

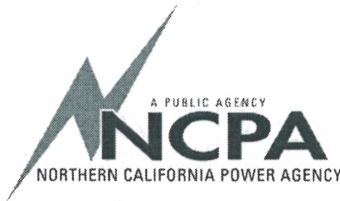
Silicon Valley Power
Attn: John Roukema, Electric Utility Director
1500 Warburton Avenue
Santa Clara, California 95050
Telephone: (408) 261-5490
Facsimile: (408) 249-0217
Email: jroukema@siliconvalleypower.com

City of Ukiah

City of Ukiah
Attn: Mel Grandi, Utility Director
300 Seminary Avenue
Ukiah, California 95482
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Power and Water Resources Pooling Authority

Power and Water Resources Pooling Authority
Attn: Bruce McLaughlin
Braun, Blaising, McLaughlin & Smith, P.C.
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Lodi Energy Center Project Participant Committee Staff Report

AGENDA ITEM NO.: 15

Date: January 11, 2016
To: Lodi Energy Center Project Participant Committee
Subject: FY 2015 Annual Billing Settlements

Proposal

The FY 15 Annual Billing Settlements for the period July 1, 2014 through June 30, 2015 is presented for approval and for recommendation to the Agency Commission for approval.

Background

The Annual Cost to Participants was approximately \$106.4 million; the costs were \$15.5 million or 17.1% over budget due primarily to increased fuel, California Independent System Operator (CAISO) energy purchase, and routine operating and maintenance expenditures. Third Party Revenues were approximately \$72.4 million, which exceeded budget by \$16.4 million or 29.3% and were comprised primarily of project energy sales to the CAISO. When combined, the Net Annual Cost to Participants was approximately \$34.0 million which was \$0.89 million or 2.56% below budget.

From a billing and collection perspective, fuel, CAISO charges, and CAISO energy purchase costs are settled monthly in addition to CAISO energy sales and ancillary services sales, meaning that participants are charged or credited on a pay-as-you go basis. However, all other costs and revenues are invoiced and collected on a budget basis and trued up as part of the year end settlements process.

During fiscal year 2015, participants received the benefit of real time credits for fuel and CAISO costs and revenues. However, budget overruns associated with variable operating costs (primarily the Siemens' Long Term Service Agreement) and other fixed O & M costs (approximately \$200,000) were collected on a budget basis and not settled at the time. As such, those other costs and revenues were under collected by \$1,247,536 at year end.

In total, this year's Collections from participants were approximately \$27.0 million; participants' Transfer Gas Credits totaled approximately \$5.8 million for Total Adjusted Collections of approximately \$32.8 million. The net unfunded cost due from LEC participants at fiscal year-end was \$1,247,536 or 3.8% of collections.

Fiscal Impact

Upon approval by this Committee and the Agency Commission, the amount of \$1,247,536 will be billed to the LEC project participants. The billings will be issued within a few business days of the Commission's approval. NCPA member amounts will be netted with the Agency's annual billing settlements and billed as one amount.

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 of the California Environmental Quality Act. No environmental review is necessary.

Recommendation

NCPA staff recommends that the PPC pass a motion to approve the FY 2015 Annual Billing Settlements and to recommend that the NCPA Commission also approve the Settlements.

Respectfully submitted,



DONNA STEVENER
Assistant General Manager/CFO
Administrative Services/Finance

Prepared by:



SONDRA AINSWORTH
Treasurer-Controller

Attachments:

1. Settlement Summary
2. Allocation of Project Costs
3. Budget Variance Analysis

LODI ENERGY CENTER
Billing Settlement Summary
FY 2015

	Total	Azusa	BART	Biggs	CDWR	Gridley	Healdsburg	Lodi	Lompoc	MID	Plumas-Sierra	PWRPA	SVP	Ukiah
Collections per All Resources Bill (ARB)	\$ 26,935,384	\$ 970,182	\$ 2,252,061	\$ 25,738	\$ 10,847,118	\$ 348,580	\$ 78,610	\$ 709,911	\$ 35,150	\$ 384,861	\$ 163,225	\$ 2,126,928	\$ 8,918,340	\$ 74,680
Transfer Gas Credit in ARB	\$ 5,818,288	\$ -	\$ -	\$ 67,534	\$ -	\$ 335,513	\$ 493,381	\$ 2,599,227	\$ 674,280	\$ -	\$ 110,347	\$ 990,905	\$ -	\$ 547,101
Total Adjusted ARB Collections	\$ 32,753,672	\$ 970,182	\$ 2,252,061	\$ 93,272	\$ 10,847,118	\$ 684,093	\$ 571,991	\$ 3,309,138	\$ 709,430	\$ 384,861	\$ 273,572	\$ 3,117,833	\$ 8,918,340	\$ 621,781
Net Project Costs	\$ 34,001,208	\$ 1,004,092	\$ 2,332,407	\$ 96,534	\$ 11,278,759	\$ 708,005	\$ 591,991	\$ 3,424,785	\$ 734,212	\$ 521,650	\$ 283,136	\$ 3,150,311	\$ 9,231,809	\$ 643,517
Net Unfunded Costs	\$ (1,247,536)	\$ (33,910)	\$ (80,346)	\$ (3,262)	\$ (431,641)	\$ (23,912)	\$ (20,000)	\$ (115,647)	\$ (24,782)	\$ (136,789)	\$ (9,564)	\$ (32,478)	\$ (313,469)	\$ (21,736)

LODI ENERGY CENTER
Allocation of Project Actual
FY 2015

	Allocated by	Total	Azusa	BART	Biggs	CDWR	Gridley	Healdsburg	Lodi	Lompoc	MID	Plumas-Sierra	PWRPA	SVP	Ukiah
ALLOCATION PERCENTAGES:															
Generation Entitlement Share ⁽²⁾	GES	100.0000%	2.7857%	6.6000%	0.2679%	33.5000%	1.9643%	1.6428%	9.5000%	2.0357%	10.7143%	0.7857%	2.6679%	25.7500%	1.7857%
Indenture Cost Share A	ICS A	100.0000%	4.9936%	11.8310%	0.4802%	0.0000%	3.5212%	2.9448%	17.0295%	3.6491%	0.0000%	1.4084%	4.7824%	46.1588%	3.2010%
Indenture Cost Share B	ICS B	100.0000%	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
PROJECTED MWH		1,668,710	46,485	110,134	4,471	559,018	32,778	27,414	158,527	33,970	178,791	13,111	44,520	429,693	29,798
PROJECT COSTS:															
Fuel Cost	GES	\$ 47,290,233	\$ 1,317,364	\$ 3,121,155	\$ 126,691	\$ 15,842,228	\$ 928,922	\$ 776,884	\$ 4,492,572	\$ 962,687	\$ 5,066,817	\$ 371,559	\$ 1,261,656	\$ 12,177,235	\$ 844,462
Labor	GES	\$ 4,165,619	\$ 116,042	\$ 274,931	\$ 11,160	\$ 1,395,482	\$ 81,825	\$ 68,433	\$ 395,734	\$ 84,800	\$ 446,317	\$ 32,729	\$ 111,135	\$ 1,072,647	\$ 74,385
Variable O&M	GES	\$ 5,634,830	\$ 156,969	\$ 371,899	\$ 15,096	\$ 1,887,668	\$ 110,685	\$ 92,569	\$ 535,309	\$ 114,708	\$ 603,733	\$ 44,273	\$ 150,332	\$ 1,450,969	\$ 100,621
Fixed O&M	GES	\$ 2,351,301	\$ 65,500	\$ 155,186	\$ 6,299	\$ 787,686	\$ 46,187	\$ 38,627	\$ 223,374	\$ 47,865	\$ 251,925	\$ 18,474	\$ 62,730	\$ 605,460	\$ 41,987
O&M Administration	GES	\$ 1,190,608	\$ 33,167	\$ 78,580	\$ 3,190	\$ 398,854	\$ 23,387	\$ 19,559	\$ 113,108	\$ 24,237	\$ 127,565	\$ 9,355	\$ 31,764	\$ 306,582	\$ 21,261
Mandatory Costs	GES	\$ 131,393	\$ 3,660	\$ 8,672	\$ 352	\$ 44,017	\$ 2,581	\$ 2,159	\$ 12,482	\$ 2,675	\$ 14,078	\$ 1,032	\$ 3,505	\$ 33,834	\$ 2,346
Inventory Stock	GES	\$ 303,083	\$ 8,443	\$ 20,003	\$ 812	\$ 101,533	\$ 5,953	\$ 4,979	\$ 28,793	\$ 6,170	\$ 32,473	\$ 2,381	\$ 8,086	\$ 78,044	\$ 5,412
O&M and Capital Projects Costs	GES	\$ 6,400,082	\$ 178,287	\$ 422,405	\$ 17,146	\$ 2,144,027	\$ 125,717	\$ 105,141	\$ 608,008	\$ 130,286	\$ 685,724	\$ 50,285	\$ 170,748	\$ 1,648,021	\$ 114,286
Other Costs	GES	\$ 973,954	\$ 27,130	\$ 64,282	\$ 2,611	\$ 326,273	\$ 19,130	\$ 15,998	\$ 92,526	\$ 19,828	\$ 104,353	\$ 7,652	\$ 25,983	\$ 250,795	\$ 17,393
Transmission (CAISO)		\$ 1,327,398	\$ 42,018	\$ 50,209	\$ 4,039	\$ 505,289	\$ 29,620	\$ 24,772	\$ 143,252	\$ 30,697	\$ 81,505	\$ 11,848	\$ 47,909	\$ 329,313	\$ 26,927
Energy Purchases (CAISO)		\$ 7,275,217	\$ 141,905	\$ 336,210	\$ 13,647	\$ 1,706,514	\$ 100,063	\$ 83,686	\$ 483,939	\$ 103,701	\$ 545,796	\$ 40,024	\$ 2,317,042 ⁽¹⁾	\$ 1,311,725	\$ 90,965
Debt Service Cost:															
Indenture Group A Cost	ICS A	\$ 21,233,948	\$ 1,060,338	\$ 2,512,188	\$ 101,965	\$ -	\$ 747,690	\$ 625,297	\$ 3,616,035	\$ 774,848	\$ -	\$ 299,059	\$ 1,015,492	\$ 9,801,336	\$ 679,699
BAB's Subsidy (Group A)	ICS A	\$ (4,189,640)	\$ (209,214)	\$ (495,676)	\$ (20,119)	\$ -	\$ (147,526)	\$ (123,377)	\$ (713,475)	\$ (152,884)	\$ -	\$ (59,007)	\$ (200,365)	\$ (1,933,888)	\$ (134,110)
Debt and Trustee Fees (Group A)	ICS A	\$ 22,767	\$ 1,137	\$ 2,694	\$ 109	\$ -	\$ 802	\$ 670	\$ 3,877	\$ 831	\$ -	\$ 321	\$ 1,089	\$ 10,509	\$ 729
Indenture Group B Cost	ICS B	\$ 11,413,492	\$ -	\$ -	\$ -	\$ 11,413,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BAB's Subsidy (Group B)	ICS B	\$ (2,013,220)	\$ -	\$ -	\$ -	\$ (2,013,220)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt and Trustee Fees (Group B)	ICS B	\$ 16,400	\$ -	\$ -	\$ -	\$ 16,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Admin & General	GES	\$ 1,858,402	\$ 51,770	\$ 122,655	\$ 4,979	\$ 622,565	\$ 36,505	\$ 30,530	\$ 176,548	\$ 37,831	\$ 199,115	\$ 14,601	\$ 49,580	\$ 478,539	\$ 33,185
Power Management Allocated Costs	GES	\$ 1,020,536	\$ 28,429	\$ 67,355	\$ 2,734	\$ 341,880	\$ 20,046	\$ 16,765	\$ 96,951	\$ 20,775	\$ 109,343	\$ 8,018	\$ 27,227	\$ 262,788	\$ 18,224
Total Project Costs		\$ 106,406,403	\$ 3,022,946	\$ 7,112,748	\$ 290,710	\$ 35,520,687	\$ 2,131,587	\$ 1,782,693	\$ 10,309,032	\$ 2,209,056	\$ 8,268,745	\$ 852,606	\$ 5,083,913	\$ 27,883,908	\$ 1,937,772
Estimated price per MWh		\$ 63.77	\$ 65.03	\$ 64.58	\$ 65.02	\$ 63.54	\$ 65.03	\$ 65.03	\$ 65.03	\$ 65.03	\$ 46.25	\$ 65.03	\$ 114.19	\$ 64.89	\$ 65.03
Third Party Revenue															
ISO Energy Sales	GES	\$ 70,080,039	\$ 1,952,738	\$ 4,623,697	\$ 187,817	\$ 23,482,980	\$ 1,376,956	\$ 1,151,707	\$ 6,658,747	\$ 1,426,522	\$ 7,504,953	\$ 550,820	\$ 1,870,283	\$ 18,040,951	\$ 1,251,868
Ancillary Services Sales		\$ 2,236,809	\$ 62,310	\$ 147,626	\$ 5,993	\$ 749,314	\$ 43,942	\$ 36,750	\$ 212,520	\$ 45,540	\$ 239,652	\$ 17,577	\$ 59,674	\$ 575,964	\$ 39,947
Interest & Other Income	GES	\$ 23,244	\$ 648	\$ 1,534	\$ 62	\$ 7,787	\$ 457	\$ 382	\$ 2,208	\$ 473	\$ 2,490	\$ 183	\$ 620	\$ 5,985	\$ 415
Interest Income (Group A)	ICS A	\$ 63,256	\$ 3,159	\$ 7,484	\$ 304	\$ -	\$ 2,227	\$ 1,863	\$ 10,772	\$ 2,308	\$ -	\$ 891	\$ 3,025	\$ 29,198	\$ 2,025
Interest Income (Group B)	ICS B	\$ 1,847	\$ -	\$ -	\$ -	\$ 1,847	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 72,405,195	\$ 2,018,854	\$ 4,780,341	\$ 194,176	\$ 24,241,928	\$ 1,423,582	\$ 1,190,702	\$ 6,884,247	\$ 1,474,843	\$ 7,747,095	\$ 569,471	\$ 1,933,602	\$ 18,652,099	\$ 1,294,255
Annual Project Costs, net		\$ 34,001,208	\$ 1,004,092	\$ 2,332,407	\$ 96,534	\$ 11,278,759	\$ 708,005	\$ 591,991	\$ 3,424,785	\$ 734,212	\$ 521,650	\$ 283,136	\$ 3,150,311	\$ 9,231,809	\$ 643,517
Estimated price per Mwh, net		\$ 20.38	\$ 21.60	\$ 21.18	\$ 21.59	\$ 20.18	\$ 21.60	\$ 21.59	\$ 21.60	\$ 21.61	\$ 2.92	\$ 21.60	\$ 70.76	\$ 21.48	\$ 21.60
JPA Assessment (per PMOA)		\$ 90,219	\$ 5,060	\$ -	\$ -	\$ 60,851	\$ -	\$ -	\$ -	\$ -	\$ 19,462	\$ -	\$ 4,846	\$ -	\$ -
Unfunded/(Excess)		\$ 1,247,536	\$ 33,910	\$ 80,346	\$ 3,262	\$ 431,641	\$ 23,912	\$ 20,000	\$ 115,647	\$ 24,782	\$ 136,789	\$ 9,564	\$ 32,478	\$ 313,469	\$ 21,736

Y PWRPA takes their share of energy from LEC via inter-SC trades settled through LEC. At the same time, PWRPA's SC receives a corresponding credit on their ISO invoice.
Z Generation Entitlement Share (GES) is synonymous with commonly used terms of Project Entitlement Share, Project Percentage, Project Share, Third Phase share.

NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
BUDGET VARIANCE ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Under/(Over) Budget
COST ANALYSIS:			
Variable O&M	\$ 3,651,332	\$ 5,634,830	\$ (1,983,498)
Fixed O&M	1,765,358	2,351,301	(585,943)
Administration	1,250,914	1,190,608	60,306
Mandated Costs	220,000	131,393	88,607
Inventory Stock	400,000	303,083	96,917
Subtotal Routine O & M Costs without Labor	7,287,604	9,611,215	(2,323,611)
Labor	4,299,182	4,165,619	133,563
Total Routine O & M Costs	11,586,786	13,776,834	(2,190,048)
Other Costs			
Fuel	41,167,130	47,290,233	(6,123,103)
CA ISO Charges	489,050	1,327,398	(838,348)
CA ISO Energy Purchases	-	7,275,217	(7,275,217)
Debt Service	26,437,890	26,444,580	(6,690)
Insurance	1,000,425	712,215	288,210
Other Costs	51,781	14,138	37,643
Administrative & General	1,728,654	1,858,402	(129,748)
Generation Services Shared	437,453	286,768	150,685
Power Management Allocated Costs	1,187,916	1,020,536	167,380
Total Other Costs	72,500,299	86,229,487	(13,729,188)
Total O & M Costs	84,087,085	100,006,321	(15,919,236)
Projects			
Operations & Maintenance	332,500	49,562	282,938
Capital Projects	4,658,760	4,550,520	108,240
Maintenance Reserve	1,800,000	1,800,000	-
Total Projects	6,791,260	6,400,082	391,178
Annual Cost	90,878,345	106,406,403	(15,528,058)
THIRD PARTY REVENUE ANALYSIS:			
ISO Energy Sales	54,517,593	70,080,039	(15,562,446)
Ancillary Services Sales	1,420,431	2,236,809	(816,378)
Interest Income - Operations	5,950	22,436	(16,486)
Interest Income (NCPA)	32,667	63,256	(30,589)
Interest Income (CDWR)	5,872	1,847	4,025
Other Income	-	808	(808)
Total Third Party Revenue	55,982,513	72,405,195	(16,422,682)
Net Annual Cost	\$ 34,895,832	\$ 34,001,208	\$ 894,624
Net Generation Mwh	1,207,543	1,668,710	
Net Annual Cost per Mwh	\$ 28.90	\$ 20.38	

Explanations and Comments

General: Lodi Energy Center provides base and peak load and ancillary power services designed to meet electric generation demand and reliability requirements for participating members. The plant began operations late November 2012.

Routine O&M: Routine O&M costs w/o Labor is over budget by \$2.3 million primarily due to increase of \$1.6 million for Siemens' service contract resulting from higher generation, increase of \$0.3 million for maintenance of water treatment system and increase of \$0.4 million for operations and maintenance of boilers and turbines.

Other Costs: Fuel costs exceeded budget due to increased generation driven by CA ISO economic dispatch. CA ISO energy purchases also exceeded budget with the primary driver being response to CA ISO calls for regulation down resulting in additional market purchases. Fuel, CA ISO costs and CA ISO energy purchases are billed when incurred.

Administrative and General (A&G) costs are allocated to generation plants based on person years and costs. While A&G costs were below budget overall, LEC's proportions of both determinants were higher than budget resulting in increased A&G allocation to the plant.

Third Party Revenues: Third party revenue exceeded budget by \$16.4 million primarily due to increased ISO Energy sales of \$15.6 million resulting from a volumetric increase of 48.6% over budgeted energy sales. Revenues from ISO Energy Sales and Ancillary Services are credited to participants in the ARB when received.

NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
BUDGET VARIANCE ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

	Revised Budget	Actual	Variance Unfunded/(Excess)
Labor			
Generation	\$3,305,474	\$3,312,021	\$6,547
Maintenance	993,708	840,496	(153,212)
Power Management	0	13,102	13,102
	<u>\$4,299,182</u>	<u>\$4,165,619</u>	<u>(\$133,563)</u>
 Variable O&M Costs			
Outside Services -			
Siemens LTSA	\$2,409,386	\$4,019,590	\$1,610,204
	<u>2,409,386</u>	<u>4,019,590</u>	<u>1,610,204</u>
 Other -			
Ammonia (SCR)	101,985	169,476	67,491
Emissions Chemicals/Gases	19,122	14,292	(4,830)
Water Treatment Waste Disposal	305,954	603,119	297,165
Raw Water Treatment System	0	2,170	2,170
Demin and Evap Cooler Water Systems	0	13,090	13,090
Cooling Tower Treatment	0	85	85
Dry Chemicals	216,717	253,804	37,087
Bulk Chemicals	280,458	286,979	6,521
Specialty Chemicals	127,481	131,041	3,560
Laboratory and Testing	140,229	38,322	(101,907)
GT Inlet Air Filters	50,000	81,850	31,850
Resin Bottle & Regeneration	0	21,012	21,012
	<u>1,241,946</u>	<u>1,615,240</u>	<u>373,294</u>
	<u>\$3,651,332</u>	<u>\$5,634,830</u>	<u>\$1,983,498</u>

NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
BUDGET VARIANCE ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

	Revised Budget	Actual	Variance Unfunded/(Excess)
Fixed O&M Costs			
Outside Services -			
Legal	\$40,000	\$104,097	\$64,097
Engineering	50,000	11,155	(38,845)
Insulation Maintenance	30,000	0	(30,000)
Temporary Labor	15,000	36,430	21,430
Buildings and Grounds	20,000	22,251	2,251
Consultants	50,000	(5,859)	(55,859)
Corrosion Control	5,000	10,183	5,183
CEMS Support Contact	10,000	9,784	(216)
Fire Protection	30,000	38,528	8,528
Plant Information Services	30,000	564	(29,436)
Siemens LTSA	110,000	111,332	1,332
DCS Support	115,000	80,000	(35,000)
Predictive Maintenance	50,000	72,209	22,209
Nalco	0	20,627	20,627
	555,000	511,301	(43,699)
Other Maintenance Costs -			
Telecommunications	0	644	644
Telephone & Dedicated Comm.	0	1,343	1,343
Telephone-Data CMU Link	0	472	472
Equipment Rental	25,000	80,297	55,297
Safety Equipment	15,000	10,565	(4,435)
Lubricants	15,000	5,689	(9,311)
Consumables	50,000	38,405	(11,595)
HRSG/Boilers	77,250	188,102	110,852
Gas Turbine	70,000	208,094	138,094
Steam Turbine	51,500	240,285	188,785
Generator	61,800	20,931	(40,869)
Misc Maintenance Mat. & Sup.	200,000	238,325	38,325
Water Treatment	100,000	238,450	138,450
Liquidated Gas Turbines Shared Facilities - O&M	174,808	246,331	71,523
Auxiliary Power Usage	370,000	322,067	(47,933)
	1,210,358	1,840,000	629,642
	<u>\$1,765,358</u>	<u>\$2,351,301</u>	<u>\$585,943</u>

NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
BUDGET VARIANCE ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

	Revised Budget	Actual	Variance Unfunded/(Excess)
Administration Expense			
Other-			
Travel & Staff Development	\$30,750	\$29,413	(\$1,337)
General Office Supplies	0	70	70
Ground Lease	1,000,000	1,000,000	0
Awards/Employee Function	0	5,717	5,717
Liquidated Gas Turbines Shared Facilities - Administration	220,164	155,408	(64,756)
	1,250,914	1,190,608	(60,306)
	<u>\$1,250,914</u>	<u>\$1,190,608</u>	<u>(\$60,306)</u>
Mandatory Costs			
Air Permit Fee	\$45,000	\$9,453	(\$35,547)
Hazardous Waste Disposal	25,000	11,811	(13,189)
Regulatory Permit Services	50,000	84,545	34,545
Title V Permit Fee	100,000	25,584	(74,416)
	<u>\$220,000</u>	<u>\$131,393</u>	<u>(\$88,607)</u>
CA ISO Costs			
Purchased Energy	\$0	\$7,275,217	\$7,275,217
Grid Management Charge	489,050	718,045	228,995
Ancillary Services	0	46,704	46,704
Other Charges	0	562,649	562,649
	<u>\$489,050</u>	<u>\$8,602,615</u>	<u>\$8,113,565</u>

NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
BUDGET VARIANCE ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

	Revised Budget	Actual	Variance Unfunded/(Excess)
Debt Service			
Issue #1 (NCPA) -			
Principal	4,885,417	4,885,417	0
Interest	16,348,533	16,348,531	(2)
BABS Interest Subsidy	(4,194,160)	(4,189,640)	4,520
	17,039,790	17,044,308	4,518
Issue #2 (CDWR) -			
Principal	4,177,500	4,177,500	0
Interest	7,235,992	7,235,992	0
BABS Interest Subsidy	(2,015,392)	(2,013,220)	2,172
	9,398,100	9,400,272	2,172
	<u>\$26,437,890</u>	<u>\$26,444,580</u>	<u>\$6,690</u>
Other Costs			
Debt Fees	37,448	28,167	(9,281)
Trustee Fees	11,000	25,950	14,950
NERC Compliance	3,333	(39,979)	(43,312)
	<u>\$51,781</u>	<u>\$14,138</u>	<u>(\$37,643)</u>

NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
BUDGET VARIANCE ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

	Revised Budget	Actual	Variance Unfunded/(Excess)
Administrative & General (Allocated)			
Administrative Support	1,239,763	1,379,609	139,846
General Support	488,891	478,793	(10,098)
	<u>\$1,728,654</u>	<u>\$1,858,402</u>	<u>\$129,748</u>
 Generation Services Shared			
Salaries & Benefits	314,600	231,236	(83,364)
Other Costs	122,853	55,532	(67,321)
	<u>\$437,453</u>	<u>\$286,768</u>	<u>(\$150,685)</u>
 Inventory Stock			
Critical Gas Turbine Spares	\$100,000	\$0	(\$100,000)
Critical Spare Parts	300,000	303,083	3,083
	<u>\$400,000</u>	<u>\$303,083</u>	<u>(\$96,917)</u>
 O&M Projects			
Plant Betterment	\$125,000	\$12,602	(\$112,398)
PI Performance Modules	80,000	36,960	(43,040)
Electrical Circuits Relocation	75,000	0	(75,000)
Inventory Parts Storage	52,500	0	(52,500)
	<u>\$332,500</u>	<u>\$49,562</u>	<u>(\$282,938)</u>
 Capital Items			
Title 22 Water Storage Evaluation	\$0	\$7,073	\$7,073
Platforms (20)	150,000	34,687	(115,313)
Transmission Upgrade	4,508,760	4,508,760	0
	<u>\$4,658,760</u>	<u>\$4,550,520</u>	<u>(\$108,240)</u>

NORTHERN CALIFORNIA POWER AGENCY
SHARED FACILITIES - GAS PLANTS
BUDGET VARIANCE ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Under/(Over) Budget	Explanations and Comments
Routine O & M Costs				
Operations	\$76,040	\$78,767	(\$2,727)	General Comment: In accordance with LEC's Project Management and Operations Agreement, certain incurred expenses benefit all Gas Plants. In accordance with Schedule 4.00, those expenses are liquidated on fixed percentages to LEC, CT1 and CT2.
Maintenance	186,335	286,087	(99,752)	
Administration	320,170	222,021	98,149	
Routine O & M Costs	582,545	586,875	(4,330)	
Summary of Costs by Subprograms				
Anhydrous Ammonia System (subprog 001)	15,000	18,375	(3,375)	
Administration/Warehouse Building (subprog 002)	510,795	517,230	(6,435)	
230 Kv Switchyard Common Equip (subprog 004)	24,000	26,944	(2,944)	
Tooling and Special Equipment (subprog 005)	4,120	0	4,120	
Vehicle Usage (subprog 007)	28,630	24,326	4,304	
	582,545	586,875	(4,330)	
Liquidation to Plants per PMOA Schedule 4.00				
CT 1				
Operations	9,125	9,822	(697)	
Maintenance	35,032	47,488	(12,456)	
Administration	43,400	26,650	16,750	
	87,557	83,960	3,597	
CT 2				
Operations	13,687	14,116	(429)	
Maintenance	29,724	47,096	(17,372)	
Administration	56,606	39,962	16,644	
	100,017	101,174	(1,157)	
LEC				
Operations	53,228	54,828	(1,600)	
Maintenance	121,580	191,503	(69,923)	
Administration	220,163	155,410	64,753	
	394,971	401,741	(6,770)	
Liquidated Costs	582,545	586,875	(4,330)	
Net Annual Cost	\$0	\$0	\$0	

NORTHERN CALIFORNIA POWER AGENCY
 SHARED FACILITIES - GAS PLANTS
 BUDGET VARIANCE ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2015

	Revised Budget	Actual	Variance Unfunded/(Excess)
Operations Expense			
Plant -			
Safety Supplies & Equipment (subprog 002)	\$10,815	\$13,952	\$3,137
Communication Services - Intranet (subprog 002)	45,000	52,841	7,841
	55,815	66,793	10,978
Other -			
Telephone & Dedicated Comm. (subprog 002)	20,225	11,499	(8,726)
Vehicle & Misc Rental (subprog 007)	0	475	475
	20,225	11,974	(8,251)
	<u>\$76,040</u>	<u>\$78,767</u>	<u>\$2,727</u>
Maintenance Expense			
Plant -			
Ammonia System Maintenance (subprog 001)	15,000	18,375	3,375
Hdwr/Sfwr Upgrades & Maint. (subprog 002)	0	146	146
Misc. Maint Materials & Supplies (subprog 002)	40,000	68,221	28,221
Tools/Shop/Warehouse Equipment (subprog 002)	25,000	72,594	47,594
Switchyard (subprog 004)	20,000	26,944	6,944
Vehicle Fuel/Maintenance (subprog 007)	21,630	23,841	2,211
	121,630	210,121	88,491
Other Costs -			
HVAC Services (subprog 002)	15,000	4,670	(10,330)
Plant Information Services (subprog 002)	44,705	61,617	16,912
Equipment Rentals (subprog 002)	5,000	9,679	4,679
	64,705	75,966	11,261
	<u>\$186,335</u>	<u>\$286,087</u>	<u>\$99,752</u>

NORTHERN CALIFORNIA POWER AGENCY
 SHARED FACILITIES - GAS PLANTS
 BUDGET VARIANCE ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2015

	Revised Budget	Actual	Variance Unfunded/(Excess)
Administration Expense			
Outside Services -			
Legal Services (subprog 002)	10,000	23,845	13,845
Janitorial Services Services (subprog 002)	15,000	8,730	(6,270)
	25,000	32,575	7,575
Other Costs-			
Travel (subprog 002)	53,000	3,828	(49,172)
Staff Development (subprog 002)	50,750	31,056	(19,694)
Safety Equipment/Program (subprog 002)	25,000	23,871	(1,129)
Communications Hardware (subprog 005)	4,120	0	(4,120)
Community Relations (subprog 002)	1,000	0	(1,000)
Hdwr/Sfwr Upgrades & Maint (subprog 004)	4,000	0	(4,000)
Janitorial Supplies & Misc Expenses (subprog 002)	47,500	33,880	(13,620)
Office Equipment Maintenance (subprog 002)	25,300	15,890	(9,410)
Safety Incentive Program (subprog 002)	2,500	50	(2,450)
General Office Supplies (subprog 002)	45,000	25,309	(19,691)
Computer (software,hardware,network,...) (subprog 002)	15,000	52,676	37,676
Vehicle Expense (subprog 007)	7,000	10	(6,990)
Awards/Employee Functions (subprog 002)	5,000	2,315	(2,685)
Publications (subprog 002)	10,000	561	(9,439)
	295,170	189,446	(105,724)
	<u>\$320,170</u>	<u>\$222,021</u>	<u>(\$98,149)</u>

**Northern California Power Agency
Trend Analysis - Program Costs
FY 2011 - FY 2015**

Lodi Energy Center	Actual FY 2011	Actual FY 2012	Actual^(A) FY 2013	Actual FY 2014	Revised Budget FY 2015	Actual FY 2015	Under/(Over) Budget
Routine O&M Costs							
Variable			\$ 652,634	\$ 3,842,714	\$ 3,651,332	\$ 5,634,830	\$ (1,983,498)
Fixed			4,545,252	2,568,105	1,765,358	2,351,301	(585,943)
Administration			700,495	1,220,237	1,250,914	1,190,608	60,306
Mandatory Costs			334,528	519,687	220,000	131,393	88,607
Inventory			230,459	180,577	400,000	303,083	96,917
Subtotal Routine O&M w/o Labor	-	-	6,463,368	8,331,320	7,287,604	9,611,215	(2,323,611)
Labor			3,270,844	4,630,807	4,299,182	4,165,619	133,563
Total Routine O&M Costs	-	-	9,734,212	12,962,127	11,586,786	13,776,834	(2,190,048)
Other Costs							
Fuel and Transport Charges			20,907,265	46,150,510	41,167,130	47,290,233	(6,123,103)
AB32 GHG Offset			62,984	7,460	-	-	-
CA ISO Charges (variable)			407,219	1,141,140	489,050	1,327,398	(838,348)
CA ISO Energy Purchases (variable)			-	-	-	7,275,217	(7,275,217)
Debt Service			21,236,597	26,437,806	26,437,890	26,444,580	(6,690)
Insurance			775,368	796,274	1,000,425	712,215	288,210
Other Costs			117,915	40,703	51,781	14,138	37,643
Generation Services Shared			287,245	451,379	437,453	286,768	150,685
Administrative & General (Allocated)			1,181,401	1,722,989	1,728,654	1,858,402	(129,748)
Power Management Allocated Costs			1,031,427	1,134,629	1,187,916	1,020,536	167,380
Total Annual O&M Costs	-	-	55,741,633	90,845,017	84,087,085	100,006,321	(15,919,236)
Projects							
Operations & Maintenance			26,761	306,579	332,500	49,562	282,938
General & Plant			-	923,889	-	-	-
Capital			-	-	4,658,760	4,550,520	108,240
Maintenance Reserve			378,334	397,250	1,800,000	1,800,000	-
Total Project Costs	-	-	405,095	1,627,718	6,791,260	6,400,082	391,178
Total Plant Costs	\$ -	\$ -	\$ 56,146,728	\$ 92,472,735	\$ 90,878,345	\$ 106,406,403	\$ (15,528,058)
			Percentage of Budget		100.00%	117.09%	-17.09%

(A) Lodi Energy Center began operations on November 27, 2012



Lodi Energy Center Project Participant Committee

Staff Report

AGENDA ITEM NO.: 17

Date: January 11, 2016

To: Lodi Energy Center Project Participant Committee

Subject: LEC Insurance Renewal Update

Background

The Agency utilizes the insurance brokerage services of Marsh, Inc., San Francisco, California to market and place the Agency's insurance programs. Each insurance policy and the related insurance market conditions are reviewed prior to the renewal date and remarketed as required to qualified insurers experienced in underwriting the applicable insurance risk. Both Property and Casualty insurance programs were set for renewal on November 20, 2015 and the Project Participant Committee (PPC) approved the coverage levels with a premium cost of not to exceed \$675,000 at the October 12, 2015 meeting. Subsequent to the meeting, Marsh continued negotiations of the premium amounts with the underwriters and the following is a report on the final results of the insurance renewal process.

Lodi Energy Center Operational Insurance Programs Renewal Results

The Lodi Energy Center operational property and liability insurance were renewed at the same limits as last year with added coverages of terrorism in both the property and liability insurance programs. The cost for the both insurance programs is \$608,175, as compared to \$649,032 for last year. This is a decrease of \$40,857 or 6.30%. It is \$101,825 less than the approved LEC FY 2016 insurance budget of \$710,000, a savings of 14.34%. The decrease in the overall cost of both the property and liability coverages, allowed the opportunity to add terrorism coverage while remaining within the approved FY 2016 budget. The final results came in well below the PPC approved limit of \$675,000 expected during the initial negotiation phase in October. A summary of the premium is shown below:

Lodi Energy Center Property and Liability Insurance Premium Summary:

	LEC		
	2015 Expiring	2016 Renewal	% Change
Property Damage			
Property Damage & Terrorism	\$ 544,000	\$ 504,681	-7.23%
Time Element	Not Purchased	Not Purchased	
Taxes/Fees	8,867	8,906	
Premium Total	\$ 552,867	\$ 513,587	-7.10%
Casualty			
\$35mm Excess Liability	\$ 93,183	\$ 89,792	-3.64%
Additional \$45 Liability	Not Purchased	Not Purchased	
Terrorism	Not Purchased	1,863	
Taxes/Fees	2,982	2,933	
Premium Total	\$ 96,165	\$ 94,588	-1.64%
Grand Total	\$ 649,032	\$ 608,175	-6.30%

Fiscal Impact

LEC insurance renewals have been accomplished within the Insurance Program budget with savings of savings of \$40,857 over prior year premiums and \$101,825 under the budget for FY 2016. Total cost of the LEC project insurance is \$608,175. Funds are available in the 924-009-000-190-070-010 (property insurance) and 925-009-000-190-070-010 (Liability insurance) accounts to fund this item. Cost allocation will be based on generation entitlement share.

Environmental Analysis

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

Recommendation

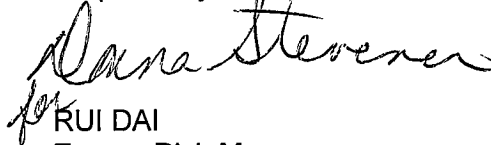
NCPA staff recommends that the LEC PPC receive and file this report.

Respectfully submitted,



DONNA STEVENER
Assistant General Manager/CFO
Administrative Services/Finance

Prepared by:



RUI DAI
Energy Risk Manager