



City of Palo Alto

City Council Staff Report

(ID # 7748)

Report Type: Consent Calendar

Meeting Date: 5/1/2017

Summary Title: Approval of Supplement No. 1 to the NCPA JPA Adding the City of Shasta Lake

Title: Approval of Supplement Number 1 to Amended and Restated Northern California Power Agency (NCPA) Joint Powers Agreement to add City of Shasta Lake as a NCPA Member

From: City Manager

Lead Department: Utilities

Recommendation

Staff recommends that the City Council approve Supplement No. 1 to the Amended and Restated Northern California Power Agency Joint Powers Agreement Adding City of Shasta Lake as a Party ("Supplement No. 1 to the JPA"), to allow the City of Shasta Lake to join NCPA as a member. Supplement No. 1 is included with this Staff Report as Attachment A.

Background

The Northern California Power Agency (NCPA) was established in 1968 through a Joint Powers Agreement (JPA) for the purpose of financing and developing electric generation facilities on behalf of its members. The City of Palo Alto is one of twelve founding members along with the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Redding, Roseville, Santa Clara and Ukiah, and the Plumas-Sierra Rural Electric Cooperative. Since first founded, NCPA has expanded services to include power management, scheduling coordination, billing and settlements, and legislative and regulatory compliance, monitoring and advocacy. NCPA has also expanded its membership since its establishment to add Bay Area Rapid Transit (BART), Port of Oakland, Truckee Donner Irrigation District and Turlock Irrigation District.

The City of Shasta Lake (Shasta Lake) desires to become an NCPA member and party to the JPA so that it may receive the benefits of joint action, including services under NCPA's Legislative and Regulatory Affairs (L&R) program and possibly power management services in the future. In order for Shasta Lake to become a member, the JPA must be amended and all members' governing boards must approve the addition of Shasta Lake by executing Supplement No. 1 to the JPA.

Addition of Shasta Lake as a new member is consistent with the recent NCPA 2016-2021 Strategic Plan (Attachment B) which seeks to reduce costs borne by its members by increasing revenues through the addition of new members and/or providing services to new entities. NCPA's operating costs are heavily focused on administrative overhead and physical resources (e.g., information and technology systems), which are, for the most part, fixed. The NCPA Strategic Plan calls for the agency to: "Maintain financial strength, grow new revenue and/or reduce member costs by exploring new members/participants and expansion of current services". To this end, NCPA has successfully sought out opportunities to bring in new revenue sources through service agreements for power management-related services and through solicitations for new members.

In 2008, the NCPA JPA was amended and restated to, among other things, revise membership status at NCPA. Prior to the amendment, NCPA had two levels of membership - full and associate members. An associate member could participate in all programs at NCPA, however had limited voting rights, liabilities and obligations. Under the amended and restated JPA all members have the same rights, powers, privileges, immunities, duties, and obligations. Without the ability to add associate members, careful consideration around the risks and benefits associated with adding new members is warranted. As such, in February 2016, the NCPA Commission approved a New Member Policy and Guidelines for Obtaining Membership ("New Member Policy", provided as Attachment C).

In April 2016, Shasta Lake submitted an application to become an NCPA member and party to the JPA. After reviewing Shasta Lake's application, NCPA concluded that Shasta Lake met the criteria established in the New Member Policy and recommended that the NCPA Commission approve Shasta Lake's application at its June 23, 2016 meeting (NCPA Staff Report included as Attachment D). The majority of members present at the meeting voted in support of adding Shasta Lake (7 members in favor, 1 member opposed and 6 absent). Palo Alto cast the opposing vote. At this point, all other NCPA members except Palo Alto have approved addition of the City of Shasta Lake to the NCPA JPA.

Discussion

If added as a member, the City of Shasta Lake will bring moderate benefits and potentially some strategic value to the agency and its membership. Its annual contribution towards NCPA's budget is expected to be approximately \$129,000—representing approximately three percent of NCPA's fiscal year (FY) 2017 budget. Approximately \$29,000 will go towards NCPA's JPA fee and the remaining will go towards funding the L&R program. All members are required to participate in the L&R program and as signatories to the JPA have the same rights to vote on all matters pertaining to the program(s) for which they are a participant and on general NCPA matters. Additionally, NCPA feels that adding Shasta Lake as a member may strengthen NCPA's ability to gain support from Shasta Lake's state and federal representatives in matters related to energy policy. Although adding Shasta Lake is represented by the same legislators as the City of Redding, NCPA's view is that adding additional constituents may improve existing relationships.

Initially, Shasta Lake intends to only participate in NCPA's L&R program, since it currently receives power management services from the City of Redding; however, Shasta Lake is exploring receiving power management services from NCPA. Power management and related services are one of NCPA's core competencies and represent much of NCPA's fixed costs. At the September 2016 NCPA Commission meeting, the Commission adopted a set of assumptions to be used to develop a cost allocation for Shasta Lake should they decide to receive power management services as well. Based on the set of assumptions, Shasta Lake's contribution could be about \$343,000 per year or 3 percent of NCPA's FY 2017 Power Management budget.

In casting its vote in opposition to Shasta Lake membership before the NCPA Commission, Palo Alto raised a number of concerns with NCPA, including adequacy of the case made for adding Shasta Lake as a member under the terms of the New Member Policy and the impact of additional members on overall governance of the agency. NCPA has since identified incremental improvements that address some of these concerns. NCPA staff did additional work to provide Palo Alto with more information to better demonstrate alignment between the principles set forth in the NCPA-approved New Member Policy and a potential Shasta Lake membership. Most recently, at its March 2017 meeting the NCPA Commission also expanded its Executive Committee membership. Broader membership on the NCPA Executive Committee is expected to provide an additional avenue to reinforce transparency and representation in decision-making.

Resource Impact

NCPA does not anticipate the need for additional resources and/or staff as a result of providing services to Shasta Lake and therefore the addition of Shasta Lake will not adversely impact NCPA's budget or Palo Alto's portion. NCPA's overall FY 17 budget is \$329 million which includes an L&R program and Power Management budget of \$3.9 million and \$11.1 million, respectively. Palo Alto's share of the L&R program budget is \$0.5 million. Should Shasta Lake become a member, it would pay \$100,000 toward the FY 2017 L&R budget plus \$28,864 toward the JPA fee. As a result, current NCPA members would see about a 2 percent decrease in their L&R program fees, or \$14,646 for Palo Alto. Should Shasta Lake decide to receive power management services from NCPA, Palo Alto can expect to see a decrease in its contribution towards power management of 2 percent or approximately \$34,000 based on NCPA's FY 17 budget.

Policy Implications

Approval of Supplement No. 1 to the JPA does not create new policy and is consistent with the Utilities Strategic Plan's focus to manage cost. Palo Alto remains concerned about the impact NCPA member additions may have on JPA governance and projects. City staff expects to review this issue carefully with respect to any future memberships proposed for NCPA.

Environmental Review

Approval of Supplement No. 1 to the JPA to add Shasta Lake as an NCPA member 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.

Attachments:

- Attachment A - Supplement No. 1 to Amended and Restated NCPA JPA Adding City of Shasta Lake as a Party
- Attachment B - NCPA Strategic Plan
- Attachment C - NCPA New Member Policy Staff Report
- Attachment D - NCPA Commission Staff Report (061716)

**SUPPLEMENT NO. 1 TO
AMENDED AND RESTATED NORTHERN CALIFORNIA POWER AGENCY
JOINT POWERS AGREEMENT,
ADDING CITY OF SHASTA LAKE AS A PARTY**

This Supplement No. 1 to Joint Powers Agreement ("this Agreement") dated _____, by and among the parties signatory to it ("Parties"),

WITNESSETH:

WHEREAS, all of the Parties, except the City of Shasta Lake ("Shasta Lake") are also parties to that joint powers agreement first made the 19th day of July, 1968, and amended and restated as of January 1, 2008 ("the Joint Powers Agreement"); and

WHEREAS, the Joint Powers Agreement created the Northern California Power Agency ("NCPA") pursuant to the Joint Exercise of Powers Act (Section 6500 *et seq.* of the Government Code of the State of California) as a separate public agency and legal entity existing apart from its members; and

WHEREAS, all Parties except Shasta Lake are signatory to the Joint Powers Agreement and are thereby members or associate members of NCPA; and

WHEREAS, Shasta Lake is a California general law city, is a public agency of the State of California eligible to enter into joint powers agreements pursuant to the Joint Exercise of Powers Act, is entitled to be a preference purchaser of electric service from the Central Valley Project of the United States, and has powers equivalent to those of the other members of NCPA

so far as is relevant to the powers of NCPA and it is therefore eligible for membership in NCPA pursuant to the Joint Powers Agreement; and

WHEREAS, Shasta Lake and each of the other Parties desire that Shasta Lake shall become a party to the Joint Powers Agreement and a member of NCPA on the same basis as each of the other NCPA members; and

WHEREAS, concurrently with its execution of this Agreement Shasta Lake has also executed the NCPA Legislative and Regulatory Affairs Program Agreement, dated as of July 1, 2001, indicating its agreement to participate in the NCPA Legislative and Regulatory Affairs Program on terms consistent with those applicable to other NCPA members, contingent upon its membership in NCPA.

NOW, THEREFORE, the Parties, including Shasta Lake, agree as follows:

Section 1. On and after the effective date of this Agreement, the City of Shasta Lake shall be a member of NCPA and a party to the Joint Powers Agreement, and shall have the same rights, powers, and privileges and immunities, duties, and obligations as any other member of NCPA.

Section 2. Shasta Lake shall not be liable for any share of the organization, planning, or other costs of NCPA incurred prior to the effective date of this Agreement, and shall not by force of this Agreement become a party to any other agreement or instrumentality of NCPA entered into or created prior to the effective date of this Agreement, except with its consent and the consent of all other NCPA members and associate members who are parties to such agreement or instrumentality evidenced separately from this Agreement.

Section 3. This Agreement shall take effect on the first day of the calendar month following the complete execution of this Agreement by all Parties.

Section 4. This Agreement may be executed in counterparts by the Parties to it.

CITY OF ALAMEDA

By: _____

Its: _____

Date _____

CITY OF HEALDSBURG

By: _____

Its: _____

Date _____

CITY OF LODI

By: _____

Its: _____

Date _____

CITY OF LOMPOC

By: _____

Its: _____

Date _____

CITY OF UKIAH

By: _____

Its: _____

Date _____

CITY OF BIGGS

By: _____

Its: _____

Date _____

CITY OF ROSEVILLE

By: _____

Its: _____

Date _____

CITY OF SANTA CLARA

By: _____

Its: _____

Date _____

CITY OF PALO ALTO

By: _____

Its: _____

Date _____

**PLUMAS-SIERRA RURAL ELECTRIC
COOPERATIVE**

By: _____

Its: _____

Date _____

CITY OF REDDING

By: _____
Its: _____

Date _____

CITY OF GRIDLEY

By: _____
Its: _____

Date _____

**SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT**

By: _____
Its: _____

Date _____

**TRUCKEE DONNER PUBLIC UTILITY
DISTRICT**

By: _____
Its: _____

Date _____

PORT OF OAKLAND

By: _____
Its: _____

Date _____

CITY OF SHASTA LAKE

By: _____
Its: _____

Date _____

2663668.2



NCPA 2016 – 2021 STRATEGIC PLAN

Delivering a Cleaner Energy Future

EXECUTIVE SUMMARY

The rate of change in the utility sector is increasing, bringing significant changes to the process and technology and providing options that did not exist just a few years ago. Electric energy continues to fuel our communities and that has not changed, but how it is delivered and how it is used is causing new challenges and opportunities for NCPA and its Members. Underlying the pace of change are numerous environmental goals. NCPA intends to use its skills and resources to effectively assist our Members in addressing the challenges and taking advantage of the opportunities.

The Strategic Plan highlights the current and future needs of the Agency and the Members and guides the staff in prioritizing our resources. While all the changes to the utility sector prior to 2021 are unknown, NCPA has examined the California landscape and tried to meet with each of the Members to frame the opportunities and challenges ahead. We have reviewed our resources and assets to better understand our strengths and areas of possible growth. We have established a framework to leverage our ability to provide Member support by partnering with Southern California Public Power Association (SCPPA). Together, the strategic initiatives have been developed to address the important industry priorities and to help NCPA deliver a cleaner energy future to our Members.

Recent adoption of Senate Bill 350 by California dramatically changed the utility parameters for NCPA Members, and we think adding the title “Delivering a Cleaner Energy Future” represents the strong role of the strategic plan in supporting the Member requirements.

The Strategic Plan has several strategic initiatives that integrated together provide the roadmap. The plan will be evaluated on an annual basis and necessary changes will be brought to the Commission for consideration. Some milestones have been developed relative to each initiative and some which are longer term will need further work before implementing.

NCPA is a creative and dedicated Agency that has produced Member benefits and advanced public power in California. Opportunities exist for expansion, efficiency, more aggregation, and greater support for the efforts of our Members and public power. Together, we can deliver a cleaner energy future.

UNDERSTANDINGS

Achieving the strategies and goals in this plan requires a clear set of governance rules and agreements before the agency can embark on allowing new members and forming a new services entity, and contain or reduce costs for members by generating new revenue. In recognition of this need, staff recommended and the membership unanimously approved modifications to Agency governance agreements (Facilities Agreement, Pooling Agreement, Schedule Coordination Program Agreement and a newly created Power Management and Administrative Services Program Agreement). Further, the membership unanimously approved the structure under which new services and/or new business structures would be adopted as described below:

- Agreement modifications resulted in agreements that are:
 - Asset based.
 - Acknowledge obligations of the Agency to the asset owners and the asset owners to the Agency and each other.
 - Mandatory for services required by the third phase agreements, and provided by the Agency, unless appropriate alternative arrangements have been secured by the asset owner.
 - Provide for two (2) year termination and/or withdrawal requirements to align with the Joint Power Agreement (JPA) termination provisions.
 - Reflective of an equity based business model structure-
 - Only JPA signatories have equity in the Agency,
 - Only JPA signatories can vote, and
 - Asset owning JPA signatories have full obligation(s) for Agency costs assumed through execution of governance agreements.
 - Incorporate sound business practices and risk management processes.
- New Services and/or new business structures will be adopted pursuant to:
 - Approvals of JPA signatories (equity members) for the Agency to engage in the pursuit.
 - Agreement of JPA signatories (equity members) to fund efforts pursued by the Agency and to share in revenues derived.
 - Agreements with the service recipients that incorporate sound business practices and risk management processes.
 - Agreement of JPA signatories (equity members) that they are responsible for current “core” Agency costs (e.g., L&R, Power Management, A&G) on a “cost of service” ownership basis, and ineligible to transition to a “market price” cost allocation basis that may be offered to “non – members” in the future-
 - Agreement of JPA signatories (equity members) that they are eligible for any new services that might be developed above and beyond NCPA’s current “core” services (e.g., retail services) based on cost allocation and contract terms to be developed in the future.

MISSION

To provide our Members cost effective wholesale power, delivery support, energy-related services, and advocacy on behalf of public power consumers through joint action.

VISION

To be the premier provider of energy services to public entities.

STRATEGIES and GOALS

- Protect, prepare, utilize and build on the strengths and unique aspects of JPA structure to benefit NCPA's Members.
 - Goal: Partner with Members to expand the value and knowledge of public power utilities in their communities,
 - Goal: Develop and implement Commission and Executive Committee governance best practices (12/2016) GM/Commissioners,
 - Goal: Review committee process, number, function, effectiveness, and structure then report findings to Commission (12/2016) GM/AGMs,
 - Goal: Use new technology to share information and communicate with members (Extranet) (12/2016) Administrative Services,
 - Fully implement Shared Services Arrangements with SCPPA (06/2016) GM/AGMs,
 - Fully implement Support Services Agreement with Members and develop processes and systems necessary to support Members (12/2016) GM/AGMs,
 - Goal: Assist members with Smart Grid implementations (12/2019) Administrative Services, and
 - Expand support of NCPA's Internship Program (06/2016) HR.
- Maintain position as a credible, solution-oriented coalition builder and leader in state and federal legislative and regulatory policy arenas.
 - Goal: Protect NCPA Members from the imposition of disproportionate charges under the Central Valley Project Improvement Act (CVPIA) (12/2016) L&R,
 - Goal: Influence development of climate policies at CARB to prevent negative impacts on NCPA and its Members (Scoping Plan Update, State Implementation Plan and cap-and-trade amendments) (12/2016) L&R,
 - Goal: Shape development of forthcoming agency regulations related to SB 350's Renewables Portfolio Standard, Integrated Resource Plan, and energy efficiency provisions to protect local decision making (12/2016) L&R,
 - Goal: Advance hydropower relicensing reform to promote a timely and cost-effective process (12/2016) L&R,
 - Goal: Provide public power leadership in CAISO efforts to regionalization and expansion of the Energy Imbalance Market,
 - Goal: Support the legislative and regulatory needs of the Agency assets to minimize cost impacts related to operations and capital improvements,
 - Goal: Minimize imposition of new mandates on NCPA Members (12/2016) L&R,
 - Goal: Preserve tax-exempt financing for NCPA and its Members (12/2016) L&R,
 - Goal: Streamline regulatory reporting requirements (12/2016) L&R,
 - Goal: Secure funding for needed energy industry workforce development programs (12/2017) L&R,

- Goal: Build awareness among policymakers regarding the impacts of wildfires on generation facilities, and advocate for additional funding for fire prevention and suppression to protect these facilities (12/2017) L&R, and
- Goal: Expand the FERC engagement activities in preparation of greater jurisdiction related to expansion of a regional market.
- Attract, develop and retain professional, high quality staff and governance.
 - Goal: Complete a benchmark survey of unrepresented staff compensation (06/2016) HR,
 - Goal: Implement comprehensive workforce plan, including succession planning for key positions (12/2016) HR/GM/AGMs,
 - Goal: Leverage technologies to automate processes, enable employee more self-service support and enhance workforce development programs (12/2017) HR/L&R/AGMs,
 - Goal: Develop and implement cost effective NCPA and Member training programs in support of NCPA's workforce plan and member needs, partner with other entities such as SCPPA to reduce costs, (12/2016) HR,
 - Goal: Develop Executive Leadership Program for NCPA and its Members (06/2016) HR
 - Goal: Expand support of NCPA's Internship Program (06/2016) HR,
 - Goal: Develop templates and tools for knowledge transfer (06/2017) HR, and
 - Goal: Enhance the Commissioner training and seek more direct Commissioner involvement on critical issues (12/2016) GM/AGMs.
- Develop and maintain diverse generation resource portfolio in accordance with renewable portfolio standard and capacity obligations.
 - Goal: Safely operate plants with no injuries,
 - Goal: Operate existing assets within budget and plant metrics in the top quartile (12/2016) Generation Services,
 - Goal: Review member needs and develop generation growth plan and pursue new projects in accordance with the plan (e.g., renewable projects or LEC2 for Members and possibly non-members) (12/2016) Generation Services, and
 - Goal: Develop member (MPP centered) specific procurement plans based on Members' SB 350 obligations (12/2016) Power Mgmt.
- Develop/maintain strategies to control costs and minimize risks while maximizing the value of assets.
 - Goal: Bring internal policies and procedures up-to-date (12/2016) Admin Services/Power Mgmt/GM/Generation Services,
 - Goal: Ensure culture of compliance through annual training, regular communications with staff, periodic mock audits, and ensure all laws and regulations are adhered to (e.g., No NOVs, no fines, etc.), (on-going) GM/Generation Services,

- Goal: Coordinate MSSA signatories' efforts within all CAISO stakeholder processes to minimize size, scope and impact on members and projects (12/2016) Power Mgmt,
- Goal: Develop methods to obtain member utility financial model data for those members who would like enhanced assistance with wholesale procurement. (MPP/GPP participants) (12/2016) Power Mgmt, and
- Goal: Expand the efforts related to electric grid security and preparedness.
- Maintain financial strength, grow new revenue and/or reduce member costs by exploring new members/participants and expansion of current services.
 - Goal: Develop proposed criteria/attributes associated with pursuit and acceptance of new members/participants (03/2016) GM/Power Mgmt,
 - Goal: Explore opportunities to develop new generation projects for non-members (on-going) GM/Generation Services,
 - Goal: Explore/research development of new NCPA services entity to develop economies of scale necessary to compete in increasingly complex business environment (on-going) GM,
 - Goal: Explore business model changes and prepare business plan(s) to deliver additional services to non-members/participants and non-traditional services to Members (on-going) GM/AGMs,
 - Goal: Proactively provide services and support to members related to compliance and emergency preparedness (12/2016) Compliance Manager,
 - Goal: Leverage IT knowledge and skills to assist Members with technology support (12/2017) AGMs, and
 - Goal: Review actuarial analysis and develop financial plans to resolve unfunded liabilities associated with employee pension and retiree healthcare (06/2016) GM/AGMs.
- Help articulate and promote the value of NCPA and public power utilities to member communities.
 - Develop more turn-key communications that could be used by Members,
 - Goal: Senior management will conduct NCPA road show as appropriate to promote the value of member utilities and NCPA (on-going) GM/AGMs, and
 - Goal: Obtain Member feedback on value of NCPA services and desired services (on-going) GM.

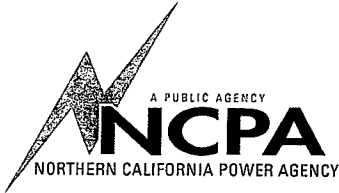
DEFINITIONS

1. MEMBER: Signatory to the NCPA Joint Powers Agreement.
2. PARTICIPANT: Non-members who participate in the Lodi Energy Center.
3. NON-MEMBER: Public entities in the western United States who participate in NCPA's projects/services and are not signatory to the Joint Powers Agreement.

CONCLUSION

The electric industry in California is in transition. NCPA will address the challenges and complexity of today's rapidly changing business environment while fulfilling its commitment to deliver clean, reliable, cost-based energy to its Members and participants. The Strategic Plan will help chart our course for 2016-2021. Goals for the first two (2) years of the plan have been included in this document. However, the plan will be reviewed and updated annually.

ATTACHMENT C



651 Commerce Drive
Roseville, CA 95678

phone (916) 781-3636
fax (916) 783-7693
web www.ncpa.com

Addendum Commission Staff Report

AGENDA ITEM NO.: 21

Date: February 25, 2016
To: NCPA Commission
Subject: Proposed New Member Policy and Guidelines for Obtaining Membership

Addendum

Resolution has been modified to include an additional WHEREAS, by adopting the New Member Policy, the Commission determines that this New Member Policy shall supersede in its entirety any and all prior drafts, directives, or versions relating to new member policies and guidelines for obtaining membership.

In addition, added a sentence to the end of the NOW, THEREFORE BE IT RESOLVED to include recognizing that it supersedes in its entirety any and all prior drafts, directives, or versions relating to new member policies and guidelines for obtaining membership.

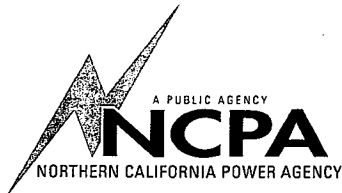
The revised resolution is attached for your consideration.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachment

- Revised Resolution 16-16



651 Commerce Drive
Roseville, CA 95678

phone (916) 781-3636
fax (916) 783-7693
web www.ncpa.com

Commission Staff Report

AGENDA ITEM NO. 21

Date: February 25, 2016
To: NCPA Commission
Subject: Proposed New Member Policy and Guidelines for Obtaining Membership

Background

A Working Group was created at the request of the Executive Committee, to review and create a New Member Policy and Guidelines for Obtaining Membership. Commissioner Gary Plass (Healdsburg) was asked to Chair the Working Group, which consisted of members of the Commission, Utility Directors and NCPA Staff: Commissioner Gary Plass (Healdsburg), Commissioner Mark Chandler (Lodi), Michelle Bertolino (Roseville), Valerie Fong (Palo Alto), and John Roukema (Santa Clara).

The Working Group met over the past few months in person and via teleconference calls, to review the current policy and several historical drafts that had been created, but not acted upon. The Working Group completed its review and drafted a new policy that has been circulated for further review by the Legal Committee, Facilities Committee and Utility Directors.

Key policy recommendations emerging from the Working Group and committee reviews include:

- No "buy-in" fee is recommended
- A non-refundable \$10,000 fee is charged to process an applicant
- No minimum revenue requirement is recommended
- A comprehensive application and supporting documents must be submitted
- Minimum evaluation/screening criteria have been established
- Provision for prospective members to participate in NCPA meeting activities after being approved for membership, and waiting for individual Member approvals
- Provision for prospective members to participate in NCPA conferences at cost

Issue

The New Member Policy as forwarded for review by the Working Group and with proposed amendments through the Committee process is ready for Commission consideration and potential approval.

Fiscal Impact

The costs of evaluating entities for possible membership in NCPA will be covered with the proposed \$10,000 application fee. Provisions are provided for additional studies to evaluate membership in projects or programs and the applicant is responsible for all costs associated with such studies.

Environmental Analysis

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

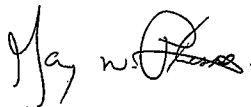
Committee Review

Comments and suggestions from the Legal Committee, Facilities Committee and Utility Directors have been incorporated into the attached new policy.

Recommendation

It is recommended that the Commission consider and adopt the attached Resolution 16-16 approving the Proposed New Member Policy and Guidelines for Obtaining Membership.

Respectfully submitted,



GARY W. PLASS
Working Group Chair

Prepared by;



RANDY W. HOWARD
General Manager

Attachments (2)

- Resolution 16-16
- Proposed New Member Policy and Guidelines for Obtaining Membership

RESOLUTION 16-16

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPENDIX D PROPOSED NEW MEMBER POLICY AND GUIDELINES FOR OBTAINING MEMBERSHIP

(reference Staff Report #122:16)

WHEREAS, a Working Group was created at the request of the Executive Committee, to review and create a New Member Policy and Guidelines for Obtaining Membership ("New Member Policy"). Commissioner Gary Plass (Healdsburg) was asked to Chair the Working Group, which consisted of members of the Commission, Utility Directors and NCPA Staff: specifically Commissioner Gary Plass (Healdsburg), Commissioner Mark Chandler (Lodi), Michelle Bertolino (Roseville), Valerie Fong (Palo Alto), and John Roukema (Santa Clara); and

WHEREAS, the Working Group met over the past few months in person and via teleconference calls, to review the current policy and several historical drafts that had been created, but not acted upon. The Working Group completed its review and drafted a new policy that has been circulated for further review by the Legal Committee, Facilities Committee and Utility Directors; and

WHEREAS, the New Member Policy as forwarded for review by the Working Group and with proposed amendments through the Committee process is ready for Commission consideration and potential approval; and

WHEREAS, the costs of evaluating entities for possible membership in NCPA will be covered with the proposed \$10,000 application fee. Provisions are provided for additional studies to evaluate membership in projects or programs and the applicant is responsible for all costs associated with such studies; and

WHEREAS, comments and suggestions from the Legal Committee, Facilities Committee and Utility Directors have been considered and/or incorporated into the new policy; and

WHEREAS, by adopting the New Member Policy, the Commission determines that this New Member Policy shall supersede in its entirety any and all prior drafts, directives, or versions relating to new member policies and guidelines for obtaining membership,

NOW, THEREFORE BE IT RESOLVED that the Commission of the Northern California Power Agency:

Consider and approve the Proposed New Member Policy and Guidelines for Obtaining Membership, recognizing that it supersedes in its entirety any and all prior drafts, directives, or versions relating to new member policies and guidelines for obtaining membership.

PASSED, ADOPTED and APPROVED this 25 day of February, 2016
by the following vote on roll call:

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


BOB LINGL
VICE CHAIR

ATTEST: 
CARY A. PADGETT
ASSISTANT SECRETARY

Proposed New Member Policy and Guidelines for Obtaining Membership

Policy Statement

The Northern California Power Agency (NCPA) will admit to its ranks, organizations whose inclusion within NCPA will further the goals and objectives of NCPA and its members.

Policy Guidelines

To facilitate its Policy for Obtaining Membership, NCPA has developed and follows the general guidelines below:

Identification of Potential New Members. The General Manager and staff will seek organizations and consider unsolicited requests for membership with organizations that meet the goals of this policy. The General Manager will routinely report to the Commission regarding efforts to solicit new members and consideration of unsolicited requests for membership that have been received.

Request for Application. Once identified, a potential new member (Applicant) must submit a request for a membership application to NCPA's General Manager. This request must state:

- The Applicant's last three-year's gross annual electric energy load and demand as filed with the Federal Energy Regulatory Commission or other such acceptable information.
- Audited financial reports for the previous three-years
- Description of customer base using the NCPA Report Card Form
- Details of governance structure and internal staffing organization chart
- Description of other wholesale and retail services provided
- A description of the NCPA programs and/or services in which the Applicant desires to participate
 - Legislative and Regulatory Program
 - Public Benefits
 - Generation Services Program
 - Renewable Energy Project Development
 - Power Management Program
 - Pooling
 - Gas or Electric Procurement
 - Schedule Coordination
 - NCPA Power Purchase Project Participation
- A description of any deficiencies associated with full compliance with state or federal mandated programs and the organizations plan and timeline for bringing itself into full compliance
- Disclosure regarding any legal or environmental liabilities

Screening. The minimum screening phase ensures that the Applicant:

- Meets the requirements for NCPA membership established in the NCPA joint powers agreement
- If granted membership, will benefit the Agency and its members

Minimum Screening Criteria.

- Has goals that are consistent with those of NCPA and its members
 - *Support for local control and decision making*
 - *Support for operating and expanding wholesale and retail electrical services within boundaries determined by a locally elected or nominated governing authority*
 - *A desire to minimize wholesale electric costs in order to provide economic benefits to their retail customers*
 - *A desire to work cooperatively with other agency members to minimize costs and realize competitive advantages through economies of scale and gains through joint transaction(s) and financing(s)*
- Is a preference purchaser or potential preference purchaser of electric service from the Western Area Power Administration of the United States, which is a "public agency", as such term is defined in Section 6500 of the Government Code of the State of California. Applicant
- Has financial strength, manages legal matters, and complies with legislative and regulatory matters.
 - Where NCPA identifies potential legislative and/or regulatory non-compliance issues not disclosed in the request for application process, NCPA will contact the Applicant to obtain plans and timelines for achieving compliance
- Is willing and able to contribute to the costs associated with its requested level of involvement in NCPA.
- Participates in the political proceedings or can bring political advantages to issues that impact NCPA and its members
- Has access to long-term resource supply that would benefit NCPA's members
- May enter into a long-term transaction with NCPA's members that would not occur without membership
- Will benefit the members by participating in NCPA programs
- Willing to pay program costs and support administrative and general expenses costs for members
- Will not negatively affect the role of existing NCPA members without offsetting benefits

The minimum screening criteria represent the minimum criteria that will be considered in the assessment of the applicant for membership. The applicant is not required to meet every requirement under the minimum screening criteria in order to be considered for membership.

Upon completion of the screening process, NCPA and the Applicant will review the results for accuracy and completeness. A summary of the screening results will be provided to the Applicant for information purposes and to the NCPA Commission for consideration and possible adoption.

Program Participation Analysis. If the Commission unanimously concludes that an Applicant meets all screening criteria, NCPA will commence an analysis to determine that participation in the programs requested by the Applicant produces no conflicts or additional un-reimbursed costs to NCPA members. An Applicant can expect that NCPA will conduct legal, financial and technical reviews of the Applicant's ability to fund its participation and otherwise meet its obligations in the programs requested. Conditional Applicant specific requirements for membership (studies, facilities, commitments) will be identified as part of this phase.

Upon completion of program participation analysis and any additional studies required as part of the analysis, NCPA and the Applicant will jointly review the results for accuracy and completeness. A summary of the analysis will be provided to the Applicant. The Commission will be asked to approve the applicant for membership and may use all or part of the participation analysis in deciding whether to approve an applicant for membership.

Notification of Membership Fees and Rights. If the Commission unanimously concludes that the program participation analysis supports acceptance of the Applicant's request for membership, the General Manager will provide to the Applicant an estimate of the Applicant's contribution to each program in its first year of membership. In addition, the General Manager will advise the Applicant on which standing committees and task forces appointed by the Commission the Applicant is eligible to sit. At a minimum, the Applicant will be required to appoint a representative and an alternate to actively participate on the NCPA Commission and vote on matters related to the programs in which the Applicant participates.

Approval of Membership. Formal approval requires:

- Amendment of the JPA by each members' governing body to include the Applicant
- Execution of the JPA by the Applicant's governing body

Withdrawal of Application. An Applicant may withdraw its application at any time by providing written notification to NCPA's General Manager. No refunds of the application fee will be made.

Schedule. It is expected that processing an application including approval by the Commission and Members' governing bodies will require six to twelve months. During the processing period, an Applicant will be allowed to participate in the L&R and Commission activities of the Agency without a voting ability. The Applicant shall pay in advance for any participation in special events or activities that require a separate member fee during the period of time the application is being processed for approvals.

Amendment of Policy and Guidelines. The Commission may amend this policy and associated guidelines without prior notification to the applicant.

MEMBERSHIP APPLICATION REQUEST
WITH THE
NORTHERN CALIFORNIA POWER AGENCY

THIS APPLICATION REQUEST (APPLICATION), dated _____, to the Northern California Power Agency (NCPA), a joint powers agency under the laws of the State of California, with its principal office at 651 Commerce Drive, Roseville California 95678 by _____, a _____ with its principal office at _____ is made with respect to the following:

RECITALS

- A. The NCPA Joint Powers Agreement provides that any preference purchaser or potential preference purchaser of electric service from the Western Area Power Administration of the United States (herein referred to as Applicant) that desires to participate in NCPA may do so upon NCPA approval and by signature of the agreement and payment to NCPA of certain costs and charges as determined by the Commission to be appropriate.
- B. The Applicant desires to participate as a member in NCPA.
- C. NCPA and the Applicant intend in this APPLICATION to record that the Applicant has requested consideration for possible membership.

APPLICATION

1. *Application Fee.* Upon submission of this APPLICATION and payment of the \$10,000 application fee, NCPA will provide a receipt of the Applicant's payment of an application fee. The Applicant acknowledges that no refunds of this application fee will be made.
2. *Tasks and Studies.* If the Applicant requests, NCPA shall consider to perform or cause the performance of the tasks and studies described in Attachment A to this Agreement.
3. *Payments.* The Applicant shall pay NCPA in advance for the tasks and services requested of NCPA pursuant to Section 2. NCPA agrees to provide an invoice with estimates for such tasks and services. A true-up of costs at the end shall be completed between the Applicant and NCPA.

4. *Cooperation.* The parties agree to cooperate with each other in exchange of information. The Applicant agrees to allow NCPA employees and its consultants and contractors reasonable access to the information in its possession which NCPA determines may be relevant to the successful completion of the tasks and services described in section 2 above.

5. *Joint Review.* Upon the completion of tasks and studies described in Section 2 above, the Applicant and NCPA shall jointly review the results of each for completeness and acceptability. If the Applicant requests further service to complete any service or task, the parties shall agree upon the additional fees, costs or charges that the Applicant shall pay to NCPA and amend this Agreement to reflect these changes. If the Applicant does not request further service after NCPA gives 30 days notice of completion, the parties hereby agree that the service or task shall be deemed complete and acceptable to the Applicant.

6. *Nonresponsibility.* The Applicant acknowledges that the services and tasks to be provided pursuant to this APPLICATION involve forecasts, discretion, judgment, and opinion and that NCPA shall not be responsible to the Applicant for the accuracy of the completed tasks and services. The Applicant hereby agrees to save, defend, indemnify and hold NCPA, its officers, employees, agents and consultants harmless from any loss or damage suffered by the Applicant arising out of this APPLICATION. The Applicant's use of or reliance on any of the services or tasks provided pursuant to this Agreement shall be at the Applicant's sole risk.

7. *No Obligation.* By submitting this APPLICATION, the Applicant gains no right to join NCPA and NCPA and its members undertake no obligation to permit the Applicant to join NCPA.

8. *Early Termination.* Either party may terminate the review of this APPLICATION upon written notification.

9. *Data Submittal.* The Applicant shall submit the following information with this APPLICATION:

- The Applicant's last three-year's gross annual electric energy load and demand as filed with the Federal Energy Regulatory Commission or other such acceptable information.
- Audited financial reports for the previous three-years
- Description of customer base using the NCPA Report Card Form
- Details of governance structure and internal staffing organization chart
- Description of other wholesale and retail services provided
- A description of the NCPA programs and/or services in which the Applicant desires to participate:
 - Legislative and Regulatory Program
 - Public Benefits
 - Generation Services Program
 - Project Development

- Operations and Maintenance
 - Power Management Program
 - Pooling
 - Gas or Electric procurement
 - Schedule Coordination
 - NCPA Project participation
- A description of any deficiencies associated with full compliance with state or federal mandated programs and the organizations plan and timeline for bringing itself into full compliance

APPLICANT

NCPA

Submitted By: _____

Received By: _____

Its: _____

Its: _____



Commission Staff Report

June 17, 2016

COMMISSION MEETING DATE: June 23, 2016

SUBJECT: Consider Application for Membership by the City of Shasta Lake and Recommendation to Approve Supplement No. 1 to Amended and Restated NCPA Joint Powers Agreement

AGENDA CATEGORY: Discussion/Action

FROM:	Jane Cirrincione <i>JC</i>	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Legislative & Regulatory Affairs	<i>If other, please describe:</i>
Department:	Legislative & Regulatory	

IMPACTED MEMBERS:

All Members	<input checked="" type="checkbox"/>	City of Lodi	<input type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc	<input type="checkbox"/>	Plumas-Sierra REC	<input type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville	<input type="checkbox"/>	Other	<input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara	<input type="checkbox"/>		<input type="checkbox"/>

If other, please specify.

Place an X in the box next to the applicable Member(s) above.

RECOMMENDATION:

NCPA staff recommends approval of the attached resolution recommending that all NCPA members and the City of Shasta Lake take action to approve the Supplement No. 1 to Amended and Restated Northern California Power Agency Joint Powers Agreement, adding the City of Shasta Lake (City) as a Party to NCPA.

BACKGROUND:

The NCPA Strategic Plan focuses heavily on the importance of using the human and physical resources of the Agency to serve new members and contract services. The Agency objective is to help enhance political reach and influence, provide needed services to other public power systems, and expand the savings and benefits of joint action. As a result of outreach in this regard, the City of Shasta Lake, California, on April 25, 2016, submitted an application for membership in NCPA, as well as an application fee in the amount of \$10,000 to support the Agency's thorough review of its eligibility for membership. Since that time, NCPA staff has carefully evaluated the application and reviewed public information to assure full compliance with the Agency's New Member Policy. The result of this review is a staff finding that the City of Shasta Lake should be considered for membership.

The City of Shasta Lake meets all Minimum Screening Criteria delineated in NCPA's New Member Policy that was approved by the Commission on February 25, 2016. A review of filings submitted to state agencies, and discussions with the City Council and executive staff, indicate that the City of Shasta Lake has goals that are consistent with those of NCPA and its members—including support for local control, recognition of the benefits and savings that can be achieved through joint action, and a desire to minimize wholesale electric costs in order to provide economic benefits to their retail customers.

The City of Shasta Lake is also eligible to purchase preference power from the Western Area Power Administration (Western), which is a requirement for membership in NCPA. The City currently has a .805% allocation of power supplied by Western. As well, in accordance with the Agency's policy requirements, the City is willing to participate in political proceedings, and will benefit our members through their participation in NCPA programs.

NCPA policy also requires that a potential member has financial strength, and our analysis of the City's Electric Enterprise shows it is financially sound, and the staff sees no concerns in this area that would prevent their acceptance as an NCPA member. The internal credit rating assessment provided an A to A- overall score, and reflected the utility's strong cash position with over 266 days of operating cash on hand and no outstanding debt. Their rates are competitive, and a multi-year rate increase is ongoing. The City's Electric Enterprise also has risk mitigation for exposure to one very large industrial customer (12% of load) in place, and a power cost adjustment clause to pass through energy risk to consumers has been established.

The Commission has previously determined that all NCPA members must execute the NCPA Legislative and Regulatory Affairs Program Agreement and participate in the Legislative and Regulatory Program to assure broad support for local decision making and to protect the Agency from potential policy changes that could devalue the public investment that has been made in the Agency's generation facilities. In accordance with this policy, the City, if approved for membership in the Agency, will not only become a signatory to the NCPA joint powers agreement, but would also execute the Legislative and Regulatory Affairs Program Agreement.

Once it is a member, it is the City's intention to begin exploring other Agency services as well as participation in NCPA generation projects.

Approval of the City's membership in NCPA requires approval of Supplement No. 1 to the Amended and Restated Northern California Power Agency Joint Powers Agreement, adding the City as a Party. The Agency is not itself a signatory to this document, but rather it must be unanimously approved by each of the governing boards of all existing NCPA members and by the City of Shasta Lake. Should the NCPA Commission act to approve the proposed resolution today, it would be recommending approval of Supplement No. 1 by all current members of the Agency. Following such a recommendation by the Commission, the City would then be invited to participate in Agency committee and Commission proceedings in a non-voting status until formal approval of Supplement No. 1 by the City and all of the Agency's current members. As envisioned when the NCPA New Member Policy was enacted, the City would not make a membership payment to the Agency during this interim, non-voting participation period, but it would be required to cover the costs directly associated with any Agency event attended by the City.

FISCAL IMPACT:

If approved for membership, the City would pay \$128,864 toward the NCPA FY17 Legislative and Regulatory Affairs budget. This amount includes payment of \$28,978 toward the JPA fee.

This payment is estimated to reduce all other NCPA member payments accordingly—please see table below:

	Approved L&R Budget FY2017	Recalculated with Shasta Lake	Net Effect of Shasta Lake Addition
Alameda	\$188,527	\$180,942	(\$7,585)
BART	67,287	67,100	(187)
Biggs	76,746	71,127	(5,619)
Gridley	89,395	83,542	(5,853)
Healdsburg	93,193	87,294	(5,899)
Lodi	200,118	192,367	(7,751)
Lompoc	110,675	104,473	(6,202)
Palo Alto	565,108	550,462	(14,646)
Plumas-Sierra	144,202	137,347	(6,855)
Port of Oakland	99,904	93,871	(6,033)
Redding	437,111	424,885	(12,226)
Roseville	492,006	479,017	(12,989)
Santa Clara	1,154,769	1,130,154	(24,615)
Shasta Lake	0	128,864	128,864
Truckee Donner	115,652	109,348	(6,304)
Ukiah	104,592	98,493	(6,099)

ENVIRONMENTAL ANALYSIS:

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

COMMITTEE REVIEW:

The recommendation was reviewed by the NCPA Legislative and Regulatory Affairs Committee on May 25, 2016, and was recommended for Commission approval. The committee noted the importance of assuring that the City agree, as part of its membership agreement with NCPA, to comply with all state and federal regulatory requirements (specifically SB 1 and RPS), and recognize the importance of solution-oriented advocacy on behalf of the Agency.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy S. Howard", written in a cursive style.

RANDY S. HOWARD
General Manager

Attachments:

- Resolution 16-52
- JPA Supplement No. 1

RESOLUTION 16-52

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
CONSIDER APPLICATION FOR MEMBERSHIP BY THE CITY OF SHASTA LAKE AND
RECOMMENDATION TO APPROVE SUPPLEMENT NO. 1 TO AMENDED AND RESTATED
NORTHERN CALIFORNIA POWER AGENCY JOINT POWERS AGREEMENT

(REFERENCE STAFF REPORT #172:16)

WHEREAS, The Northern California Power Agency's (NCPA's) Strategic Plan highlights the importance of using the human and physical resources of the Agency to recruit new members and to provide services to non-Agency members; and

WHEREAS, The City of Shasta Lake, California has submitted an application for NCPA membership that complies with the Minimum Screening Criteria of NCPA's New Member Policy that was approved by the Commission on February 25, 2016; and

WHEREAS, The NCPA Legislative and Regulatory Affairs Committee has voted to recommend that the City of Shasta Lake become a member of the agency; and

WHEREAS, If unanimously approved for membership by all NCPA member governing boards and by the City of Shasta Lake, the City would then become a member of the NCPA Legislative and Regulatory Affairs Program, and it is their intention to begin exploring other agency services as well as participation in NCPA generation projects; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency recommends that all NCPA members and the City of Shasta Lake take action to approve the Supplement No. 1 to Amended and Restated Northern California Power Agency Joint Powers Agreement, adding the City of Shasta Lake (City) as a Party to NCPA.

PASSED, ADOPTED and APPROVED this ____ day of _____ 2016, by the following vote on roll call:

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

CAROL GARCIA
CHAIRPERSON

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY

**SUPPLEMENT NO. 1 TO
AMENDED AND RESTATED NORTHERN CALIFORNIA POWER AGENCY
JOINT POWERS AGREEMENT,
ADDING CITY OF SHASTA LAKE AS A PARTY**

This Supplement No. 1 to Joint Powers Agreement ("this Agreement") dated _____, by and among the parties signatory to it ("Parties"),

W I T N E S S E T H:

WHEREAS, all of the Parties, except the City of Shasta Lake ("Shasta Lake") are also parties to that joint powers agreement first made the 19th day of July, 1968, and amended and restated as of January 1, 2008 ("the Joint Powers Agreement"); and

WHEREAS, the Joint Powers Agreement created the Northern California Power Agency ("NCPA") pursuant to the Joint Exercise of Powers Act (Section 6500 *et seq.* of the Government Code of the State of California) as a separate public agency and legal entity existing apart from its members; and

WHEREAS, all Parties except Shasta Lake are signatory to the Joint Powers Agreement and are thereby members or associate members of NCPA; and

WHEREAS, Shasta Lake is a California general law city, is a public agency of the State of California eligible to enter into joint powers agreements pursuant to the Joint Exercise of Powers Act, is entitled to be a preference purchaser of electric service from the Central Valley Project of the United States, and has powers equivalent to those of the other members of NCPA

so far as is relevant to the powers of NCPA and it is therefore eligible for membership in NCPA pursuant to the Joint Powers Agreement; and

WHEREAS, Shasta Lake and each of the other Parties desire that Shasta Lake shall become a party to the Joint Powers Agreement and a member of NCPA on the same basis as each of the other NCPA members; and

WHEREAS, concurrently with its execution of this Agreement Shasta Lake has also executed the NCPA Legislative and Regulatory Affairs Program Agreement, dated as of July 1, 2001, indicating its agreement to participate in the NCPA Legislative and Regulatory Affairs Program on terms consistent with those applicable to other NCPA members, contingent upon its membership in NCPA.

NOW, THEREFORE, the Parties, including Shasta Lake, agree as follows:

Section 1. On and after the effective date of this Agreement, the City of Shasta Lake shall be a member of NCPA and a party to the Joint Powers Agreement, and shall have the same rights, powers, and privileges and immunities, duties, and obligations as any other member of NCPA.

Section 2. Shasta Lake shall not be liable for any share of the organization, planning, or other costs of NCPA incurred prior to the effective date of this Agreement, and shall not by force of this Agreement become a party to any other agreement or instrumentality of NCPA entered into or created prior to the effective date of this Agreement, except with its consent and the consent of all other NCPA members and associate members who are parties to such agreement or instrumentality evidenced separately from this Agreement.

Section 3. This Agreement shall take effect on the first day of the calendar month following the complete execution of this Agreement by all Parties.

Section 4. This Agreement may be executed in counterparts by the Parties to it.

CITY OF ALAMEDA

By: _____
Its: _____

Date _____

CITY OF HEALDSBURG

By: _____
Its: _____

Date _____

CITY OF LODI

By: _____
Its: _____

Date _____

CITY OF LOMPOC

By: _____
Its: _____

Date _____

CITY OF UKIAH

By: _____
Its: _____

Date _____

CITY OF BIGGS

By: _____
Its: _____

Date _____

CITY OF ROSEVILLE

By: _____
Its: _____

Date _____

CITY OF SANTA CLARA

By: _____
Its: _____

Date _____

CITY OF PALO ALTO

By: _____
Its: _____

Date _____

**PLUMAS-SIERRA RURAL ELECTRIC
COOPERATIVE**

By: _____
Its: _____

Date _____

CITY OF REDDING

By: _____
Its: _____

Date _____

**TRUCKEE DONNER PUBLIC UTILITY
DISTRICT**

By: _____
Its: _____

Date _____

CITY OF GRIDLEY

By: _____
Its: _____

Date _____

PORT OF OAKLAND

By: _____
Its: _____

Date _____

**SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT**

By: _____
Its: _____

Date _____

CITY OF SHASTA LAKE

By: _____
Its: _____

Date _____

2663668.2