



## Lodi Energy Center Project Participant Committee

### Staff Report

AGENDA ITEM NO.: 12

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**Date:** March 13, 2017

**Meeting Date:** March 13, 2017

**To:** Lodi Energy Center Project Participant Committee

**Subject:** Updated Standby Services Agreement with Pacific Gas & Electric (PG&E)

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#### Proposal

Staff recommends that the PPC approve authorization of the NCPA General Manager to execute the updated Standby Services Agreement with PG&E for the purchase of backfeed power while LEC is offline.

#### Background

The Lodi Energy Center is currently going through the process to upgrade the ratings on the transmission line. As a result of that process, PG&E has stated that they “would like to update the standby service agreement for the Lodi Energy Center project since the project is going through the interconnection process for the expansion.” When they were questioned further about the need to execute an identical document, they said that it is a requirement “that every project that goes through the study process update their SSA”. A review was conducted by legal comparing the old agreement to the new agreement. There are no changes in the language of the agreement, and the only changes that could be found on the form were the addition of a PG&E logo and the address of the signatory.

This updated Standby Services Agreement does not affect LEC or how it obtains backfeed power while offline and continues the terms already in place.

Backfeed power is used to power LEC equipment during start-up and shutdown and for maintenance of systems while the unit is offline. LEC operators have made many significant revisions lately to reduce the backfeed power consumed by the facility.

#### Fiscal Impact

There is no fiscal impact as a result of the contract change. LEC will continue purchasing power at the same rates that it has been. Currently, LEC expends about \$460,000 per year on standby power.

#### Environmental Impact

These activities are categorically exempt under Class 1 and 2 from the provisions of the California Environmental Quality Act pursuant to Section 15301 (b) and 15302 (c) of the CEQA Guidelines. A Notice of Exemption was approved by the NCPA Commission on September 27, 2013 for this class of work and was filed in San Joaquin County.

Recommendation

Staff recommends that the PPC approve authorization of the NCPA General Manager to execute the updated Standby Services Agreement with PG&E for the purchase of backfeed power while LEC is offline.

Prepared by:

KEN SPEER  
Assistant General Manager  
Generation Services

Attachments: (1)

- Updated Standby Services Agreement with Pacific Gas & Electric (PG&E)



# SPECIAL AGREEMENT FOR ELECTRICAL STANDBY SERVICE

### DISTRIBUTION

- Customer
- Division
- Tariff Interpretation
- Customer Relations
- Electric Billing Solutions

### REFERENCES

- QF Log #: \_\_\_\_\_
- Premises #: \_\_\_\_\_
- CDx/Acct#: \_\_\_\_\_

This is an agreement between Pacific Gas and Electric Company (PG&E), a California corporation, and **NORTHERN CALIFORNIA POWER AGENCY** (Customer), a **California Joint Powers Agency**. This agreement will be herein referred to as "Agreement".

Customer has requested PG&E to provide standby service at Customer's premises at **LODI ENERGY CENTER, 12751 N. Thornton Rd., Lodi, California, County of San Joaquin** California, under one of the standby options designated below:

- Option 1 – PG&E Standby Through Non-PG&E Supply Facilities** – Standby service for customers whose supply requirements would otherwise be delivered through PG&E owned facilities (including Independent System Operator controlled transmission facilities), are regularly and completely supplied through facilities not owned by PG&E.

The non-utility owned generating facilities have a total rated capacity of approximately **336,920** kVA.

All PG&E power deliveries will be made under Schedule S -- *Standby Service*.

- Option 2 – PG&E Standby When Service is from Another Utility** – Standby service for customers who regularly take electric service from another public utility but desire PG&E to reserve its generation, transmission or distribution capacity for their use:

Customer currently is supplied regular electric service from another utility's generation, transmission, or distribution system; Customer may be alternately served by PG&E by means of a double-throw switch. Both PG&E and the other utility have consented to this arrangement. Customer's maximum demand from electric equipment on his premises is \_\_\_\_\_ kW.

All PG&E power deliveries will be made under Schedule S.

This option is closed to all new customers after January 19, 2001.

- Option 3 – PG&E Standby for Non-Continuous/Irregular PG&E Supply** – Standby service for customers who require PG&E to reserve transmission or distribution capacity and stand ready at all times to deliver electricity on an irregular or non-continuous basis:

Customer has a) a premise which is normally, in part but not in whole, served by non-utility owned generation facilities with a total rated capacity of less than 50 percent of Customer's maximum demand for that premise, or b) a premise which qualifies for back-up service under the provisions of Special Condition 7 of Schedule S (See Option 4) but chooses not to elect Option 4 or currently lacks the necessary on-site metering to bill Option 4 properly, or c) electrical equipment which is used on an irregular or non-continuous basis. The total rated capacity of Customer's generation facilities or irregularly utilized equipment is \_\_\_\_\_ kVA.

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Customer will be billed for all PG&E power deliveries on the otherwise applicable rate schedule; however, Special Conditions 1 through 6 and 8, 9, and 10 of Schedule S will also apply to Customer's service.

- Option 4 – PG&E Supplemental (Back-up and Maintenance) Standby Service –** Standby service for customers who do not meet the criteria described in Option 1 and 2 above, but elect to receive back-up and maintenance portion of their total standby requirements under the provisions of Special Condition 7 of Schedule S:

At least 50 percent of Customer's maximum electric demand is served by a non-utility owned generator, and all necessary metering has been installed (by May 1, 1994, or the effective date of the contract) by PG&E to separately measure Customers net on-site generation and on-site load requirements. Customer would otherwise, except for such generation, qualify for service under Schedule E-19 (mandatory), E-20 or E-37.

Customer will be billed for the back-up and maintenance portion of the premises' total service requirements under the provisions of Special Condition 7 of Schedule S, and for its ordinary supplemental power requirements (on-site load in excess of the capability of the customer's non-utility owned generation) under the provisions of the otherwise applicable rate schedule. All back-up and maintenance power deliveries by PG&E will be billed in accordance with Schedule S. The total rated capacity of Customer's generation is kVA.

- Option 5 – PG&E Standby for Station Load Self-Supply –** Standby service for customers, whose supply requirements would otherwise be delivered through PG&E owned facilities (including Independent System Operator controlled transmission facilities), where the customers' Station Power requirements are regularly supplied through generating units in accord with the customer's CAISO-approved Station Power Portfolio (SPP), as described under the provisions of Special Condition 15 of Schedule S .

Notice of Pending Appeal: Currently an appeal of the Federal Energy Regulatory Commission's (FERC's) June 22, 2005 and related orders is pending before the U.S. Court of Appeals for the D.C. Circuit (D.C. Circuit appeal) related to Schedule S Special Condition 15 regarding Station Power. A Customer eligible for SPP and taking service under Special Condition 15, must acknowledge its obligation to and agreement to pay charges consistent with the outcomes of the Southern California Edison's D.C. Circuit appeal for any time after the later of April 1, 2006 or when the Customer received CAISO certification to operate under SPP. Appropriate payment constitutes the final amount calculated commencing from the date when the Customer received CAISO certification to operate under SPP until the effective date of CPUC jurisdictional standby tariffs that reflect the resolution of the D.C. Circuit appeal. Any payments owed PG&E resulting from the reconciliation will not include interest except as specifically ordered in the clarifying tariffs.

**PU Code 353 exemption:**

*Standby service for customers who qualify for exemption under PU Code 353 and elect to take this exemption.*

- Customers does NOT qualify for PU Code 353 exemption**

**Customers with supplemental power requirements:**

*For customers with supplemental power requirements (on-site load in excess of the capability of the customer's non-utility owned generation) under the provisions of the*

## SPECIAL AGREEMENT FOR ELECTRICAL STANDBY SERVICE

otherwise applicable rate schedule, Special Conditions 1 through 7 of Schedule S will **not** apply. (Option 3)

### **[ ] Customers with excess generation:**

*For those customers who operate electric generation equipment capable of serving their entire load and elect to take this exemption, Special Condition 1 (reservation capacity) will **not** apply. All other applicable charges of Schedule S will apply. (Options 1, 2 and 4)*

### **Terms and Conditions**

1. Customer has requested PG&E to stand ready at all times to deliver or supply and deliver electric energy to Customer's premises on an as-needed basis. Such standby service shall be provided to Customer in accordance with and subject to PG&E's applicable rates and rules as established from time to time by, and on file with, the California Public Utilities Commission (Commission).
2. PG&E shall be granted, without cost to it, all necessary rights-of-way and easements, satisfactory to PG&E, in both location and form of document, to establish such service.
3. All necessary service facilities to accommodate Customer's load shall be furnished by PG&E and Customer as specified in electric line extension and service rules or the otherwise appropriate extension agreements. Any necessary extensions and reinforcements of PG&E's distribution and transmission facilities that are furnished by PG&E at Customer's expense in accordance with either a separate line extension or special facilities agreement, in accordance with the applicable tariffs.
4. All facilities furnished by PG&E to provide electric service at all times shall be and remain the property of PG&E notwithstanding that they may be affixed to Customer's property. PG&E may remove such facilities upon termination of the Agreement.
5. During the term of this Agreement, Customer grants to PG&E the right to operate, maintain, replace, and repair PG&E's facilities on Customer's premises necessary to provide standby service hereunder and all rights necessary for access to and from such facilities at all reasonable times.
6. All standby electric service provided shall be **3** phase, **60** hertz, alternating current at an electromotive force of approximately **230,000** volts. Allowable variations in this frequency and voltage are specified in PG&E's electric Rule 2. The delivery point for PG&E's standby service shall be considered the point where conductors owned, or under license by Customer, contact PG&E's conductors, or as otherwise designated by applicable rules.
7. The initial reserved capacity for standby service shall be **5000** kW (Reservation Capacity) and shall be billed monthly at the rate described in the "Rates" section of Schedule S. If the Customer is already receiving standby service from PG&E under a preceding contract, that contracted or reserved capacity, or the amount of capacity to which that contract has been subsequently ratcheted, shall automatically become the Customer's Reservation Capacity, until the ratchet period ends unless the Reservation Capacity has been increased in accordance with the preceding paragraph.
8. Customer elects to receive any backup and maintenance service that is to be billed under the provisions of Schedule S under the following terms:   X   Firm Service Only.

## SPECIAL AGREEMENT FOR ELECTRICAL STANDBY SERVICE

9. If Customer has a generator and wishes to operate that generator in parallel with PG&E's system, Customer must also execute either a power purchase agreement, or parallel operation agreement, or applicable interconnection agreement with PG&E. Interconnection and operation of all non-utility owned generation paralleling with PG&E's system will be treated in accordance with electric Rule 21. Customers may need to meet those requirements as imposed by other governing entities having jurisdiction including the Independent System Operator and the Western Systems Coordinating Council.
  
10. Customer shall pay PG&E the monthly charges for the standby service provided hereunder at any established office of PG&E.
  
11. The initial term of this Agreement shall be for a period of one (1) year from the date the standby service under this Agreement is first made available to Customer as such date is established in PG&E's records and shall continue thereafter from year to year. Customer may terminate this Agreement at the expiration of the initial or any subsequent one-year term, or PG&E may terminate this Agreement in accordance with its tariffs, provided that written notice of such termination is given to the other party at least thirty (30) days prior to such termination date.
  
12. Customer may, with PG&E's written consent, assign this Agreement to a subsequent owner of the premises if the assignee will, in writing; agree to perform the obligations of the Agreement.
  
13. This Agreement shall, at all times, be subject to such changes or modifications by the Commission as it may from time to time direct in the exercise of its jurisdiction.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**APPROVED:**

Customer	<b>PACIFIC GAS AND ELECTRIC COMPANY</b>
Authorized Signature	Authorized Signature
<b>Print Name</b>	Print Name
<b>Title</b>	Title
Date	Date

**Mailing Address:** \_\_\_\_\_  
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Mailing Address: Pacific Gas and Electric Co  
 245 Market Street, MC N7L  
 San Francisco, CA 94105