



City of Biggs

Agenda Item Staff Report For the Regular City Council Meeting: July 14, 2015

TO: Honorable Mayor and Members of the City Council
FROM: City Administrator
SUBJECT: Approval of PGE interconnection agreement

Council is asked to consider approval of a resolution authorizing execution of a new interconnection agreement with PGE.

Background

Northern California Power Agency ("NCPA"), Pacific Gas and Electric Company ("PG&E"), and the balance of NCPA Member Customers¹ are parties to Service Agreement No. 17 under the PG&E FERC Electric Tariff Volume No. 5 (the "Interconnection Agreement"). The Interconnection Agreement contains the terms and conditions under which the parties coordinate operations of the electrical interconnections between their respective electric systems. The Interconnection Agreement became effective on September 1, 2002, and is set to expire on October 31, 2015. The Interconnection Agreement contains provisions that cover the City of Biggs 60kV Point of Interconnection with the PG&E transmission system (as a NCPA Member Customer).

Discussion

Due to the impending expiration of the Interconnection Agreement, NCPA, PG&E, CAISO and NCPA Member Customer staff have worked to develop a new Interconnection Agreement between PG&E, NCPA and the NCPA Member Customers (the "New Interconnection Agreement"). Staff is seeking Council review and approval of the New Interconnection Agreement.

New Interconnection Agreement

The New Interconnection Agreement contains the terms and conditions under which each of the NCPA Member Customer Points of Interconnection will be operated in coordination with PG&E. Such terms and conditions including, but not limited to the following: (i) requirements for modifying Points of Interconnection, (ii) operational and planning requirements, (iii) obligations of the parties resulting from significant regulatory and operational changes, (iv) installation and access requirements, (v) metering and metering equipment standards, (vi) administrative and billing

¹ The NCPA Member Customers are the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Ukiah, and Plumas Sierra Rural Electric Cooperative.

procedures, (vii) and other miscellaneous provisions and requirements. The New Interconnection Agreement also contains several appendices that are attached to and made part of the agreement. The appendices contain specific procedures associated with: (i) dispute resolution and arbitration, (ii) requirements for instillation of Upgraded Facilities, (iii) billing and payment instructions, and (iv) operational coordination requirements (including Under frequency Load Shedding obligations). While all of the Points of Interconnection covered under the New Interconnection Agreement are owned and operated by the NCPA Member Customers, NCPA is a signatory to the New Interconnection Agreement due to its role as the NCPA Member Customers' portfolio manager. NCPA shall provide support services to the NCPA Member Customers, including, but not limited to, assisting NCPA Member Customers in performing impact studies and resolving disputes with PG&E.

The New Interconnection Agreement will become effective on November 1, 2015, and will have a term of ten (10) years. NCPA, PG&E, and each NCPA Member Customer will be a signatory to the New Interconnection Agreement.

The New Interconnection Agreement has been attached to this staff report for your reference.

Fiscal Impact

By executing the New Interconnection Agreement, the City of Biggs will not incur any immediate or direct costs as a result of the interconnection agreement itself, however, the City will be asked to sign a separate agreement related to its 12kV back up connection. Previously, the PGE agreement contained cursory mention and inclusion of the 12kV connection. Today, PGE considers their 12kV distribution system to be for retail (rather than wholesale) distribution and will seek added fees for usage. In a typical year the added cost amounts to approximately \$900.

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:

Approve the following resolution: **RESOLUTION 15-16**
RESOLUTION OF THE CITY OF BIGGS
APPROVAL OF INTERCONNECTION AGREEMENT

Mark Sorensen, City Administrator

RESOLUTION NO. 2015-16

RESOLUTION OF THE CITY OF BIGGS APPROVAL OF INTERCONNECTION AGREEMENT

WHEREAS, Northern California Power Agency (“NCPA”), Pacific Gas and Electric Company (“PG&E”), and the NCPA Member Customers¹ are parties to Service Agreement No. 17 under the PG&E FERC Electric Tariff Volume No. 5 (the “Interconnection Agreement”); and

WHEREAS, the Interconnection Agreement contains the terms and conditions under which the parties coordinate operations of the electrical interconnections between their respective electric systems; and

WHEREAS, the Interconnection Agreement contains provisions that cover the City of Biggs load Points of Interconnection with the PG&E transmission system (as a NCPA Member Customer); and

WHEREAS, the Interconnection Agreement became effective on September 1, 2002, and is set to expire on October 31, 2015; and

WHEREAS, due to the impending expiration of the Interconnection Agreement, NCPA, PG&E, CAISO and NCPA Member Customer staff have worked to develop a new interconnection agreement to replace the existing Interconnection Agreement; and

WHEREAS, as a result of this effort a new Interconnection Agreement between PG&E, NCPA and the NCPA Member Customers (the “New Interconnection Agreement”) has been developed (“SGIA”); and

WHEREAS, the New Interconnection Agreement and attached appendices contain the terms and conditions under which each of the NCPA Member Customer Points of Interconnection will be operated in coordination with PG&E; and

WHEREAS, while all of the Points of Interconnection covered under the New Interconnection Agreement are owned and operated by the NCPA Member Customers, NCPA nonetheless is a signatory to the New Interconnection Agreement due to its role as the NCPA Member Customers’ portfolio manager, and in such role NCPA shall provide support services to the NCPA Member Customers, including, but not limited to, assisting NCPA Member Customers in performing impact studies and resolving disputes with PG&E; and

WHEREAS, the New Interconnection Agreement will become effective on November 1, 2015, and will have a term of ten (10) years; and

WHEREAS, by executing the New Interconnection Agreement, the City of Biggs will not incur any immediate or direct costs as a result; and

WHEREAS, 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.

¹ The NCPA Member Customers are the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Ukiah, and Plumas Sierra Rural Electric Cooperative.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Biggs adopts and approves the New Interconnection Agreement, and provides authority to the Mayor to execute the New Interconnection Agreement, on behalf of the City of Biggs, including any non-substantive modifications to the New Interconnection Agreement approved by the City Attorney.

I HEREBY CERTIFY that the foregoing **RESOLUTION** was duly introduced, passed and adopted at a regular meeting of the City Council of the City of Biggs, held on the 9th day of July, 2015, by the following vote:

AYES: COUNCILMEMBER _____

NOES: COUNCILMEMBER _____

ABSENT: COUNCILMEMBER _____

ABSTAIN: COUNCILMEMBER _____

ATTEST:

APPROVED:

Roben Dewsnap, CITY CLERK

Roger L. Frith, MAYOR