

Lodi Energy Center
Project Participant Committee Regular Meeting
June 12, 2017 - 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 for 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	Absent	0.2679%
CDWR - Brown	Present	33.5000%
Gridley - Eckert	Present	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Chiang	Present	9.5000%
Lompoc - Singh	Absent	2.0357%
MID - Caballero	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Bradley	Present	2.6679%
SVP - Hance	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
Summary		
Present	7	86.8822%
Absent	6	13.1178%
Quorum by #:	Yes	
Quorum by GES:	Yes	
Meeting Date:	June 12, 2017	

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 or on any item within the jurisdiction of the LEC PPC and not listed on the agenda. No members of the public were present.

Jiayo Chiang from the City of Lodi arrived at the Lodi Energy Center at 10:05 a.m. Paul Eckert from the City of Gridley arrived on the phone at 10:11 a.m.

2. Meeting Minutes

The draft minutes of the regular meeting held on May 8, 2017 were considered. The LEC PPC considered the following motion:

Date: 6/12/2017

Motion: The PPC approves the minutes of the May 8, 2017 regular meeting as presented or *including any edits discussed at today's meeting.*

Moved by: MID
Seconded by: CDWR

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Absent	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	Yes	2.6679%
Silicon Valley Power	Absent	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	5	59.1679%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	8	40.8321%
Result:	Motion passes.	

MONTHLY REPORTS

3. Operational Reports for May 2017

Mike DeBortoli presented the Operational Report for May. There were no OSHA recordable accidents, no NERC/WECC violations and no forced outages. There was one failed RATA permit violation issued from the San Joaquin Valley Air Pollution Control District after reviewing the 10/20/2016 test results. No explanation was issued as to why the violation was given.

Mike reported that the May outage was complete. Siemens completed the rotor inspection with no substantial findings. HRSG and boiler tube repairs were completed as well.

The operational report reflected monthly production of 3,440 MWH, 23 service hours, and equivalent operating availability of 12.9%. The report set for the Capacity Factor @ 280MW Pmax of 1.7% and 302MW Pmax of 1.5%. There were zero hot starts, one warm start, and two cold starts during the month.

4. Market Data Report for May 2017

Mike Whitney presented the operating and financial settlement results for the month. There no resource adequacy claims due to the planned outage. LEC was committed to CAISO three out of three available days.

5. Monthly Asset Report

Mike DeBortoli presented the monthly asset report for April 2017. Mike reported that April 2017 was slightly negative. Mike reviewed the monthly historical comparisons as well as the 12-month history.

6. Bidding Strategies Report

Ken Goeke reviewed the monthly Bidding Strategies data for May 2017. Ken reviewed bidding and calculating net start-up costs. Ken reported that daily data results will be posted on the NCPA Connect / LEC PPC site. There will be two reports posted: 1) Backcast Report and 2) LEC Daily Report.

Consent Calendar (Items 7 – 15)

The consent calendar was considered. Chairman Morrow asked if any Participant wished to have any item removed for separate discussion. Hearing no requests, he then asked if any Participant wished to abstain from one or more items on the Consent Calendar. There were no abstentions. The LEC PPC considered the following motion:

Date: 6/12/2017
The PPC approves the Consent Calendar items consisting of agenda items no. 7. Treasurer's Report for May 2017; 8. Financial Reports for May 2017; 9. GHG Reports excerpted from monthly ARB; 10. Univar USA, Inc. First Amendment to the existing five year Multi-Task Agreement for Purchase of Equipment, Materials, and Supplies for chemical purchases, increasing the NTE amount from \$250,000 to \$1,200,000 and amending the purchase list for use at all NCPA facilities; 11. RADCO Communications LLC five year Multi-Task General Services Agreement for communication maintenance services not to exceed \$1,000,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; 12. Stantec Consulting Services, Inc. five year Multi-Task Consulting Services Agreement for engineering consulting services not to exceed \$1,000,000 for use at all facilities owned and/or operated

Motion:

by NCPA, its Members, SCPPA, and SCPPA Members; 13. Global Diving and Salvage, Inc. five year Multi-Task General Services Agreement for underwater maintenance services not to exceed \$1,000,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; 14. DRS Marine, Inc. five year Multi-Task General Services Agreement for underwater maintenance services not to exceed \$1,000,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; 15. Mark III Construction, Inc. Public Works Agreement for physical security upgrades at NCPA Generation Services facilities not to exceed \$1,283,481.

Moved by:

Lodi

Seconded by:

PWRPA

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Absent	0.2679%
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Lodi	Yes	9.5000%
Lompoc	Absent	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	7	86.8822%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	6	13.1178%
Result:	Motion passes.	

BUSINESS ACTION ITEMS

None

INFORMATIONAL ITEMS

16. LEC Operating Reserve Fund

Monty Hanks from NCPA Administrative Services reviewed the LEC Operating Reserve Fund. Monty indicated that the agenda item was originally set as informational, but they would like the PPC to vote on the recommendation. A presentation was reviewed regarding the LEC Operations and Maintenance Reserve. Monty reviewed the operating reserve fund requirement, the annual reserve fund, and the staff recommendation.

Date: 6/12/2017

Motion: The PPC approves holding the Operations & Maintenance Reserve Fund balance at the current level, which is in excess of the Operating Reserve Fund Requirement, until such time as the fuel transportation charge issue is resolved or until PPC Participants decide otherwise.

Moved by: SVP
Seconded by: MID

Discussion: There was no further discussion.

Vote Summary on Motion		
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Azusa	Yes	2.7857%
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Vote Summary		
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Result:	Motion passes.	

17. Offer to Sell LEC Attributes by City of Gridley

James Takehara informed the PPC that the City of Gridley issued an RFO for any participants, members, or third parties to buy shares or any offer related to LEC. This was announced previously in 2015 to LEC participants, and there was no interest. At the request of Gridley, Power Management is re-issuing the RFO again.

18. Update on NCPA Policy on Revenue Allocation

James Takehara presented that the NCPA Commission approved to market administrative services to third parties. In December, an interim policy was approved on what to do with the proceeds from those contracts. James reported that the sub-group met two times since the last meeting making the following recommendations: 1) Ten percent of revenues are to be allocated to members in proportion to A&G costs, 2) Balance – 90% of revenues to be allocated to members and non-members, and 3) Changes to be applied to FY18 (July 2017 to June 2018). James reported this is subject to further scrutiny by the Utility Directors, and then it will go on to the Commission.

19. LEC Gas Transportation Update

Ken Speer gave a summary update on the LEC gas transportation issue. Ken reported that because of the back bone issue, non-back bone CASIO generators weren't from 65% to 10 or 15%. Ken reported that the NCGC is talking about doing an amendment to the rate structure. They're putting in an application to modify the existing rate. Paperwork will be filed by June 23rd.

20. Additional Operational Updates

None

Adjournment

The next regular meeting of the PPC is scheduled for Monday, July 10, 2017.

The meeting was adjourned.

Submitted by: Tracy Kves