



Transmission Agency of Northern California
P.O. Box 15129 Sacramento, CA 95851-0129 (916) 852-1673

MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: MARCH 19, 2025 MEETING OF THE TRANSMISSION AGENCY OF
NORTHERN CALIFORNIA

The Commission of the Transmission Agency of Northern California (TANC) will meet at 10:00 a.m. on Wednesday, March 19, 2025, at 2377 Gold Meadow Way, First Floor, Gold River, California, 95670. The meeting is also accessible by telephone at:

Join Meeting: 1 (202) 945-4283; Phone conference ID: 774 894 743#

In addition to the customary reports, enclosed are reports related to WestConnect activities, California-Oregon Transmission Project (COTP) matters, TANC technical matters, Federal Energy Regulatory Commission and other related regulatory matters, Western Electricity Coordinating Council matters, Open Access Same-Time Information System matters, wildfire related initiatives, TANC's Reliability Standards Compliance Program, the Fiscal Year 2025 Second Quarter Budget Variance Report, a report on California Independent System Operator related matters, a report from TANC's Interim General Manager, a report on TANC strategic planning efforts.

The TANC Commission will also receive a report and consider potential action on TANC's Available Cash Balances through December 31, 2024, a resolution approving certain routine operation and maintenance activities as categorically exempt from the California Environmental Quality Act, a resolution authorizing the placement of the 2025-2026 COTP Insurance Program, and a resolution adopting the Fiscal Year 2026 COTP Operation and Maintenance Budget and Work Plan. The Commission will then consider items in Closed Session, consider an administrative item and schedule its next meeting.

A Public Entity whose Members include:
Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,
Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah

TAB 1

CALL TO ORDER

The TANC Chair will call the meeting to order.

TAB 2

ROLL CALL

The TANC Interim General Manager will conduct a roll call of the TANC Commission members in attendance.

AGENDA
TANC COMMISSION MEETING
March 19, 2025
10:00 AM

LOCATION
2377 Gold Meadow Way
First Floor Conference Room
Gold, River, CA 95670

Remote Locations:

Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678-6420

City of Santa Clara
881 Martin Ave
Santa Clara, CA 95050

Any member of the public who desires to address the Commission during public comment portion of this meeting or on any item considered by the Commission at this meeting, before, or during the Commission's consideration of that item, shall so advise the Commission Chair or General Manager when public comment is called and when recognized shall thereupon be given an opportunity to do so.

Any person requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participate in this meeting are requested to contact Larry Riegle at lriegle@tanc.us in advance of the meeting to arrange for such accommodations.

Join Meeting: 1 (202) 945-4283; Phone conference ID: 774 894 743#

1. Call to Order

The TANC Chair will call the meeting to order.

2. Roll Call

A representative from TANC will conduct a roll call of TANC Commission members in attendance.

3. Approval of Agenda

The Commission will review the proposed agenda and approve it with any necessary corrections or deletions.

PUBLIC COMMENT

4. The Commission will consider comments from the public at this time.

CONSENT CALENDAR

ALL MATTERS LISTED UNDER THE CONSENT CALENDAR ARE CONSIDERED BY THE COMMISSION TO BE ROUTINE AND WILL ALL BE ENACTED BY ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COMMISSIONER REQUESTS THAT AN ITEM BE SEPARATELY CONSIDERED PRIOR TO THE TIME THE COMMISSION VOTES ON THE MOTION TO ADOPT.

5. Approval of the Draft Minutes from the February 19, 2025 TANC Commission Meeting.

Enclosed are the draft minutes from the February 19, 2025 TANC Commission meetings, for approval, subject to any necessary corrections or clarifications.

6. Report on TANC's Investment Purchases

Enclosed are reports on TANC's investment purchases.

7. Report on General Manager's Committees

Enclosed are approved meeting minutes from the following committees:

- a. Audit Budget Committee
- b. Engineering and Operations Committee

8. Report on WestConnect Activities

Enclosed is a report regarding activities related to WestConnect.

9. Report on COTP Matters

Enclosed is a report regarding California-Oregon Transmission Project matters.

10. Report on TANC Technical Matters

Enclosed is a report regarding TANC technical matters.

11. Report on FERC and Related Regulatory Matters

Enclosed is a report regarding Federal Energy Regulatory Commission and other related regulatory matters.

12. Report on WECC Matters

Enclosed is a report regarding Western Electricity Coordinating Council matters.

13. Report on TANC OASIS Matters

Enclosed is a report regarding usage on the Open Access Same-Time Information System and related matters.

14. Report on Wildfire Activities

Enclosed is a report regarding recent wildfire related initiatives.

15. Report on TANC's Reliability Standards Compliance Program

Enclosed is a report regarding TANC's Reliability Standards Compliance Program.

16. Report on FY 2025 Second Quarter Budget Variance Report

Enclosed is a report regarding the Fiscal Year 2025 Second Quarter Budget Variance Report

17. Report on CAISO Matters

Enclosed is a report on California Independent System Operator related matters.

INFORMATION ITEMS

18. Report from the TANC Interim General Manager

The Commission will receive a report from TANC's Interim General Manager.

19. Report on TANC Strategic Planning Efforts

The Commission will receive a report on the status of workplans associated with ongoing strategic planning efforts.

ACTION ITEMS

20. Report and Potential Action on TANC's Available Cash Balances

The Commission will receive a report and may take action on a presentation from TANC's Controller on available cash balances through December 31, 2024.

21. Resolution Identifying Certain Routine COTP O&M Activities as Categorically Exempt from CEQA

The Commission will receive a report and consider a resolution identifying certain routine California-Oregon Transmission Project operation and maintenance activities as categorically exempt from the California Environmental Quality Act.

22. Resolution Authorizing the Placement of the 2025-2025 COTP Insurance Program

The Commission will receive a report and consider a resolution authorizing the General Manager to execute an agreement for placement of the 2025-2026 California-Oregon Transmission Project Insurance Program.

23. Resolution Adopting the Fiscal Year 2026 COTP O&M Budget and Workplan

The Commission will receive a report and consider a resolution adopting the Fiscal Year 2025 COTP Operations and Maintenance Budget and Workplan.

CLOSED SESSION

24. Closed Session Pursuant to Government Code Section 54957, Public Employee Appointment, General Manager

END OF CLOSED SESSION

25. Report and Potential Action on Administrative Items

- a. Approval of Update to Officers List for 2025

26. Meeting Calendar

The Commission will confirm the date of its next scheduled meeting is April 23, 2025.

TAB 4

PUBLIC COMMENT

The TANC Commission will consider comments from the public at this time.

TAB 5

DRAFT MINUTES AND ATTACHMENTS

DRAFT MINUTES
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
COMMISSION MEETING
FEBRUARY 19, 2025

Chair Zettel (City of Redding) called the February 19, 2025 Transmission Agency of Northern California (TANC) Commission meeting to order at 10:00 a.m. Mr. Roukema (TANC Interim General Manager) took a roll call of the Commissioners in attendance. Meeting attendees are listed in Attachment 1.

Approval of Agenda

Chair Zettel inquired as to any recommended additions, deletions or modifications to the agenda. With no changes proposed, Mr. Gill (Turlock Irrigation District) made a motion to approve the February 19, 2025 TANC Commission agenda. Ms. Lewis (Sacramento Municipal Utility District) seconded the motion, which was approved by the TANC Commission. The approved agenda for the February 19, 2025 Commission meeting is included as Attachment 2.

PUBLIC COMMENT

Chair Zettel asked if there were any members of the public that wished to address the TANC Commission. There were no requests.

CONSENT CALENDAR

Chair Zettel asked if any Commissioner would like a discussion or removal of any item under the Consent Calendar. There were no requests. Ms. Hughes (City of Santa Clara) made a motion to approve the Consent Calendar. Mr. Caballero (Modesto Irrigation District) seconded the motion, which was approved by the Commission. The approved minutes from the January 29, 2025 TANC Commission meeting are included as Attachments 3.

INFORMATION ITEMS

Report from the TANC Interim General Manager

Mr. Roukema reported that the agreements associated with the California-Oregon Transmission Project (COTP) entitlement transfer from San Juan and Carmichael Water Districts to the Turlock Irrigation District and the City of Roseville have been completed. Mr. Roukema also reported that the documents transferring the City of Redding's COTP entitlement to TANC are also ready for signature. Mr. Roukema provided an update on certain agreements that needed to be revised to effectuate the California-Oregon Intertie (COI) rerate to 5,100 megawatts - reporting that revisions to the COI Path Operating Agreement had been accepted by the Federal Energy Regulatory Commission (FERC) and that Pacific Gas and Electric Company has filed the Amended Owners Coordinated Operation Agreement with FERC and requested an effective date of April 1, 2025. Mr. Roukema also provided an update on recent Executive Orders and Department of Government Efficiency actions that could potentially impact TANC. The TANC Commission also discussed the recent repayment of part of the upfront funding that was provided to the Western Area Power Administration last year for the Series Capacitor Project. The TANC Commission then discussed the status of the Series Capacitor procurement process and that an action on TANC's letter of credit may need to be considered.

Report on TANC Strategic Planning Efforts

Mr. Roukema reported that updates on strategic planning efforts was provided in the meeting materials and reminded the Commission that the development of new strategic planning items would be paused until TANC secures a regular General Manager to lead the effort.

CLOSED SESSION

Pursuant to subsections (a), (b), and (d) of California Code Section 54956.9, and California Code Section 54957(b)(1), TANC General Counsel Mr. Gross placed the Commission into closed session.

After discussion Mr. Gross reported that no reportable action was taken by the Commission.

Meeting Calendar

The next regular TANC Commission meeting is scheduled for March 19, 2025. There being no further business, Chair Zettel adjourned the meeting.

Draft

ATTENDANCE LIST

TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
COMMISSION MEETING

February 19, 2025

10:00 AM

NAME

ORGANIZATION

Nick Zettel	City of Redding
Martin Caballero	Modesto Irrigation District
Manjot Gill	Turlock Irrigation District
Bill Forsythe	City of Roseville
Laura Lewis	Sacramento Municipal Utility District
Anish Nand	Northern California Power Agency
Kathleen Hughes	City of Santa Clara
Basil Wong	City of Santa Clara
Jeanne Haas	Western Area Power Administration
Melinda Jones	Western Area Power Administration
Heather Renschler	Ralph Anderson
Steve Gross	TANC General Counsel
John Roukema	Interim General Manager
Amy Cuellar	TANC Staff
Larry Riegle	TANC Staff

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10:00 AM

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First Floor Conference Room
Gold, River, CA 95670

Remote Locations:

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Roseville, CA 95678-6420

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Join Meeting: 1 (202) 945-4283; Phone conference ID: 540 128 320#

1. Call to Order

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2. Roll Call

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3. Approval of Agenda

The Commission will review the proposed agenda and approve it with any necessary corrections or deletions.

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5. Approval of the Draft Minutes from the January 29, 2025 TANC Commission Meeting.

Enclosed are the draft minutes from the January 29, 2025 TANC Commission meetings, for approval, subject to any necessary corrections or clarifications.

6. Report on TANC's Investment Purchases

Enclosed are reports on TANC's investment purchases.

7. Report on General Manager's Committees

Enclosed are approved meeting minutes from the following committees:

- a. Contracts Committee
- b. Open Access Transmission Tariff Committee

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Enclosed is a report regarding usage on the Open Access Same-Time Information System and related matters.

14. Report on Wildfire Activities

Enclosed is a report regarding recent wildfire related initiatives.

15. Report on CAISO Matters

Enclosed is a report on California Independent System Operator related matters.

INFORMATION ITEMS

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17. Report on TANC Strategic Planning Efforts

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CLOSED SESSION

18. Discussion Regarding the TANC Regular General Manager Recruitment Process

END OF CLOSED SESSION

19. Meeting Calendar

The Commission will confirm the date of its next scheduled meeting is March 19, 2025.

MINUTES
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
COMMISSION MEETING
JANUARY 29, 2025

Chair Zettel (City of Redding) called the January 29, 2025 Transmission Agency of Northern California (TANC) Commission meeting to order at 10:00 a.m. Mr. Roukema (TANC Interim General Manager) took a roll call of the Commissioners in attendance. Meeting attendees are listed in Attachment 1.

Approval of Agenda

Chair Zettel inquired as to any recommended additions, deletions or modifications to the agenda. With no changes proposed, Mr. Gill (Turlock Irrigation District) made a motion to approve the January 29, 2025 TANC Commission agenda. Mr. Caballero (Modesto Irrigation District) seconded the motion, which was approved by the TANC Commission. The approved agenda for the January 29, 2025 Commission meeting is included as Attachment 2.

PUBLIC COMMENT

Chair Zettel asked if there were any members of the public that wished to address the TANC Commission. There were no requests.

CONSENT CALENDAR

Chair Zettel asked if any Commissioner would like a discussion or removal of any item under the Consent Calendar. There were no requests. Ms. Hughes (City of Santa Clara) made a motion to approve the Consent Calendar. Mr. Gill (Turlock Irrigation District) seconded the motion, which was approved by the Commission. The approved minutes from the December 18, 2024 TANC Commission meeting are included as Attachments 3.

INFORMATION ITEMS

Report from the TANC Interim General Manager

Mr. Roukema reported that the California-Oregon Transmission Project (COTP) entitlement transfer from San Juan and Carmichael Water Districts to the Turlock Irrigation District and the City of Roseville has been completed minus one additional signature needed from the Western Area Power Administration. Chair Zettel reported that the City of Redding is still waiting to hear from Pacific Gas and Electric Company on whether they will sign an indemnification relating to the City of Redding's request to transfer their COTP entitlement to TANC. Mr. Roukema also reminder the Commission that the Fair Political Practices Commission Annual Form 700 process had moved to an electronic filing system and that applicable filers should have received log in information in late December 2024.

Report on TANC Strategic Planning Efforts

Mr. Roukema reported that updates on strategic planning efforts was provided in the meeting materials and reminded the Commission that the development of new strategic planning items would be paused until TANC secures a regular General Manager to lead the effort.

ACTION ITEMS

Resolution Approving Actions to Implement an Increase in the North to South Rating of the California-Oregon Intertie

The TANC Commission discussed the status of the Western Electricity Coordinating Council Path Rating Process that TANC, and the other California-Oregon Intertie (COI) members have been working through since 2021 to increase the COI rating from 4,800 megawatts (MW) to 5,100 MW – and correspondingly increase the COTP rating from 1,600 MW to 1,700 MW – in the North-to-South direction. Mr. Roukema reported that the California Independent System Operator would be using the new COI ratings for the summer operating season – which begins on April 1, 2025. Mr. Roukema also noted that TANC has been working with Special Counsel and the Owners Coordinated Operation Agreement (OCO) members to identify TANC and COTP agreements that require modifications to implement the new COI rating. The TANC Commission discussed that the Commission it being requested to approve distributing the increased 100 MW of COTP capacity on a *pro rata* basis per the percentages of entitlements currently in the Interim Participation Agreement. The TANC Commission is also being requested to approve proposed updates in Appendix C of Project Agreement No. 3 and well as to approve actions that the Interim General Manager may further need to take to implement the COI rating increase. After discussion by the TANC Commission it was agreed that Appendix C show the member percentages and MW entitlements of the Northern California Power Agency members – which are currently laid-off to other TANC Members (see attachment). After further discussion, Mr. Forsythe (City of Roseville) moved to approve the resolution approving distributing the increased 100 MW of COTP capacity on a *pro rata* basis, approving proposed updates in Appendix C of Project Agreement No. 3 and approving additional actions that the Interim General Manager may need to take to implement the COI rating increase. The motion was seconded by Mr. Gill (Turlock Irrigation District) and approved by the TANC Commission by roll call vote. Resolution 2025-01 is included as Attachment 4.

CLOSED SESSION

Pursuant to subsections (a), (b), and (d) of California Code Section 54956.9, and California Code Section 54957(b)(1), TANC General Counsel Mr. Gross placed the Commission into closed session.

After discussion Mr. Gross reported that no reportable action was taken by the Commission.

Meeting Calendar

The next regular TANC Commission meeting is scheduled for February 19, 2025. There being no further business, Chair Zettel adjourned the meeting.

Respectfully Submitted,

DocuSigned by:


John Roukema^{1133480BB1EB4E3...}
TANC Interim General Manager

TAB 6

REPORT ON TANC'S INVESTMENT PURCHASES

Enclosed is a report on TANC's investment purchases.

Transmission Agency of Northern California

Investment Purchases Report For Month Ended February 28, 2025

Settlement Date	Maturity Date	Portfolio	Investment Type	Issuer	Par Value
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No purchases in February 2025

TAB 7

**SCHEDULE OF UPCOMING
GENERAL MANAGER'S COMMITTEE MEETINGS**

Audit Budget Committee	March 27, 2025
Contracts Committee	April 1, 2025
Engineering and Operations Committee	May 14, 2025
Open Access Transmission Tariff Committee	April 1, 2025

**GENERAL MANAGER'S COMMITTEE MEETINGS
APPROVED MINUTES**

Audit Budget Committee	October 24, 2024
Engineering and Operations Committee	November 13, 2024

MINUTES OF THE
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
GENERAL MANAGER'S AUDIT/BUDGET COMMITTEE MEETING
October 24, 2024

Ms. Nguyen convened the October 24, 2024 meeting of the Transmission Agency of Northern California (TANC or Agency) General Manager's Audit/Budget Committee (Committee) at 10:30 a.m. in place of Chair Ainsworth. Mr. Riegler took roll call and participants in the meeting are included as Attachment 1.

Approval of the October 24, 2024 Audit-Budget Committee Agenda

Ms. Nguyen inquired if the Committee had any revisions to the proposed August 22, 2024 General Manager's Audit-Budget Committee agenda. Upon hearing of no suggested revisions, the agenda was accepted.

Approval of the August 22, 2024 Draft Minutes

Minutes from the August 22, 2024 Audit-Budget Committee meeting was reviewed and approved as submitted.

FY24 Audit Presentation with Baker Tilly

Mr. Wortham from Baker Tilly presented preliminary results from the FY24 TANC audit. Upon conclusion of the presentation, the determination that TANC will receive an *Unmodified Opinion*, and general discussion, the Committee recommended that the Commission accept the FY24 TANC Financial Statements when presented to them at their November 20, 2024 meeting.

September Commission Meeting Report

Mr. Riegler provided the Committee with updates on pertinent matters related to Commission activity associated with the September '24 meeting.

Other Matters

Mr. Riegler briefed the Committee on several important topics in which there has been previous discussion including:

- a. Funds for the COTP Series Capacitor project were delivered to the Western Area Power Administration; further the default position for repayment of funds will be Available Cash; also the Committee discussed processing options if WAPA were to provide reimbursement funding in chunk sums.
- b. An overview and general discussion of TANC's Revenue Requirement methodology will be held likely at the December '24 Committee meeting.
- c. An overview and discussion of the current Available Cash format will also likely be discussed at the December '24 Committee meeting.
- d. The transfer of certain COTP entitlements is progressing between identified members with an effective date of January 1, 2025.
- e. Cost allocation revisions related to the COI 5100 MW addition will be discussed further in the 1st Quarter of calendar year 2025.

- f. As certain COTP Disconnect Switches are replaced the old equipment will be provided to the Army Corps of Engineers when they are ready to take ownership of them.

Next Meeting

The next TANC Audit/Budget Committee was scheduled for December 5, 2024 starting at 10:30 a.m.

Documents from this meeting will be distributed upon request.

Respectfully Submitted,

DocuSigned by:
Larry Riegle
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Larry Riegle
Ex Officio Member and Secretary

**MINUTES
CALIFORNIA-OREGON TRANSMISSION PROJECT
ENGINEERING AND OPERATIONS COMMITTEE MEETING
NOVEMBER 13, 2024**

The California-Oregon Transmission Project (COTP) Engineering and Operations (E&O) Committee met on November 13, 2024. The Agenda and Attendance list for the meeting are provided as Attachment 1 and Attachment 2, respectively.

COTP E&O COMMITTEE MEETING

AGENDA ITEM 1, 2, AND 3: CALL TO ORDER, ROLL CALL, AND ADMINISTRATION

a. Approval of Agenda

The meeting was called to order by Chair Tuggle (Western Area Power Administration (WAPA)). Chair Tuggle asked if there were any changes to the meeting agenda. Ms. Mull (WAPA) requested an additional item be added to the agenda for the COTP E&O Committee to consider a request from WAPA to carryover funds from Fiscal Year 2024 to Fiscal Year 2025. Chair Tuggle then moved to approve the revised agenda. Mr. Buckingham (Sacramento Municipal Utility District (SMUD)) seconded the motion. The revised agenda was approved by the COTP E&O Committee and is included as Attachment 1.

b. Minutes of the September 11, 2024 COTP E&O Committee Meeting

Chair Tuggle asked if there were any changes to the draft minutes from the July 10, 2024 COTP E&O Committee meeting. With no changes proposed, Chair Tuggle (WAPA) moved to approve the minutes. Mr. Costalupes (Modesto Irrigation District) seconded the motion. The COTP E&O Committee approved the minutes from the September 11, 2024 meeting. The approved minutes are included as Attachment 3.

c. Next Meeting

The next COTP E&O Committee meeting was scheduled for Wednesday, January 8, 2025.

AGENDA ITEM 4: OPERATIONS AND MAINTENANCE ISSUES

a. COTP Operations Update

The COTP E&O Committee discussed information on COTP operations and voltage control events for both September and October 2024.

b. Line and Substation Outages – Occurred and Scheduled

Ms. Cuellar noted that recent and planned outages of COTP facilities were provided in the meeting materials and that WAPA was available to answer any questions. Staff from WAPA

provided additional information on the upcoming outage and equipment replacement schedules.

c. Update on Environmental and Land Activities

Mr. Wagenet (TANC) reported that 66 trees identified as potentially interfering with the microwave signal at the Manzanita Lake (a.k.a. Table Mountain) Communication Site had been removed and that site cleanup by WAPA contractors was completed in October 2024. Mr. Wagenet also provided an update on the Pacific Gas & Electric Company (PG&E) Gas Service at Palm Tract reporting that PG&E has discontinued gas service to Palm Tract using its existing, aged pipeline and instead will continue to meet its obligation to serve the site with compressed natural gas that will be trucked to the site as needed. Lastly, Mr. Wagenet provided an update on wildfire mitigation activities.

d. Other Operation and Maintenance Issues

Chair Tuggle and Mr. Hamrick (WAPA) provided the COTP E&O Committee with an update on Operation and Maintenance activities completed by WAPA since the last meeting including updates on routine operation and maintenance activities, engineering, capital replacement, and construction projects. The committee also discussed the schedule for series capacitor replacements, which is currently on schedule and includes a two-year procurement process.

e. Transmission Planning and Technical Study Activities Update

Mr. Ziegler (TANC) provided an update on transmission planning items noting that the California-Oregon Intertie (COI) facility owners were notified that no comments or questions were received during the 30-day review period and that COI Path 66 was granted Phase Three status, with an accepted rating of 5,100 megawatts (MW) North to South. Mr. Ziegler also provided an update on a recent Bonneville Power Administration meeting held to provide a high level review of their expansion plan and to provide information on a series of conceptual projects. Lastly, Mr. Ziegler provided an update on the 2024 TANC Annual Planning Assessment reporting that the draft report will be distributed around November 15, 2024 for comment.

AGENDA ITEM 5: OTHER ITEMS FOR DISCUSSION

a. COI Real-Time Operations Update

Mr. Buckingham (SMUD) provided the highlights on recent COI real-time operations updates and provided the E&O Committee with September and October 2024 Balancing Authority of Northern California reports which included information on COI flows both South to North and North to South as well as unscheduled flows.

b. Removal, Surplus and/or Disposal Strategy for COTP Equipment

The E&O Committee discussed a request from the Army Corps of Engineers (ACOE) to obtain spare disconnect switches that are being replaced at the Tracy Substation. WAPA reported that the ACOE will pay for any shipping and handling costs and execute a Waiver, Release and Hold Harmless Agreement. TANC reported the transfer of the replaced equipment to the ACOE has been authorized, since it is within the authority of the TANC Interim General Manager. Chair Tuggle reported that similar requests may be expected as the 20-year Capital Replacement Program progresses.

c. Tracy KT2A Bushing Recall and Replacement Strategy

Mr. Higgins (WAPA) provide the E&O Committee with a report on a recent explosion and fire that occurred on the KT2A bushings at WAPAs Mead Substation located in Nevada. It was reported that the same KT2A bushings are installed at the Tracy Substation and that they are in the process of being replaced.

d. Fiscal Year 2026 COTP Operations and Maintenance Budget Development Schedule

The E&O Committee discussed the proposed schedule for the Fiscal Year 2026 COTP budget development schedule which kicks off in January and will include a budget workshop on February 13, 2025.

e. 2025 Proposed COTP E&O Meetings Dates

The E&O Committee discussed and agreed to the proposed 2025 meeting calendar. It was noted that save the date emails would be sent out in December.

AGENDA ITEM 6: APPROVALS AND RECOMMENDATIONS

a. Third Agreement for Use of Communication Facilities with the Sacramento Municipal Utility District

Mr. Buckingham (SMUD) reported that TANC and SMUD have been working to develop the Third Agreement for Use of Communication Facilities with the Sacramento Municipal Utility District (Third Agreement) as a replacement to an existing agreement which expires on December 31, 2024 and would allow TANC to continue to utilize certain SMUD communication facilities and dark fiber on SMUD's Fiber Optic System. Mr. Buckingham noted that under the Third Agreement, TANC will be required to annually reimburse SMUD at their prevailing rates for third party use of dark fiber in accordance with SMUD's Board Linkage Policy and pay a monthly payment for station service energy. The E&O Committee was requested to provide a recommendation to the TANC Commission and COTP Management Committee regarding approval of the Third Agreement, pending final review by both SMUD and TANC legal counsel. After discussion, Chair Tuggle (WAPA) moved to recommend approval of the Third Agreement, Mr. Costalupes (Modesto Irrigation District) seconded this motion, which was then approved by the E&O Committee.

COTP E&O Committee Meeting
Minutes for November 13, 2024
Approved January 8, 2024

Attachment 3

AGENDA ITEM 7: PROJECT COST

a. Status of Operations & Maintenance Costs – Fiscal Year 2024

Ms. Mull (WAPA) provided a detailed status of WAPA's Fiscal Year 2024 budget and expenditures.

b. WAPA Request for Capital Funding Carryover Request for Tower Painting and for an Indefinite Quantity Indefinite Delivery Indefinite Quantity Contract for Spacers

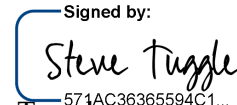
Ms. Mull (WAPA) reported that WAPA is requesting to carryover funds from Fiscal Year 2024 to Fiscal Year 2025 including: \$2,000,000 from the COTP tower painting project at the Sacramento and San Joaquin Crossings and \$50,000 for an Indefinite Delivery Indefinite Quantity Contract for COTP spacer replacements. The E&O Committee was requested to provide a recommendation to the TANC Commission and COTP Management Committee regarding approval of the request from WAPA to carryover \$2,000,000 from the COTP tower painting project at the Sacramento and San Joaquin Crossings. After discussion, Chair Tuggle (WAPA) moved to recommend approval of the carryover request. Mr. Buckingham (SMUD) seconded this motion, which was then approved by the E&O Committee. The E&O Committee was also requested to provide a recommendation to the TANC Commission and COTP Management Committee regarding approval of the request from WAPA to carryover \$50,000 for an Indefinite Delivery Indefinite Quantity Contract for COTP spacer replacements. After discussion, Mr. Buckingham (SMUD) moved to recommend approval of the carryover request. Chair Tuggle (WAPA) seconded this motion, which was then approved by the E&O Committee.

AGENDA ITEM 7: COTP E&O MEETING ADJOURNMENT

There being no further business, Chair Tuggle adjourned the meeting.

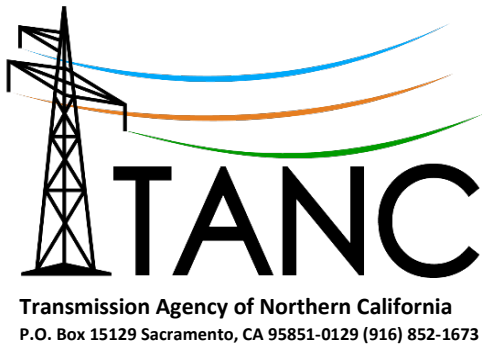
Respectfully Submitted,

Signed by:



Steve Tuggle

COTP E&O Chair



MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: REPORT ON WESTCONNECT ACTIVITIES

This memo provides a summary of recent WestConnect activities. The Transmission Agency of Northern California (TANC) continues to participate in activities conducted by WestConnect, which is tasked with coordination of regional and interregional transmission planning. The most recent Planning Subcommittee (PS) meeting was held on February 10, 2025. The most recent Planning Management Committee (PMC) meeting was held on February 11, 2025. The next PS and PMC meetings are scheduled for March 18 and 19, 2025. The Annual Interregional Coordination Meeting is also scheduled for March 24, 2025 and will be held at the California Independent System Operator offices in Folsom, California.

Planning Subcommittee

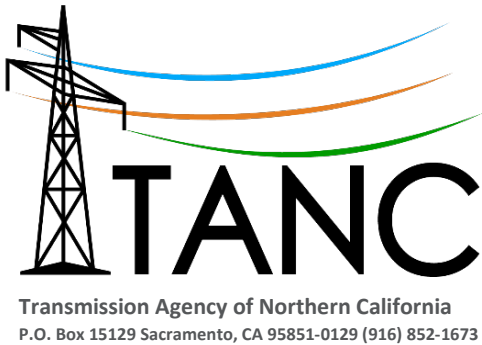
At their meeting on February 10, 2025 the PS discussed the progress made on the Scenario Study Plan including a detailed discussion of the scenario studies (which include the Decreased Facility Rating Scenario, Extreme Cold Weather Scenario and 20-year Increased Renewable Scenario). First, information on the development of the Decreased Facility Rating Scenario contingency and its initial findings were shared. This scenario decreased ratings by about five percent to identify where overloads existed. Most of the issues found were on 115 kilovolt (kV) or 230 kV transmission lines and generator step up transformers. Next, the study plan for an Extreme Cold Weather Scenario was shared. This included the plan to adjust model loads and scale generation resources to match those of an extreme cold weather operating scenario. Finally, the 20-year increased reliability study plan was shared. This study will modify the 2034 WestConnect production cost modeling case to ultimately simulate a 20-year Increased Renewable Scenario. After sharing these scenarios, the future meeting schedule was discussed.

Planning Management Committee

At their meeting on February 11, 2025, the PMC discussed the status of the PS Scenario Study Plan. The PMC also had a detailed conversation around the congestion cost metric. The primary concern raised was that membership does not have production cost modeling (PCM) capability and this is becoming challenging. An overarching question discussed was whether the economic assessment adequately considers extreme grid conditions and high value periods. The fact that there may not be interest to go forward with this assessment was also discussed. A motion to provide a PCM overview at the March PMC meeting was also approved.

WestConnect Stakeholders Meeting

On February 10, 2025, the WestConnect Stakeholders meeting was held. During this call, TANC shared the progress update for the members of the Sierra Subregional Planning Group which include, TANC, Western Area Power Administration – Sierra Nevada Region, the Sacramento Municipal Utility District (SMUD) and the Lassen Municipal Utility District (LMUD). Both SMUD and LMUD had projects which were shared with WestConnect. TANC did not have any projects to share; however, did provide information on the California-Oregon Intertie path rating increase to 5,100 megawatts in the North-to-South direction and which will be implemented on April 1, 2025.



MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: REPORT ON COTP MATTERS

Recent environmental and land matters pertaining to the California-Oregon Transmission Project (COTP) and the Transmission Agency of Northern California (TANC) have included:

Environmental – Liaison with Agencies

Sáttítla National Monument Designation

Authorization for Designation

On January 7, 2025, President Biden announced the designation of the Sáttítla¹ Highlands National Monument in northern California near the COTP right of way (ROW). The monument encompasses 224,676 acres of varied habitat in the Modoc, Shasta-Trinity, and Klamath National Forests and provides protection to tribal ancestral homelands, historic and scientific treasures, rare flora and fauna, and the headwaters of vital sources of water. The Antiquities Act of 1906 (54 U.S.C. §§320301-320303) authorized the President to proclaim national monuments on federal lands that contain historic landmarks, historic and prehistoric structures, or other objects of historic or scientific interest. The President is to reserve “the smallest area compatible with the proper care and management of the objects to be protected.” The act was designed to protect federal lands and resources quickly.

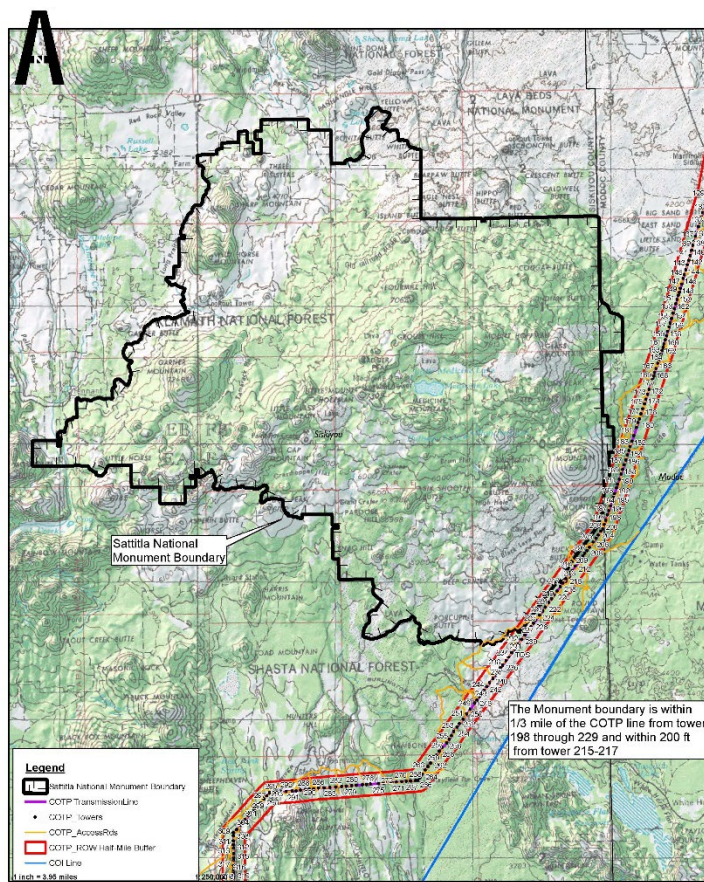
Monument Management and Location

The public lands designated as the Sáttítla National Monument will continue to be managed by the United States Forest Service through the Klamath, Modoc, and Shasta-Trinity National Forests. The designation provides for the development of a monument management plan. The management plan will provide the basis for informed decision making, while guiding resource

¹ "Sáttítla" in the Ajumawi language, translates to "obsidian place."

management, practices, uses, and framework for project development. It will also provide for the protection and interpretation of the monument's scientific and historic objects identified in the proclamation, as well as continued public access.

The map below indicates that the monument's boundaries are located within one-third mile of the COTP ROW and near towers 198 through 229, and within 200 feet of the COTP ROW near towers 215 through 217.



Sattila National Monument Boundary near the COTP Line

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written permission of TANC

\\11\K000011\PROJECTS\PROJECTS\2025\COTP_Dimensions.mxd

Date: 2/10/2025

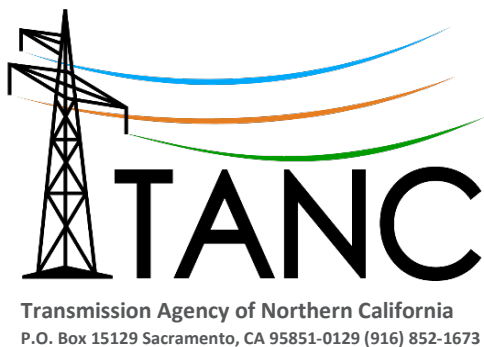
Utilities and Transmission Corridor Rights of Way

The establishment of the monument is subject to valid existing rights, including but not limited to maintenance of water or flood-control infrastructure, state highway corridors or ROWs, and **existing utility and telecommunications ROWs or facilities**. Existing infrastructure and facilities located within the monument may be expanded, and new facilities may be constructed within the monument, to the extent consistent with the proper care and management of the objects protected by the monument's designation and subject to special use authorities and other applicable law.

Vegetation Management

Vegetative management treatments, including prescribed fire and hazardous fuels removal, will continue to be used to reduce the

risk of wildfire, insects or diseases that could endanger the monument's natural and cultural resources, or threaten public safety. All actions conducted must be done in accordance with care and management guidelines identified in the proclamation.



MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: REPORT ON TECHNICAL MATTERS

Recent transmission planning and technical matters pertaining to the Transmission Agency of Northern California (TANC) and its transmission asset - the California-Oregon Transmission Project (COTP) have included:

Federal Energy Regulatory Commission (FERC) Order 881

On February 3, 2025, the California Independent System Operator (CAISO) hosted a meeting between the Owner's Coordinated Operating Agreement (OCA) parties to discuss the California-Oregon Intertie (COI) Path Operator's implementation plans for FERC Order 881 (Ambient Adjusted Ratings (AAR)) pertaining to the COI and the three major 500 kilovolt (kV) transmission lines comprising it. The CAISO indicated that Balancing Authority of Northern California (BANC) entities as well as Pacific Gas & Electric Company were planning on claiming exemption status from Order 881 for their 500 kV COI facilities.

The CAISO also indicated they are looking into methodologies for incorporating AARs into Total Transfer Capability (TTC) rating calculations, targeting an implementation date in 2026. One of the potential options would include expanding the CAISO's voltage stability tool, allowing the use of Northern California Hydroelectric Generation forecast data linked with Extended Day-Ahead Market (EDAM) constraint data to be a significant driver of hourly COI TTC ratings. The CAISO also noted that they will not let the market (EDAM) determine COI ratings or supersede operational, reliability-based decisions; rather, they are seeking to leverage a large depth of EDAM data and modeling to inform a variable COI methodology. The CAISO will continue to coordinate with COI owners and develop internal capabilities to accommodate these changes.

TANC Active Interconnection Requests

The TANC interconnection queue currently has one active project and one inactive project which may soon be removed from the TANC queue. Those TANC interconnection queue projects that have had status updates since the last TANC Commission meeting are discussed below.

TANC Queue 2022-1

TANC previously completed both a Feasibility Study and a System Impact Study (SIS) for the Sawtooth Project which was originally proposed as a 1,000 MW hybrid (photovoltaic-battery storage) project with 500 MWs of backup Combustion Turbines (CT) and seeking an interconnection at the Olinda Substation. Since completion of the SIS, the Interconnection Customer reduced the size of the project to 300 MW solar photovoltaic-battery storage hybrid facility (without backup CT's) to get under the Most Severe Single Contingency for BANC.¹ A SIS restudy agreement was executed, and the deposit was received in October 2024. Since that time, the Interconnection Customer modified the project to add the backup CTs. TANC has received and verified the updated Power Flow Models, Dynamic and Short Circuit Models and One Line Diagrams. Restudy work is under and an internal draft of the SIS restudy is expected in April 2025.

TANC Active Affected System Studies

TANC routinely monitors proposed projects to identify those where the COTP may be impacted by a proposed interconnection or addition of facilities or upgrades to another transmission system. Those projects where TANC is currently actively involved as an affected system and that have had status changes since the last TANC Commission meeting are discussed below.

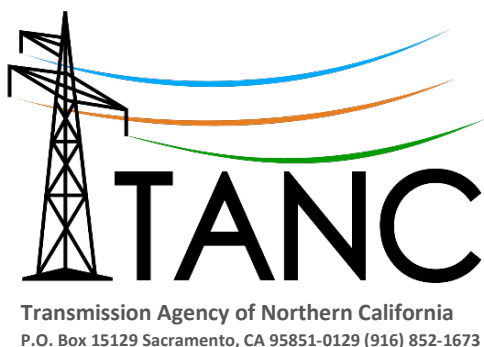
CAISO Queue Project 1702

The CAISO Cluster 13 Queue Project 1702 was originally proposed as a 1,200 MW Wind, Solar and Battery Energy Storage System (BESS) project to interconnect near the Tracy Substation with a Commercial Operation Date in May 2028. On March 1, 2024, TANC completed and submitted the ASIS to the developer. The ASIS identified that the Tracy Substation circuit breakers would be impacted by the addition of the project. Based on request from the developer, a new letter agreement was prepared to restudy the project with 400 MW of BESS installed and with a Commercial Operation Date in 2027. The letter agreement was executed on October 8, 2024 and the deposit was received on October 25, 2024. TANC submitted the revised ASIS in mid-December 2024. A review meeting was then held in early January 2025. Since that time, TANC has been coordinating with the Western Area Power Administration on study results and model discrepancies and is considering a potential restudy for CAISO Queue Project 1702.

¹ For BANC the Most Severe Single Contingency (and a North American Electric Reliability Corporation requirement for a Balancing Authority) is 320 MW.

CAISO Queue Project 1683

The CAISO Cluster 13 Queue Project 1683 proposes to interconnect approximately 100 MW of wind with the Pacific Gas & Electric Company Contra Costa – Delta Switchyard 230 kilovolt (kV) line, with a Commercial Operation Date in April 2026. TANC has identified as an affected system. The letter agreement was executed on November 11, 2024 and the deposit received on November 27, 2024. TANC submitted the ASIS to the developer on January 21, 2025. The ASIS results indicate no cost assignments and no contingent required facilities; therefore, the developer determined that a meeting to discuss study results was not necessary. TANC has completed the work for CAISO Queue Project 1683.



MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: REPORT ON FERC AND OTHER REGULATORY MATTERS

This memorandum provides an update on regulatory issues either at the Federal Energy Regulatory Commission (FERC) or other regulatory matters occurring at the federal or state level that are relevant to the Transmission Agency of Northern California (TANC) and its Members.

Update on Independent Regulatory Agencies

Historically, regulatory agencies have developed regulations without review by the President. In adherence with recent Executive Orders, regulatory agencies (including FERC) will submit proposed and final regulatory actions for review to the Office of Information and Regulatory Affairs within the President's Executive Office. The Office of Management and Budget (OMB) director will review agency's obligations to ensure they are consistent with the President's policies and priorities. The OMB director will also set performance standards and management objectives for independent agencies and report to the President on their performance and how effectively they meet standards and goals.

Changes to National Environmental Policy Act Regulations

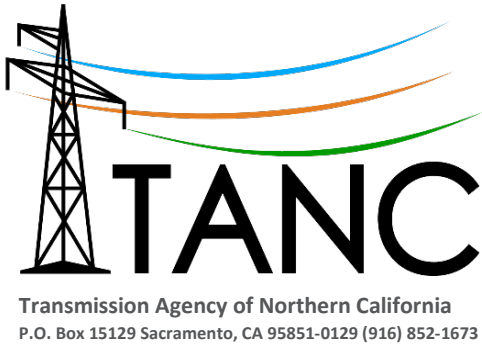
On January 20, 2025, President Trump issued Executive Order 14154. As guided by that Executive Order, on February 19, 2025, the Council on Environmental Quality (CEQ) announced an Interim Final Rule rescinding its longstanding regulations implementing the National Environmental Policy Act (NEPA). The CEQ also issued a Memorandum on the Implementation of NEPA to provide guidance to federal departments and agencies. The Interim Final Rule, which was published in the Federal Register in late February, removed all existing CEQ regulations

implementing NEPA from the Code of Federal Regulations, many of which have been in place since 1978.

The CEQ memorandum implements the President's direction in Executive Order 14154 to "expedite and simplify the permitting process" and strives to minimize potential delays and confusion associated with the removal of CEQ's regulatory framework for consistent NEPA implementation across agencies. The CEQ memorandum "encourages" agencies to use the CEQ regulations issued during the first Trump Administration as "an initial framework" while agencies revise or establish agency-specific NEPA implementing procedures over the next year, as directed by Executive Order 14154. Until those changes are complete, the CEQ memorandum directs agencies to follow existing practices and procedures, with adjustments for consistency with the NEPA statute. The CEQ memorandum also directs agencies to "consider voluntarily relying" on CEQ regulations for ongoing NEPA reviews and lawsuits on NEPA reviews completed while the regulations were still in effect.

Consumer Group Files Complaint Against all Public Utility Transmission Providers

In December 2024, multiple consumer groups submitted a complaint against all public utility transmission providers, including regional transmission organizations and independent system operators. The complaint entails allegations that the local planning of Assets Management projects results in unjust and unreasonable rates or does not allow FERC to determine just and reasonable rates because there is no review of such projects. The consumer groups are asking FERC to require all projects at or over 100 kilovolts to be planned through the regional planning process with exceptions for local distribution facilities, emergency circumstances, merchant transmission, and directly assigned costs for large new loads. Consumer groups are also requesting that FERC establish an Independent Transmission Planner (ITP) to oversee the regional planning process and costs of transmission before construction begins. ITP would be tasked with conducting transmission planning processes, generator interconnection studies, competitive solicitations, and coordination with other regions.



MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: WESTERN ELECTRICITY COORDINATING COUNCIL MATTERS

This memorandum provides an update on the relevant matters pertinent to the Western Electricity Coordinating Council (WECC) including its various committees and subcommittees.

Reliability Risk Committee Steering Committee

At their January 13, 2025 monthly meeting, the Reliability Risk Committee Steering Committee (RRCSC) discussed plans for the 2025 joint Reliability Risk Committee (RRC) and Reliability Assessment Committee (RAC) meeting which will be taking place in third quarter of 2025. RRCSC members were asked to identify discussion topics for that joint meeting. Key items which were mentioned included a demonstration of how the risk register functions and a retrospective from a utility which encountered an extreme natural disaster, and the lessons learned from it. The RRCSC reviewed the meeting agenda for the upcoming RRC meeting. The RRCSC also discussed risk management process enhancements including expanding stakeholder engagement, enhancing the risk register via dashboard and developing a format for updating the WECC Board of Governors on risk register changes. Finally, the RRCSC discussed adding a standing agenda item to RRC meetings to discuss changes to regional standards.

The February 10, 2025 RRCSC meeting was cancelled.

Member Advisory Committee

At their February 5, 2025 meeting, the Member Advisory Committee (MAC) met and discussed the Western Assessment of Resource Adequacy (WARA). The results from the WARA were shared with the MAC. The main finding from the WARA was that load growth in the West continues to grow at a faster rate than anticipated. This is due to the growing number of data centers, manufacturing facilities and cryptocurrency mining operations. Additionally, key takeaways included that there is an unprecedented amount of new generation being added to the system over the next decade with increasing numbers of energy limited resources. Lastly, it was discussed that demand growth and new resource delays could create serious resource adequacy challenges. The MAC also discussed their five year review of the WECC charter. This section highlighted ways in which the current committees of WECC can better fulfill the WECC charter. Finally, updates from other committees were shared with the MAC.

Long-Term Transmission Planning Task Force

In early 2024, the Joint Guidance Committee ratified the creation of the Long-Term Planning Task Force (LTPTF) and endorsed the LTPTF charter. According to the charter, the purpose of the LTPTF is to submit recommendations to the RAC regarding aspects of long-term planning, complete with the following: 1) a defined modeling approach; 2) assumptions concerning load, resources, and transmission; 3) datasets; 4) tools; 5) scenarios; and 6) a data request for the first long-term interconnection-wide model.

At their February 13, 2025 meeting, the LTPTF primarily focused on finalizing its recommendations that will be considered for approval at the RAC meeting on February 19-20, 2025. Due to the timing of the LTPTF meeting the document wasn't ready to be posted to the WECC website as it was under review by the technical editor. However, a draft version was circulated for review. It is expected that the LTPTF will be disbanded after approval of the recommendation document.

Reliability Risk Committee

At their February 18, 2025 meetings, the RRC reviewed the risk register and voted on how the RRC should handle each of the risks which had been previously scored and determined to be of "medium" risk or above. These rankings were based on items including materiality and likelihood. Members were able to vote on what method WECC should take in approaching the risks. In the case of most major natural disasters, the RRC voted to accept the risk. For many of the man-made risks, votes were shared between "accept" and "mitigate" for the risks. In addition, the RRC hosted presentations which discussed telecommunication vulnerability, congestion management, and standards updates and impacts.

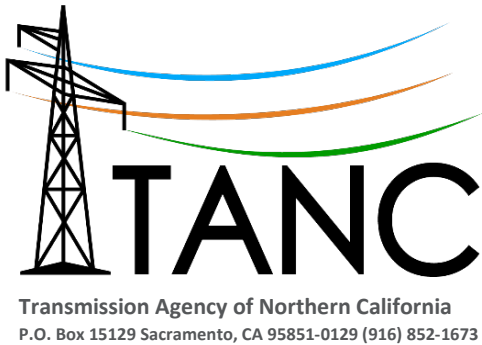
Joint Reliability Risk Committee and Reliability Assessment Committees

At their joint meeting on February 19, 2025, the RRC and RAC discussed the results from the risk register from the previous RRC meeting. The RRC and RAC also discussed items of interest which

included updated WECC templates and posting requirements for the RAC and RRC. Next, the RRC and RAC shared initial findings from the recent Under Frequency Load Shedding assessment. Finally, a presentation was given on the large load advisory group. The assessment was published at the end of February and the risks found in the assessment were added to the RRC risk register. Additionally, the report included data request improvements for large load interconnections.

Reliability Assessment Committee

At their February 19 and 20, 2025 meetings, the RAC discussed the LTPTF where WECC proposed a year 20 dataset for both power flow and Production Cost Modeling on a four-year cycle to comply with the FERC Order 1920. WECC proposed opening the submittals for the 20-year case for developers who are not familiar with the WECC process, in addition to the ones who are familiar with the WECC process. There was no update from the short circuit modeling subcommittee. The RAC also discussed TPL-008-1 (Transmission System Planning Performance Requirements for Extreme Temperature Events) which was recently approved by the Federal Energy Regulatory Commission. The RAC also approved the LTPTF recommendation as presented to the RAC; the next step is implementation of the recommendation. The next RAC meeting will be a virtual meeting held in July 2025. The subsequent meeting is being planned for an in-person meeting in October 2025 in Salt Lake City, Utah, but will require the attendance of at least ten non-WECC employees.



MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: REPORT ON TANC OASIS MATTERS

The Transmission Agency of Northern California (TANC) allows third party transmission sales on its portion of the California-Oregon Transmission Project via TANC's Open Access Same-Time Information System (OASIS) web portal. These sales pertain strictly to Project Agreement No. 5 (PA-5) Member participation.

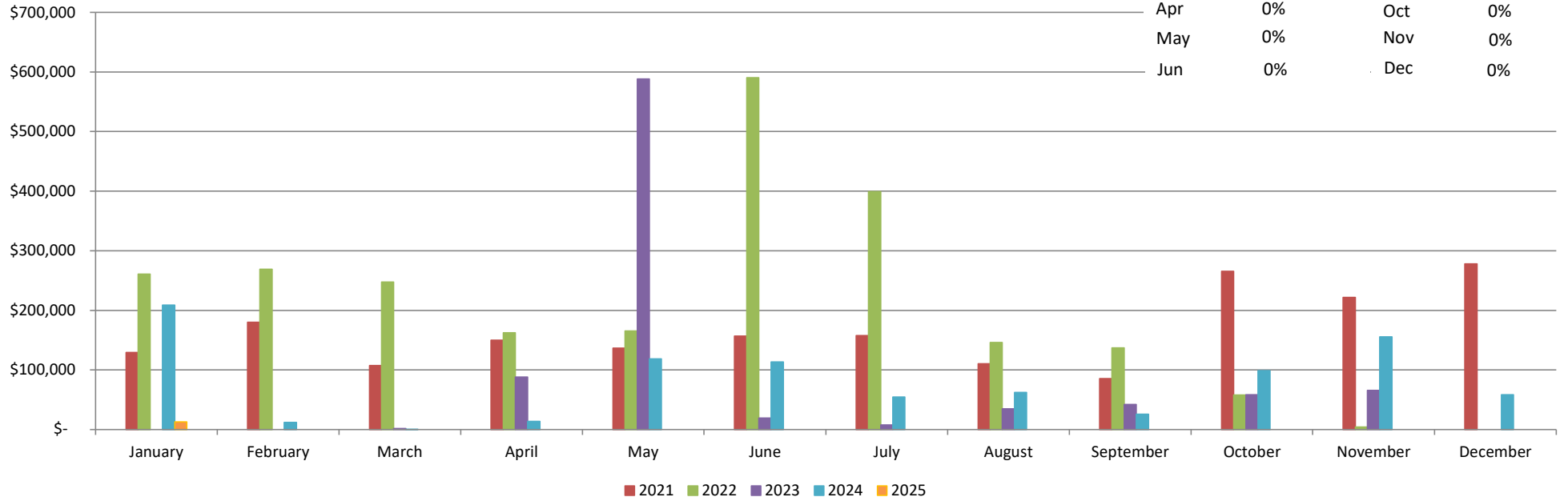
Enclosed is a bar graph indicating PA-5 Member third party OASIS sales on a monthly basis since 2021, in addition there are pie charts indicating monthly sales through January 2025 as well as year-to-date 2025 sales. A second bar graph includes calendar year sales from 2021 through November 2025. Additionally, another report is provided, indicating megawatt-hour sales in a format similar to revenue sales. Buy-backs and excess capacity purchases by TANC PA-5 Members are not included.

TANC's third party transmission sales in January totaled \$12,800 The 2025 Year-to-Date sales through January were \$12,800.

Enclosures

2025 TANC OASIS (PA-5) Annual Revenue Third Party Sales*

Historical OASIS Sales & Percentages for January 2025 2021-2025

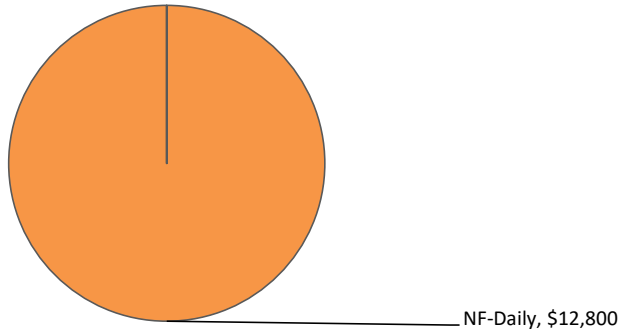


Monthly percentage of the YTD Total Revenue

Jan	100%	Jul	0%
Feb	0%	Aug	0%
Mar	0%	Sep	0%
Apr	0%	Oct	0%
May	0%	Nov	0%
Jun	0%	Dec	0%

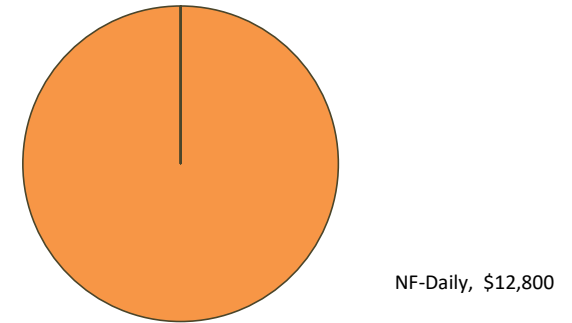
2025 Product Sales

Total January Sales \$12,800



2025 YTD Product Sales

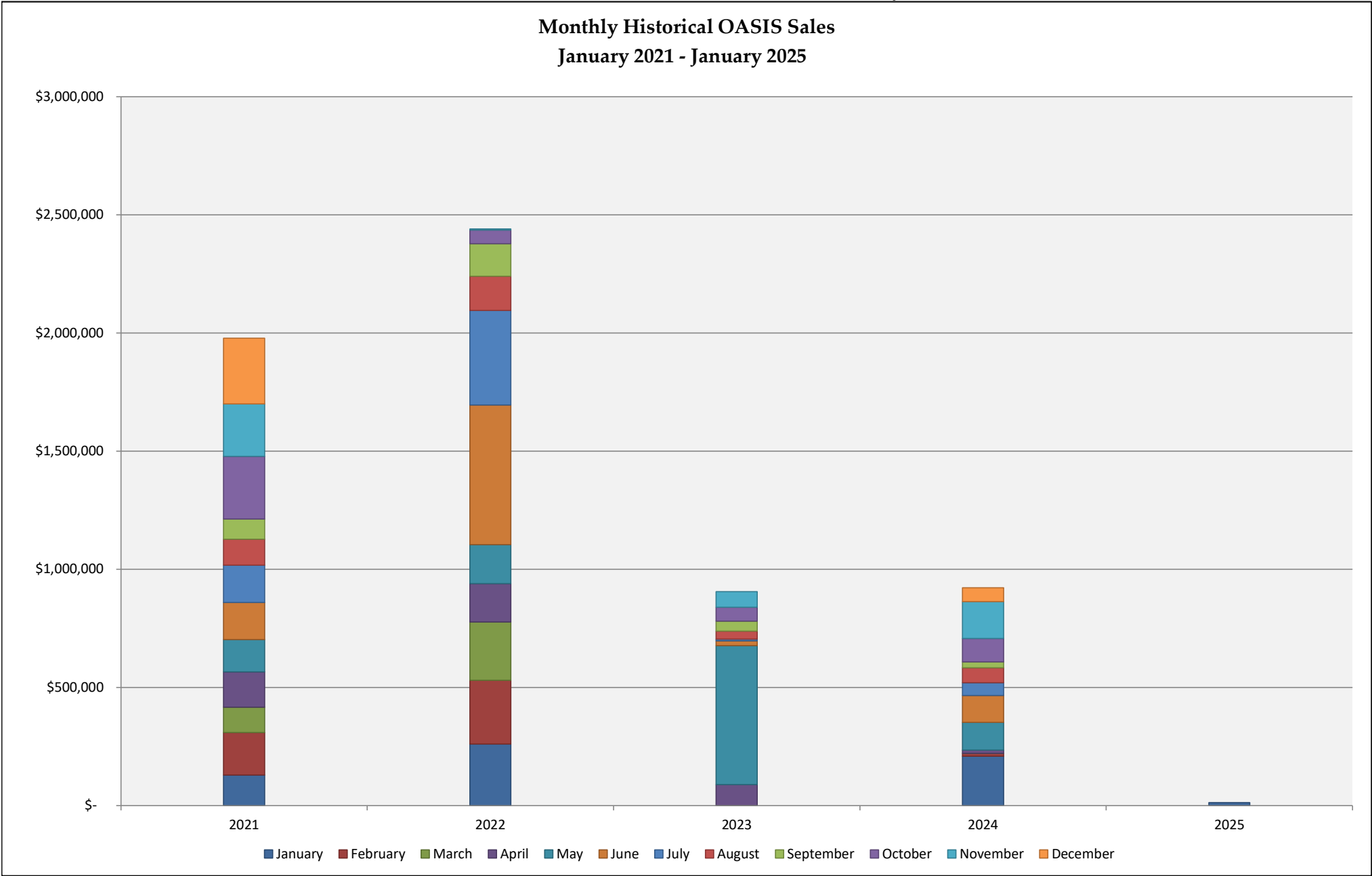
Total 2025 Sales \$0.01M



* Includes OASIS sales data through January 2025. Does not include buy-backs or excess capacity purchases by TANC OASIS participants

2025 TANC OASIS (PA-5) Annual Revenue from Third Party Sales*

Monthly Historical OASIS Sales
January 2021 - January 2025



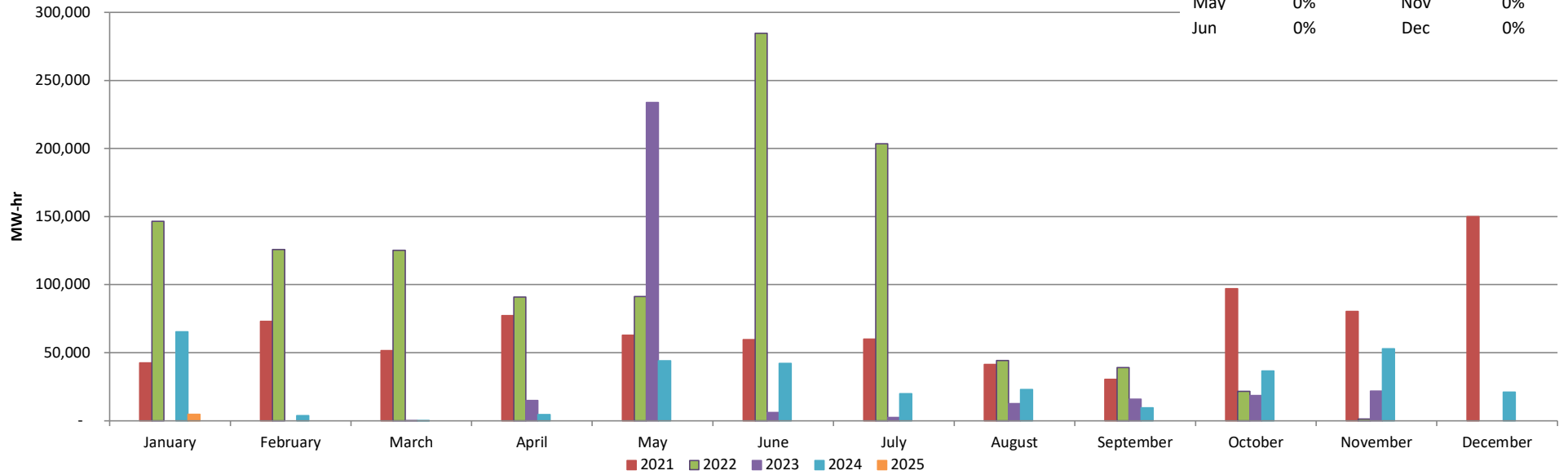
* Includes OASIS sales data through January 2025. Does not include buy-backs or excess capacity purchases by TANC OASIS participants

2025 TANC OASIS (PA-5) Annual MWh Third Party Sales*

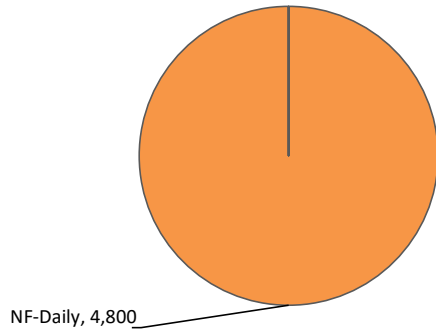
Monthly percentage of the YTD Total MWhr

Jan	100%	Jul	0%
Feb	0%	Aug	0%
Mar	0%	Sep	0%
Apr	0%	Oct	0%
May	0%	Nov	0%
Jun	0%	Dec	0%

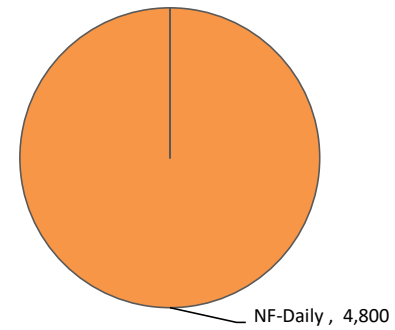
Historical OASIS Sales & Percentages for January 2025 2021-2025



2025 MWh Sales Total January Sales 4,800 MWh



2025 YTD MWh Product Sales Total 2025 Sales 4.8 GWh

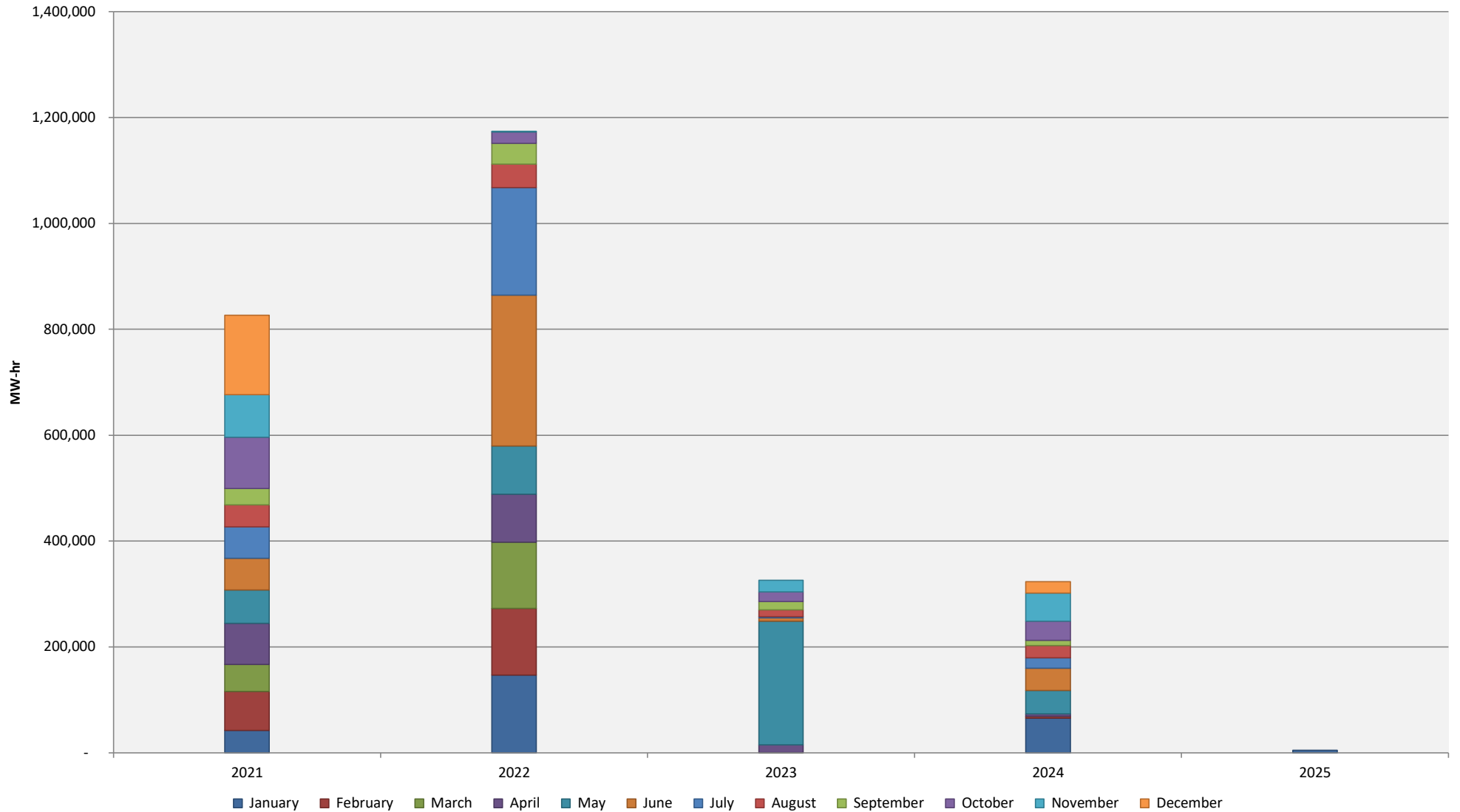


* Includes OASIS sales data through January 2025. Does not include buy-backs or excess capacity purchases by TANC OASIS participants
Includes sales only, does not include actual scheduled energy.

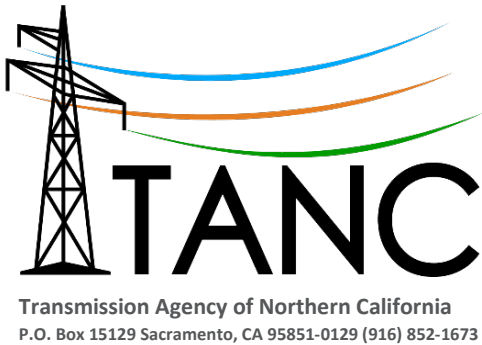
2025 TANC OASIS (PA-5) Annual MWh Third Party Sales*

Monthly Historical OASIS Sales

January 2021 - January 2025



* Includes OASIS sales data through January 2025. Does not include buy-backs or excess capacity purchases by TANC OASIS participants
Includes sales only, does not include actual scheduled energy.



MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: REPORT ON WILDFIRE ACTIVITIES

The following provides an update on recent activities of the California Wildfire Safety Advisory Board (WSAB) and related wildfire mitigation activities for the California-Oregon Transmission Project (COTP).

Wildfire Mitigation Plan

On February 25, 2025, Transmission Agency of Northern California (TANC) staff met with the Western Area Power Administration (WAPA) staff to develop a schedule for completing several tasks needed to update the TANC Wildfire Mitigation Plan for the COTP (TANC-COTP WMP), including but not limited to:

Progress Tracking: TANC and WAPA staff will be providing the '2024 Progress' and '2025 Approach' subsections for the six Enhanced Wildfire Prevention, Mitigation, and Response Strategies (Wildfire Strategies) in the current (2024) version of the TANC-COTP WMP.

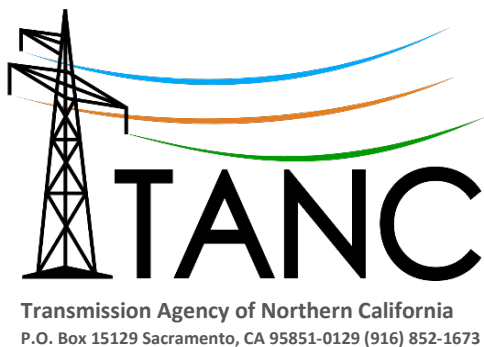
Visual Coverage Review: WAPA will be convening an internal committee to consider: 1) the current coverage from the AlertCalifornia and AlertWildfire camera networks as it relates to potential terrain, sight lines, and other considerations along the COTP right-of-way (ROW); and 2) recommending additional visual coverage/cameras—if appropriate—along the COTP ROW based on their experience.

Preemptive Deenergization: WAPA will be evaluating the addition of one more criterion that would be considered prior to making decisions regarding the preemptive deenergization of the COTP and revising Section VI of the TANC-COTP WMP accordingly.

Responding to WSAB 2024 Recommendations: TANC and WAPA staff be integrating responses to the California Wildfire Safety Advisory Board's Opinion for the 2025 Wildfire Mitigation Plans of Publicly Owned Electric Utilities (POUs) and Electrical Cooperatives as appropriate for, and consistent with the format, content, and organization of the TANC-COTP WMP.

Key considerations for updating the 2024 TANC-COTP WMP for 2025 include:

- Communicating clearly and frequently with WAPA to ensure that their input is accurately communicated in WMP revisions;
- Balancing the extent of major revisions made in this 2025 WMP update with those revisions that are more appropriately addressed in the upcoming Comprehensive WMP Revision scheduled for 2026; and
- Providing a clear, concise revision log for substantive changes made to the WMP. This is an annual request made of all POU's WMPs by the WSAB.



MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: REPORT ON TANC'S RELIABILITY STANDARDS COMPLIANCE PROGRAM

This memorandum provides the Transmission Agency of Northern California (TANC) Commission with an overview of recent key activities that are related to TANC's compliance with applicable reliability standards.

Annual Compliance Request

TANC has received the annual Reliability Standard Audit Worksheet and compliance evidence that was requested from the Western Area Power Administration (WAPA) for the Operations and Planning reliability standards that are delegated to WAPA under Delegation Agreement 15-SNR-01965. TANC staff has started processing the annual compliance reviews for all applicable standards and requirements, which is required in accordance with TANC's Internal Compliance Program.

Reliability Standards Development

On February 20, 2025, the Federal Energy Regulatory Commission (FERC) approved North American Electric Reliability Corporation (NERC) reliability standard TPL-008-1 (Transmission System Planning Performance Requirements for Extreme Temperature Events) and proposed a definition of "extreme temperature assessment" for inclusion in the NERC Glossary of Terms. The purpose of reliability standard TPL-008-1 is to establish transmission system planning performance requirements to develop a Bulk Power System that will operate reliably during extreme heat and extreme cold temperature events. TPL-008 will be applicable to TANC as a Transmission Planner. The various requirements of TPL-008-1 will be implemented in a phased approach – the first of which will become applicable on April 1, 2026.

A Public Entity whose Members include:

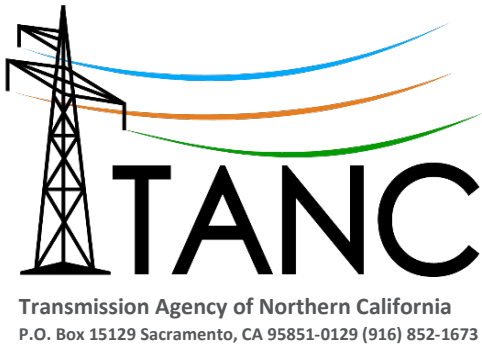
Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,
Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah

Technical Workshop on Supply Chain Risk Management

On March 20, 2025, FERC and NERC will hold a joint workshop focusing on the “assessment” aspect of supply chain risk management, specifically a proposed directive to require that entities establish steps in supply chain risk management plans to validate the completeness and accuracy of information received from vendors during the procurement process to better inform the identification and assessment of supply chain risks associated with vendors’ software, hardware, or services.

Task Force on Modernizing Standards Development

The NERC Board recently established a Modernize Standard Process and Procedures Task Force. The task force was established to initiate a strategic review of the reliability standards development process ensuring that standards can be developed in a more efficient and effective manner to better address a complex and rapidly evolving risk. It is currently anticipated that a report will be available in February 2026 which includes recommendations on a modernized standard development process that speeds up standard development while continuing to have appropriate levels of industry engagement.



MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: REPORT ON FY 2025 SECOND QUARTER BUDGET VARIANCE REPORT

Enclosed for Transmission Agency of Northern California (TANC) Commission review is the Fiscal Year 2025 second quarter budget variance report for the period July 1, 2024, through December 31, 2024. The report details TANC's budgeted line items compared to actual expenditures.

Half-way through Fiscal Year 2025, TANC has expenses of \$15.8 million compared to a budget of \$112.0 million, for an under-budget variance of 96.2 million, or 85.9 percent. The components that comprise this total variance are described below:

1. California-Oregon Transmission Project (COTP)
COTP expenses are under-budget by approximately \$93.5 million or 94.8 percent. The large remaining budget is related to the funding of the Series Capacitor Project purchase during the second quarter.
2. Debt Service
Debt service payments are under budget by \$2.3 million or 21 percent. The difference is because the budget for the TANC Letter of Credit was front loaded into the first quarter.
3. TANC Agency
The TANC Agency budget is under budget by \$157,491 or 21.3 percent. Currently, the only item trending over budget is Staff Support.

4. TANC Operations

TANC Operations is over budget by \$10,291 or 1.2 percent. Items currently over budget are General Consultant-California Independent System Operator, Special Counsel-Federal Energy Regulatory Matters, and Power System Studies.

5. TANC Open Access Same-Time Information System (OASIS)

TANC OASIS is under budget by \$77,490 or 20.8 percent.

6. Participating Transmission Owner (PTO) Engagement

PTO Engagement is under budget by \$2,869 or 28.7 percent.

7. South of Tesla (SOT)

SOT expenses are under budget by \$78,859 or 31.1 percent.

Enclosures



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA

Second Quarter Budget vs. Expenditure

Fiscal Year 2025

FY'25 Budget		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/24-9/24	10/24-12/24	01/25-03/25	04/25-06/25	07/24-12/24	Variance	07/24-06/25	Variance
California-Oregon Transmission Project	Budget	\$ 4,747,600	\$ 93,950,400	\$ 5,401,800	\$ 6,428,800	\$ 98,698,000	\$ (93,529,782)	\$ 110,528,600	\$ (105,360,382)
	Expenditure	2,358,852	2,809,365	-	-	5,168,218	-94.8%	5,168,218	-95.3%
Debt Service		7,336,170	3,738,966	3,738,966	3,738,597	11,075,136	(2,327,693)	18,552,699	(9,805,256)
		3,759,655	4,987,788	-	-	8,747,443	-21.0%	8,747,443	-52.9%
TANC Agency		410,704	329,404	333,804	339,204	740,108	(157,491)	1,413,116	(830,499)
		307,804	274,812	-	-	582,617	-21.3%	582,617	-58.8%
TANC Operations		522,130	338,230	283,830	291,230	860,360	10,291	1,435,420	(564,769)
		442,148	428,503	-	-	870,651	1.2%	870,651	-39.3%
TANC OASIS		187,532	185,132	188,732	572,032	372,664	(77,490)	1,133,428	(838,254)
		155,229	139,945	-	-	295,174	-20.8%	295,174	-74.0%
PTO Engagement		10,000	-	-	-	10,000	(2,869)	10,000	(2,869)
		4,435	2,696	-	-	7,131	-28.7%	7,131	-28.7%
South of Tesla		127,368	126,472	126,972	126,740	253,840	(78,859)	507,552	(332,571)
		87,224	87,757	-	-	174,981	-31.1%	174,981	-65.5%
Total Fiscal Year	Budget	13,341,504	98,668,604	10,074,104	11,496,603	112,010,108	(96,163,894)	133,580,815	(117,734,601)
	Expenditure	7,115,348	8,730,866	-	-	15,846,214	-85.9%	15,846,214	-88.1%



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
Second Quarter Budget vs. Expenditure
Fiscal Year 2025

COTP Operations		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/24-9/24	10/24-12/24	01/25-03/25	04/25-06/25	07/24-12/24	Variance	07/24-06/25	Variance
<u>COTP Operations</u>									
Operations	Budget	\$ 318,300	\$ 210,200	\$ 210,500	\$ 196,800	\$ 528,500	\$ (24,455)	\$ 935,800	\$ (431,755)
	Expenditure	270,429	233,616	-	-	504,045	-4.6%	504,045	-46.1%
Maintenance		2,130,500	1,532,400	2,364,900	700,600	3,662,900	(2,005,234)	6,728,400	(5,070,734)
		526,291	1,131,375	-	-	1,657,666	-54.7%	1,657,666	-75.4%
Natural Resources		444,400	556,700	672,100	585,800	1,001,100	(552,529)	2,259,000	(1,810,429)
		274,555	174,016	-	-	448,571	-55.2%	448,571	-80.1%
Project Support		240,500	269,600	236,700	3,412,500	510,100	65,007	4,159,300	(3,584,193)
		253,943	321,164	-	-	575,107	12.7%	575,107	-86.2%
Compliance		395,500	79,400	97,000	113,100	474,900	(240,269)	685,000	(450,369)
		117,544	117,086	-	-	234,631	-50.6%	234,631	-65.7%
Security/Safety		4,600	159,900	188,000	-	164,500	(164,350)	352,500	(352,350)
		-	150	-	-	150	-99.9%	150	-100.0%
Subtotal COTP Operations		3,533,800	2,808,200	3,769,200	5,008,800	6,342,000	(2,921,830)	15,120,000	(11,699,830)
		1,442,762	1,977,407	-	-	3,420,170	-46.1%	3,420,170	-77.4%
<u>Transmission Balancing</u>									
Sub-Balancing Authority		236,300	225,700	157,000	183,700	462,000	(142,994)	802,700	(483,694)
		191,368	127,638	-	-	319,006	-31.0%	319,006	-60.3%
Balancing Authority		603,000	603,000	628,200	628,200	1,206,000	(704)	2,462,400	(1,257,104)
		602,648	602,648	-	-	1,205,296	-0.1%	1,205,296	-51.1%
Subtotal Transmission		839,300	828,700	785,200	811,900	1,668,000	(143,698)	3,265,100	(1,740,798)
		794,016	730,286	-	-	1,524,302	-8.6%	1,524,302	-53.3%
Subtotal COTP Operations and Maintenance		4,373,100	3,636,900	4,554,400	5,820,700	8,010,000	(3,065,528)	18,385,100	(13,440,628)
		2,236,778	2,707,694	-	-	4,944,472	-38.3%	4,944,472	-73.1%
Capital Improvements		374,500	90,313,500	847,400	608,100	90,688,000	(90,464,254)	92,143,500	(91,919,754)
		122,074	101,672	-	-	223,746	-99.8%	223,746	-99.8%
Total COTP Operations		4,747,600	93,950,400	5,401,800	6,428,800	98,698,000	(93,529,782)	110,528,600	(105,360,382)
		2,358,852	2,809,365	-	-	5,168,218	-94.8%	5,168,218	-95.3%



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
Second Quarter Budget vs. Expenditure
Fiscal Year 2025

Debt Service			1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category			07/24-9/24	10/24-12/24	01/25-03/25	04/25-06/25	07/24-12/24	Variance	07/24-06/25	Variance
<u>Bond Program</u>										
Principal										
2016 Series A Bonds	Budget	\$	1,833,678	\$ 1,833,678	\$ 1,833,678	\$ 1,894,431	3,667,356	-	7,395,465	(3,728,109)
	Expenditure		1,833,678	1,833,678			3,667,356	0.0%	3,667,356	-50.4%
Interest/Fees										
2016 Series A Bonds			1,924,992	1,905,288	1,905,288	1,844,166	3,830,280	985	7,579,734	(3,748,469)
			1,925,977	1,905,288			3,831,265	0.0%	3,831,265	-49.5%
Line of Credit			3,577,500	-	-	-	3,577,500	(2,328,679)	3,577,500	(2,328,679)
			-	1,248,821			1,248,821	-65.1%	1,248,821	-65.1%
Subtotal Interest/Fees			5,502,492	1,905,288	1,905,288	1,844,166	7,407,780	(2,327,693)	11,157,234	(6,077,147)
			1,925,977	3,154,110	-	-	5,080,087	-31.4%	5,080,087	-54.5%
Total Debt Service	Budget		7,336,170	3,738,966	3,738,966	3,738,597	11,075,136	(2,327,693)	18,552,699	(9,805,256)
	Expenditure		3,759,655	4,987,788	-	-	8,747,443	-21.0%	8,747,443	-52.9%



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
Second Quarter Budget vs. Expenditure
Fiscal Year 2025

TANC Agency		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/24-9/24	10/24-12/24	01/25-03/25	04/25-06/25	07/24-12/24	Variance	07/24-06/25	Variance
<u>TANC Management</u>									
General Manager	Budget	\$ 79,104	\$ 79,104	\$ 79,104	\$ 79,104	158,208	(67,840)	316,416	(226,048)
	Expenditure	42,368	48,000			90,368	-42.9%	90,368	-71.4%
Agency Dues		33,000	18,000	18,000	18,000	51,000	(34,129)	87,000	(70,129)
		5,840	11,031			16,871	-66.9%	16,871	-80.6%
Outreach/Media		5,000	3,000	3,000	1,000	8,000	(5,000)	12,000	(9,000)
		3,000	-			3,000	-62.5%	3,000	-75.0%
Miscellaneous Expenses		12,600	12,600	12,600	12,200	25,200	(20,273)	50,000	(45,073)
		2,777	2,150			4,927	-80.4%	4,927	-90.1%
Subtotal TANC Management		129,704	112,704	112,704	110,304	242,408	(127,242)	465,416	(350,250)
		53,985	61,181	-	-	115,166	-52.5%	115,166	-75.3%
Audit Services		52,900	-	-	-	52,900	(2,360)	52,900	(2,360)
		28,790	21,750			50,540	-4.5%	50,540	-4.5%
General Counsel		20,100	19,700	20,100	20,100	39,800	(21,138)	80,000	(61,338)
		14,414	4,248			18,662	-53.1%	18,662	-76.7%
Treasurer/Controller		92,000	85,000	85,000	87,800	177,000	(52,028)	349,800	(224,828)
		67,441	57,531			124,972	-29.4%	124,972	-64.3%
Staff Support		116,000	112,000	116,000	121,000	228,000	45,277	465,000	(191,723)
		143,175	130,103			273,277	19.9%	273,277	-41.2%
Total TANC Agency	Budget	410,704	329,404	333,804	339,204	740,108	(157,491)	1,413,116	(830,499)
	Expenditure	307,804	274,812	-	-	582,617	-21.3%	582,617	-58.8%



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
Second Quarter Budget vs. Expenditure
Fiscal Year 2025

TANC Operations		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/24-9/24	10/24-12/24	01/25-03/25	04/25-06/25	07/24-12/24	Variance	07/24-06/25	Variance
<u>General Consultant</u>									
WECC	Budget	\$ 14,000	\$ 14,000	\$ 15,000	\$ 15,000	\$ 28,000	\$ (7,011)	\$ 58,000	\$ (37,011)
	Expenditure	8,703	12,286			20,989	-25.0%	20,989	-63.8%
CMUA/Legislative/Regulatory		8,900	8,700	8,700	8,700	17,600	(3,603)	35,000	(21,003)
		7,668	6,330			13,998	-20.5%	13,998	-60.0%
Independent System Operator		48,000	46,000	48,000	48,000	94,000	18,351	190,000	(77,649)
		54,996	57,355			112,351	19.5%	112,351	-40.9%
Transmission Reliability Standards		21,300	21,300	21,300	21,100	42,600	(20,028)	85,000	(62,428)
		10,353	12,220			22,573	-47.0%	22,573	-73.4%
Subtotal General Consultant		92,200	90,000	93,000	92,800	182,200	(12,290)	368,000	(198,090)
		81,719	88,191	-	-	169,910	-6.7%	169,910	-53.8%
<u>Special Counsel</u>									
Committee Support		10,100	9,700	10,100	10,100	19,800	(9,204)	40,000	(29,404)
		8,702	1,894			10,596	-46.5%	10,596	-73.5%
Independent System Operator		6,900	6,400	6,800	6,900	13,300	(12,238)	27,000	(25,938)
		972	90			1,062	-92.0%	1,062	-96.1%
Reliability Standards		10,200	9,400	10,200	10,200	19,600	(17,891)	40,000	(38,291)
		1,118	591			1,709	-91.3%	1,709	-95.7%
FERC Matters		48,000	42,000	45,000	45,000	90,000	28,586	180,000	(61,414)
		42,685	75,901			118,586	31.8%	118,586	-34.1%
Subtotal Special Counsel		75,200	67,500	72,100	72,200	142,700	(10,747)	287,000	(155,047)
		53,477	78,476	-	-	131,953	-7.5%	131,953	-54.0%
<u>Financing/Advice</u>									
Financial Advisor Support	Budget	105,000	-	-	-	105,000	(11,500)	105,000	(11,500)
	Expenditure	93,500	-			93,500	-11.0%	93,500	-11.0%
Bond Trustee Fees		875	875	875	875	1,750	(1,750)	3,500	(3,500)
		-	-			-	-100.0%	-	-100.0%
Subtotal Financing Advice		105,875	875	875	875	106,750	(13,250)	108,500	(15,000)
		93,500	-	-	-	93,500	-12.4%	93,500	-13.8%
<u>Bond Counsel</u>									
Bond Counsel Support		75,000	-	-	-	-	-	75,000	31,000
		-	106,000			-	-	106,000	41.3%
Arbitrage Rebate Calculations		-	2,500	-	-	2,500	(2,500)	2,500	(2,500)
		-	-			-	-100.0%	-	-100.0%
Subtotal Bond Counsel		75,000	2,500	-	-	77,500	28,500	77,500	28,500
		-	106,000	-	-	106,000	36.8%	106,000	36.8%



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
Second Quarter Budget vs. Expenditure
Fiscal Year 2025

TANC Operations		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/24-9/24	10/24-12/24	01/25-03/25	04/25-06/25	07/24-12/24	Variance	07/24-06/25	Variance
<u>TANC Transmission Agreements</u>									
Path Operator		\$ 50,675	\$ 50,675	\$ 50,675	\$ 50,675	\$ 101,350	\$ (23)	\$ 202,700	\$ (101,373)
		50,664	50,664			101,327	0.0%	101,327	-50.0%
PG&E Interconnection		42,930	42,930	42,930	42,930	85,860	(18)	171,720	(85,878)
		42,921	42,921			85,842	0.0%	85,842	-50.0%
Land		11,250	8,750	6,250	13,750	20,000	(17,725)	40,000	(37,725)
		1,300	975			2,275	-88.6%	2,275	-94.3%
Subtotal Transmission Agreements		104,855	102,355	99,855	107,355	207,210	(17,766)	414,420	(224,976)
		94,885	94,560	-	-	189,444	-8.6%	189,444	-54.3%
Power System Studies		69,000	75,000	18,000	18,000	144,000	35,844	180,000	(156)
		118,568	61,276			179,844	24.9%	179,844	-0.1%
Subtotal TANC Operations	Budget	522,130	338,230	283,830	291,230	860,360	10,291	1,435,420	(564,769)
	Expenditure	442,148	428,503	-	-	870,651	1.2%	870,651	-39.3%



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
Second Quarter Budget vs. Expenditure
Fiscal Year 2025

TANC OASIS		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/24-9/24	10/24-12/24	01/25-03/25	04/25-06/25	07/24-12/24	Variance	07/24-06/25	Variance
General Manager	Budget	\$ 14,832	\$ 14,832	\$ 14,832	\$ 14,832	\$ 29,664	\$ (12,720)	\$ 59,328	\$ (42,384)
	Expenditure	7,944	9,000			16,944	-42.9%	16,944	-71.4%
Treasurer/Controller		-	-	-	8,300	-	-	8,300	(8,300)
		-	-			-	n/a	-	-100.0%
OASIS Administrator		-	-	-	375,000	-	-	375,000	(375,000)
		-	-			-	n/a	-	-100.0%
WestTrans OATI		39,600	39,600	40,800	40,800	79,200	(2,397)	160,800	(83,997)
		38,401	38,401			76,803	-3.0%	76,803	-52.2%
<u>General Consultant</u>									
OASIS Coordinator/Committee Support		48,000	46,000	48,000	48,000	94,000	4,498	190,000	(91,503)
		51,075	47,423			98,498	4.8%	98,498	-48.2%
WestConnect		10,100	9,700	10,100	10,100	19,800	(7,063)	40,000	(27,263)
		6,694	6,044			12,738	-35.7%	12,738	-68.2%
Subtotal General Consultant		58,100	55,700	58,100	58,100	113,800	(2,565)	230,000	(118,765)
		57,769	53,466	-	-	111,235	-2.3%	111,235	-51.6%
<u>Special Counsel</u>									
OASIS Legal/Committee Support		60,000	60,000	60,000	60,000	120,000	(37,712)	240,000	(157,712)
		48,077	34,211			82,288	-31.4%	82,288	-65.7%
WestConnect		15,000	15,000	15,000	15,000	30,000	(22,096)	60,000	(52,096)
		3,038	4,866			7,904	-73.7%	7,904	-86.8%
Subtotal Special Counsel		75,000	75,000	75,000	75,000	150,000	(59,808)	300,000	(209,808)
		51,115	39,077	-	-	90,192	-39.9%	90,192	-69.9%
Total TANC OASIS	Budget	187,532	185,132	188,732	572,032	372,664	(77,490)	1,133,428	(838,254)
	Expenditure	155,229	139,945	-	-	295,174	-20.8%	295,174	-74.0%



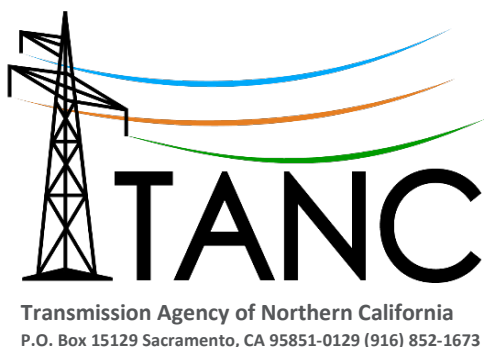
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
Second Quarter Budget vs. Expenditure
Fiscal Year 2025

PTO Engagement		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/24-9/24	10/24-12/24	01/25-03/25	04/25-06/25	07/24-12/24	Variance	07/24-06/25	Variance
Special Counsel	Budget	10,000	-	-	-	10,000	(2,869)	10,000	(2,869)
	Expenditure	4,435	2,696			7,131	-28.7%	7,131	-28.7%



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
Second Quarter Budget vs. Expenditure
Fiscal Year 2025

South of Tesla		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/24-9/24	10/24-12/24	01/25-03/25	04/25-06/25	07/24-12/24	Variance	07/24-06/25	Variance
Transmission									
PG&E Related Operations Costs									
Facility Charges	Budget	\$ 45,255	\$ 45,255	\$ 45,255	\$ 45,235	\$ 90,510	\$ (336)	\$ 181,000	\$ (90,826)
	Expenditure	45,087	45,087			90,174	-0.4%	90,174	-50.2%
TANC Management									
General Manager		4,944	4,944	4,944	4,944	9,888	(4,240)	19,776	(14,128)
		2,648	3,000			5,648	-42.9%	5,648	-71.4%
Treasurer and Controller		5,600	5,200	5,500	5,300	10,800	(8,186)	21,600	(18,986)
		1,218	1,396			2,614	-75.8%	2,614	-87.9%
General Consultant									
Administration		7,500	7,500	7,500	7,500	15,000	(2,015)	30,000	(17,015)
		6,860	6,125			12,985	-13.4%	12,985	-56.7%
FERC Matters		6,300	6,100	6,300	6,300	12,400	(6,450)	25,000	(19,050)
		2,450	3,500			5,950	-52.0%	5,950	-76.2%
Subtotal General Consultant		13,800	13,600	13,800	13,800	27,400	(8,465)	55,000	(36,065)
		9,310	9,625	-	-	18,935	-30.9%	18,935	-65.6%
Special Counsel- FERC Matters		1,250	1,250	1,250	1,250	2,500	(2,500)	5,000	(5,000)
		-	-			-	-100.0%	-	-100.0%
Subtotal South of Tesla		70,849	70,249	70,749	70,529	141,098	(23,727)	282,376	(165,005)
		58,263	59,108	-	-	117,371	-16.8%	117,371	-58.4%
Debt Service		56,519	56,223	56,223	56,211	112,742	(55,132)	225,176	(167,566)
		28,960	28,649			57,610	-48.9%	57,610	-74.4%
Total South of Tesla	Budget	127,368	126,472	126,972	126,740	253,840	(78,859)	507,552	(332,571)
	Expenditure	87,224	87,757	-	-	174,981	-31.1%	174,981	-65.5%



MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: REPORT ON CAISO MATTERS

This memorandum provides an update on issues at the California Independent System Operator (CAISO) that are relevant to the Transmission Agency of Northern California (TANC).

2023 Interconnection Process Enhancements

On February 25, 2025, the CAISO hosted a meeting to review the final Interconnection Process Enhancements IPE Track 3 (Transmission Plan Deliverability and Allocation) proposal as well as the overall final IPE proposal covering Track 1 through Track 3. One stakeholder noted a concern for potential market power leverage arising from the Track 3 provision that will reserve or withhold future Transmission Plan Deliverability Allocation for “long lead time resources” at specific points of interconnection, even down to specific busbars. There is potential supply cost leverage for developers who can secure interconnection locations that are both 1) designated for reserved Transmission Plan Deliverability and Allocation by the CAISO and 2) are mandated injection locations in the California’s Public Utility Commission (CPUC) Integrated Resource Portfolio.

2025-2026 Transmission Planning Process

On February 26, 2025, the CAISO held a meeting to review the Draft Study Plan for the 2025-2026 Transmission Planning Process (TPP) cycle, as well as review the load forecasts from Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas and Electric. The California Energy Commission (CEC) 2024 Integrated Energy Policy Report (IEPR) includes similar scenarios as previous iterations, examining the effects of electrification, electric vehicle adoption, and large-load datacenter deployments.

A Public Entity whose Members include:

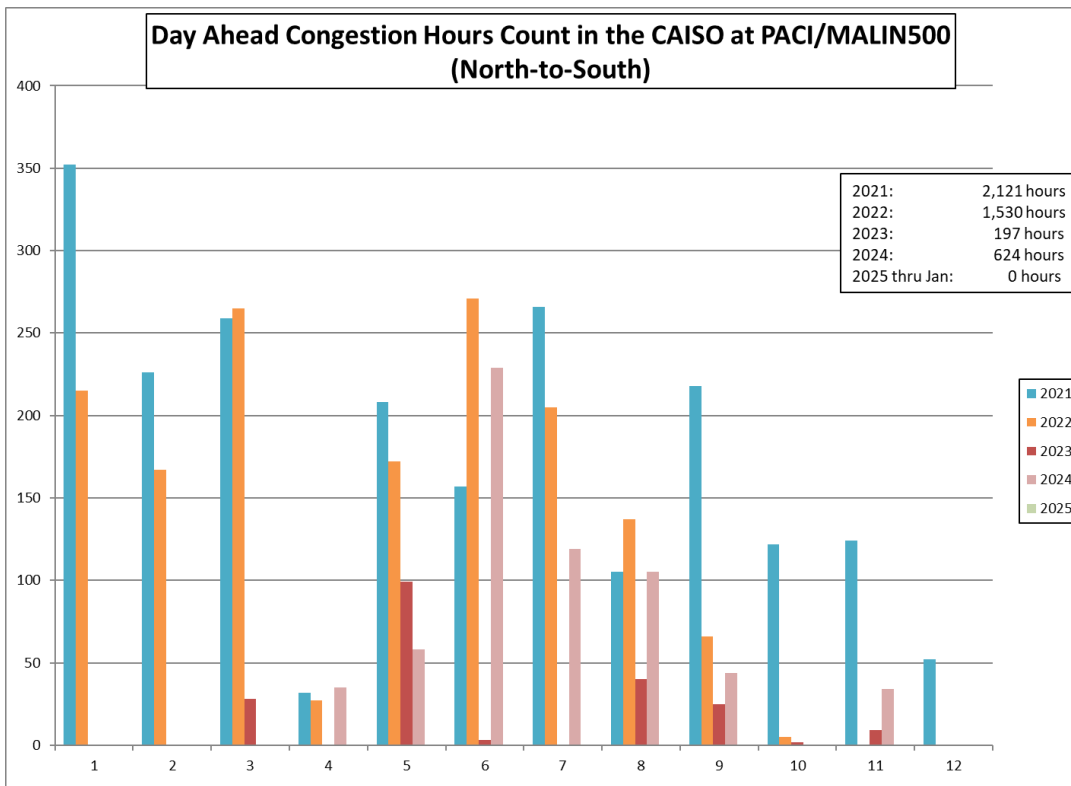
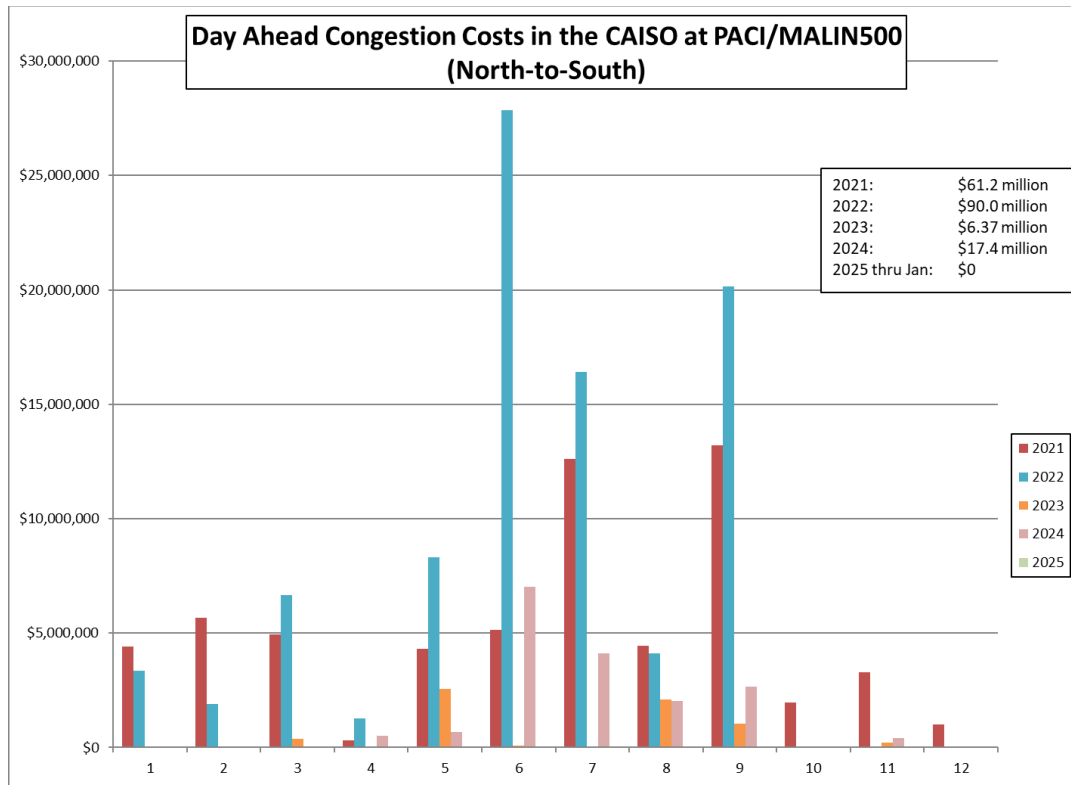
Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,
Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah

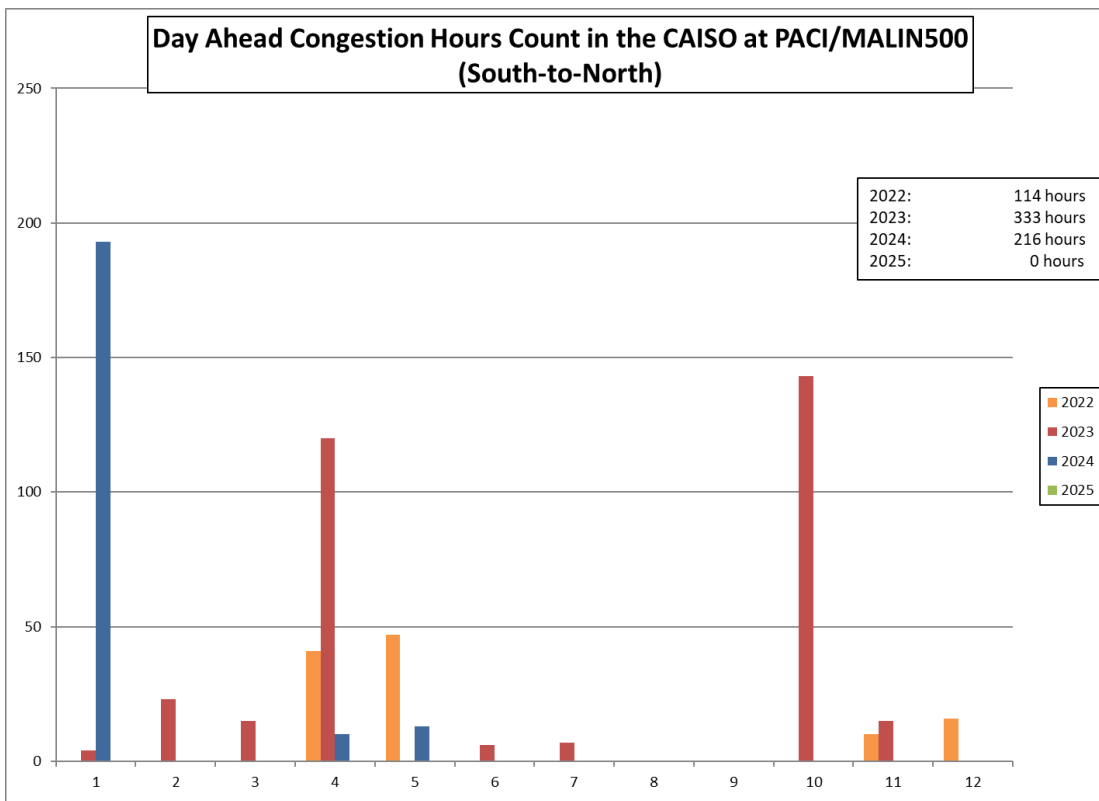
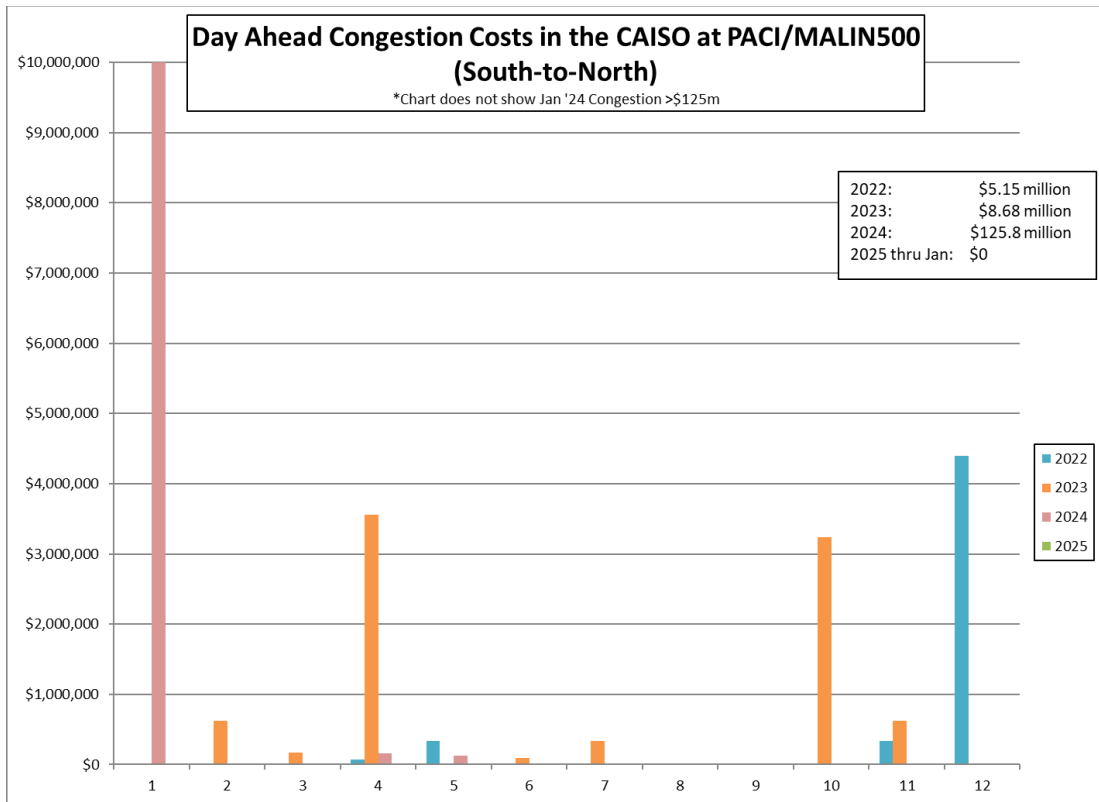
The 2025-2026 TPP will include updated CPUC base and sensitivity Resource Portfolios for 2035 and 2040, the 2024 CEC IEPR and forecasting energy demand out to 2040. Comments on the Draft Study Plan are due on March 12, 2025, and a Final Study Plan will be presented in April 2025. Additionally, the CAISO anticipates posting the final 2024-2025 Transmission Plan on March 31, 2025.

Congestion

In January 2025, North-to-South congestion at Malin totaled \$0 over 0 hours. South-to-North congestion at Malin totaled \$0 over 0 hours. Year-to-date North-to-South congestion is \$0 over 0 hours, and year-to-date South-to-North congestion remains at \$0 over 0 hours.

Below are charts depicting Congestion Costs and Hours of Congestion at Malin from January 2021 through January 2025 in the North-to-South direction. Charts for the same Costs and Hours in the South-to-North direction depicting congestion from January 2022 through January 2025 are also included.

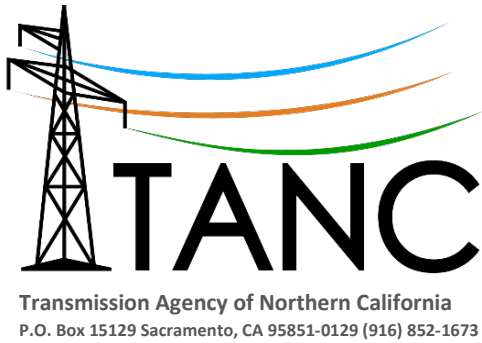




TAB 18

REPORT FROM THE TANC INTERIM GENERAL MANAGER

The TANC Commission will receive a report from the TANC Interim General Manager



MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: REPORT ON TANC STRATEGIC PLANNING EFFORTS

This memorandum provides the Transmission Agency of Northern California (TANC) Commission with an update on activities associated with the TANC 2021-2025 Strategic Plan. The text below includes the update from the last TANC Commission meeting for each task that comprises the 2024-2025 work plan. Any progress since the last TANC Commission meeting is included in Table 1 in *italics text*. The current Gantt Chart is also provided in Figure 1.

Table 1 - Progress on 2024-2025 Workplan, By Task as Shown in the Gantt Chart in Figure 1

Task No.	<u>Task Name/Progress</u>
1	<p><u>Finance and Implement California-Oregon Transmission Project (COTP) Series Capacitor Project</u></p> <p>TANC Treasurer/Controller staff wired the upfront funding to the Western Area Power Administration (WAPA) WAPA for their share of the COTP Series Capacitor Project on October 4, 2024. The issuance of bonds to fund the COTP Series Capacitor Project is scheduled to occur in Spring 2025. At their meeting in late October, the General Manager’s Audit Budget Committee began discussing what to do with the upfront funding that will be repaid by WAPA.</p> <p><i>With new Federal regulations requiring review at the Department of Government Efficiency for all large federal contracts and investments, a slight delay in distribution of the Series Capacitor bid packet is envisioned. WAPA staff have provided TANC with an updated schedule for the Series Capacitor project which is subject to change if federal procurement policies loosen.</i></p>

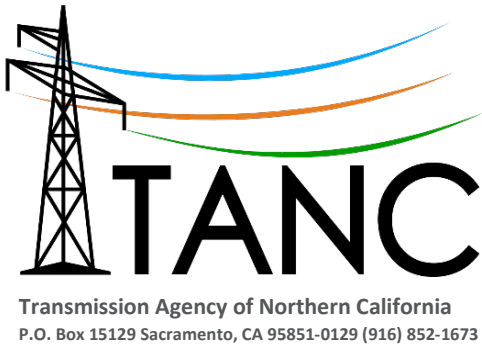
Task No.	<u>Task Name/Progress</u>
2	<p><u>Complete California-Oregon Intertie (COI) Path 66 Rating Process</u></p> <p>TANC and Special Counsel continue to coordinate on the tasks which need to be completed prior to the deadline for the start of the new rating of 5,100 Megawatts (April 1, 2025). Tasks include updating of templates and information need to facilitate the increase, convening a meeting of the Owners' Coordinated Operations Agreement parties and the revising and updating of multiple TANC and COTP agreements.</p> <p><i>TANC has revised the necessary agreements to effectuate implementing the rerate on April 1, 2025, has updated the Open Access Same-time Information System templates and is in the process of updating its Available Transfer Capability Implementation Document. Bonneville Power Administration (BPA) is reporting that the Total Transfer Capability of the Northwest Alternating Current Intertie will not be available until late second or third quarter of 2025. So, although it is envisioned that the 5100 MW rating will be in effect as of April 1, 2025 in the North to South direction from the COI, the limiting factor of BPA's actions will likely mean that benefits of this increased rating will not be seen until later this calendar year.</i></p>
3	<p><u>Update Key TANC Agreements</u></p> <p>The Balancing Authority of Northern California will prepare a draft operating agreement for TANC and Sacramento Municipal Utility District review later this year.</p>
4	<p><u>Prepare for and Complete 2024 Western Electricity Coordinating Council (WECC) Audit</u></p> <p>Task is complete.</p>
5	<p><u>Continued Evaluation of Wildfire Risk Reduction Activities</u></p> <p>Staff will be working with WAPA in the coming months on a workplan and schedule for the 2025 update to the TANC-COTP Wildfire Mitigation Plan (WMP). The workplan will include but not be limited to: 1) considering and integrating responses to the California Wildfire Safety Advisory Board's Opinion for the 2025 Wildfire Mitigation Plans of Publicly Owned Electric Utilities and Electrical Cooperatives as appropriate; 2) receiving TANC Commission Guidance regarding additional information that may be needed in the WMP with respect to wildfire-related COTP outages; and 3) documenting 2024 progress achieved for the six Wildfire Prevention, Mitigation, and Response Strategies now active in the WMP.</p> <p><i>TANC and WAPA continue to collaborate on the 2025 WMP update which will be presented to the TANC Commission later this spring.</i></p>
6	<p><u>Consider Potential New Transmission Development</u></p> <p>Staff continues to monitor the off-shore wind process. In addition, staff is participating in regional reviews of new transmission lines and/or updated transmission ratings. Finally, staff also continues to conduct transmission studies evaluating the impact of new generation or transmission either connecting to the COTP or to another system that could impact the COTP.</p>

Task No.	Task Name/Progress
7	<p><u>Explore Options to Increase the Value of the COTP</u></p> <p>TANC is still waiting to hear back from Open Access Technology International (OATI) on their conclusions as to whether the best deployment requires significant, core changes to OATI systems or not.</p> <p><i>TANC continues to work with OATI in implementation of new pricing options and structures to offer its customers.</i></p>
8	<p><u>Explore Enhancements to South of Tesla Asset</u></p> <p>TANC is working with certain Members in evaluating the option of using South of Tesla rights to use potential new solar energy with battery storage backup in the Path 15 area.</p>
9	<p><u>Develop and Adopt Enterprise Risk Plan</u></p> <p>Staff is continuing to prepare information for the Enterprise Risk Plan on specifying risks events, the impact and probability of the specified risk events, and mitigation options (including existing controls).</p>
10	<p><u>Explore Impacts of Changing Markets on TANC and the COTP</u></p> <p>Updated maps and memorandum are provided to the Interim General Manager as needed to keep information current. Staff is also undertaking an analysis of proposed electric market changes, including the Extended Day-Ahead Market, and will present the information to applicable General Manager committees.</p>
11	<p><u>Consider Revisions to TANC's Open Access Transmission Tariff (OATT)</u></p> <p>TANC continues its evaluation of revising its Large Generator Interconnection Procedures to accommodate FERC Order 2023 and 2023a (cluster study paradigm). Staff is aiming to present a revised Tariff to the TANC Commission in late Spring or Summer 2025, with a proposed date for opening an initial cluster process in early 2026.</p>

Project Lead: John Roukema

X Indicates one-day milestone

[illegible]



MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: REPORT AND POTENTIAL ACTION ON TANC'S AVAILABLE CASH
BALANCES

The Transmission Agency of Northern California (TANC) Commission will receive a report from TANC's Controller staff and may take action TANC's available cash balances through December 31, 2024.

Enclosure

Summary of Restricted & Unrestricted TANC Cash
As of December 31, 2024
Dollars in Thousands (000)

	<u>12/31/2024</u>	<u>6/30/2024</u>
Total TANC Cash	<u>\$ 70,915</u> (1)	<u>\$ 88,919</u> (1)
Restricted Cash:		
Less: Non Discretionary Funds:		
Debt Service Reserve Requirement - required by bond indenture as a reserve	3,805	3,855
Debt Service Fund - required by bond indenture to cover bond interest & principal	6,253	2,530
Total Non Discretionary Funds	<u>10,058</u>	<u>6,385</u>
Less: Discretionary Funds:		
Original 15 Members Equity (plus interest)	553	539
Contingency (Non-OATT)	10,760	9,532
Total Discretionary Funds	<u>11,313</u>	<u>10,071</u>
Unrestricted Cash (Working Capital & OATT Contingency)	<u>49,544</u>	<u>72,463</u>
Less: 90 to 120 days Working Capital Per Resolution 2016-03	11,535	40,219 (2)
Less: Regulatory Matters (not cash called)	1,000	1,000
Less: Floor Balance Per Resolution 2012-05	4,000	4,000
Unrestricted Cash for Potential Distribution	<u>\$ 33,009</u>	<u>\$ 27,244</u>

(1) Excludes COTP cash accounts held for COTP use of \$12,365 and \$14,250 for 12/31/2024 and 06/30/2024, respectively.

(2) Increased working capital as of 6/30/2024 due to WAPA's share of the series capacitor capital project of \$29M.



**TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
TOTAL AVAILABLE CASH FOR POTENTIAL DISTRIBUTION
AS OF DECEMBER 31, 2024**

Total Unrestricted Cash Available as of 12/31/2024

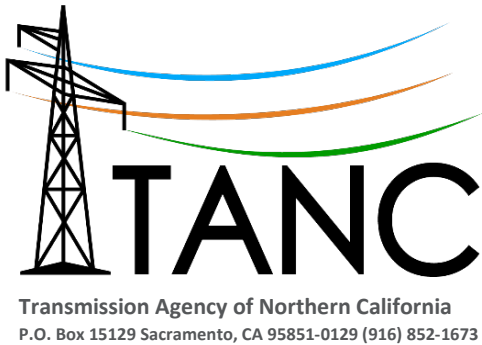
\$ 33,008,921

TANC Members

Modesto Irrigation District
City of Redding
City of Roseville
Sacramento Municipal Utility District
City of Santa Clara
Turlock Irrigation District
NCPA:
City of Alameda
City of Healdsburg
City of Lodi
City of Lompoc
City of Palo Alto
Plumas Sierra Rural Electric Co-op
City of Ukiah

TOTAL

BEGINNING CASH ALLOCATION %	MEMBER BEGINNING BALANCE	DISTRIBUTIONS		MEMBER ENDING BALANCE AFTER DISTRIBUTIONS	ENDING CASH ALLOCATION %
		GROUP	INDIVIDUAL		
21.49%	\$ 7,092,065	\$ -	\$ -	\$ 7,092,065	21.49%
7.85%	2,591,872	-	-	2,591,872	7.85%
1.65%	543,102	-	-	543,102	1.65%
39.30%	12,974,014	-	-	12,974,014	39.30%
9.58%	3,160,708	-	-	3,160,708	9.58%
20.14%	6,647,160	-	-	6,647,160	20.14%
0.00%	-	-	-	-	0.00%
0.00%	-	-	-	-	0.00%
0.00%	-	-	-	-	0.00%
0.00%	-	-	-	-	0.00%
0.00%	-	-	-	-	0.00%
0.00%	-	-	-	-	0.00%
0.00%	-	-	-	-	0.00%
0.00%	-	-	-	-	0.00%
100.00%	\$ 33,008,921	\$ -	\$ -	\$ 33,008,921	100.00%



MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: RESOLUTION IDENTIFYING CERTAIN ROUTINE COTP O&M ACTIVITIES AS
CATEGORICALLY EXEMPT FROM CEQA

The California Environmental Quality Act (CEQA) guidelines direct public agencies to develop lists of their activities that are normally categorically exempt from further CEQA analysis. The Transmission Agency of Northern California (TANC) Commission annually approves a list of categorically exempt operation and maintenance (O&M) activities for the California-Oregon Transmission Project (COTP). Attached is the list of the O&M activities for the COTP that TANC staff is proposing that the TANC Commission approve as categorically exempt from further CEQA analysis for Fiscal Year 2025. There were no changes to the list of the categorically exempt O&M activities since the review for Fiscal Year 2024 (Resolution 2024-24). The attached list will serve as guidance to TANC and WAPA, designating those O&M activities that TANC considers categorically exempt from CEQA for Fiscal Year 2025.

As part of the annual update, recent changes to CEQA and the CEQA guidelines that are applicable to projects determined categorically exempt from CEQA are reviewed. In 2024, there were no substantive amendments to CEQA or the CEQA guidelines which would impact the categorical exemptions that may apply to COTP O&M activities. While not specific to the proposed list of exempt O&M activities, it is worth noting that Senate Bill 69 became effective on January 1, 2024. Senate Bill 69 established new statutory requirements for submitting CEQA notices to the State Clearinghouse (SCH). Beginning January 1, 2024, all electronic filing of all notices of determination (NOD) and notices of exemption (NOE), normally filed with the local county clerk also need to be filed with the SCH. Under revised section 21152, a local agency that approves or determines to carry out a project subject to CEQA will be required to submit its NOD to both the county clerk and to the SCH. Additionally, if a NOE is filed with the county clerk, it

TANC Commission

March 12, 2025

Page Two

must also be filed at the SCH. Also, as of March 7, 2025, CEQA Guidelines are now overseen by the Office of Land Use and Climate Innovation (LCI), formerly the Office of Planning and Research (OPR). The OPR was renamed the LCI effective July 1, 2024. The SCH serves as the "Single Point of Contact" for CEQA and is part of the LCI.

TANC also coordinates with the Western Area Power Administration (WAPA) on planned O&M activities that WAPA conducts as the operating agent for the COTP. These reviews are done to ensure consistency with a similar list maintained by WAPA for routine O&M activities that they typically consider categorically excluded from further National Environmental Policy Act analysis.

Approval of the enclosed resolution will designate identified O&M activities as categorically exempt from CEQA for Fiscal Year 2025. All CEQA exemptions are subject to exceptions, including those identified in CEQA Guidelines section 15300.2. The approval of the enclosed resolution is not intended to designate any particular activity as categorically exempt where an exception to the exemption applies in accordance with CEQA.

Enclosures

RESOLUTION 2025-__

A RESOLUTION OF THE
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
LISTING SPECIFIC ROUTINE COTP OPERATION AND MAINTENANCE ACTIVITIES
AS CATEGORICALLY EXEMPT FROM THE PROVISIONS OF THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT
FOR FISCAL YEAR 2026

WHEREAS, the Transmission Agency of Northern California (TANC) is a joint exercise of powers agency organized under the laws of the State of California; and

WHEREAS, TANC is the largest participant in, and the Project Manager of, the California-Oregon Transmission Project (COTP); and

WHEREAS, TANC has certain responsibilities for the operation and maintenance of the COTP; and

WHEREAS, the California Resources Agency, pursuant to Section 21083 of the California Environmental Quality Act (CEQA), has adopted guidelines published at 14 CCR §§ 15000 – 15387 (CEQA Guidelines) that include, in Sections 15301 – 15333, a list of classes of projects that have been determined not to have a significant effect on the environment and therefore are categorically exempt from the provisions of CEQA; and

WHEREAS, Section 15300.4 of the CEQA Guidelines specifies that each public agency shall, in the course of establishing its own procedures, list those specific activities that fall within each of the exempt classes; and

WHEREAS, the routine operation and maintenance activities of the COTP listed in attached Table 1 fall within one or more of the classes of exempt activities identified in the CEQA Guidelines, subject to the exceptions specified in the CEQA Guidelines at Section 15300.2;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the TANC Commission approves the attached "List of Categorically Exempt Routine Operation and Maintenance Activities" pursuant to the CEQA guidelines at Section 15300.4 of Title 14 of the California Code of Regulations.

PASSED AND ADOPTED this 19th day of March 2025, on a motion by _____ and seconded by _____.

AYES

NOES

ABSTAIN

ABSENT

City of Alameda

City of Biggs

City of Gridley

City of Healdsburg

City of Lodi

City of Lompoc

Modesto Irrigation District

City of Palo Alto

Plumas-Sierra Rural Electric Cooperative

City of Redding

City of Roseville

Sacramento Municipal Utility District

City of Santa Clara

Turlock Irrigation District

City of Ukiah

Transmission Agency of Northern California (TANC)

List of Categorically Exempt Routine Operation and Maintenance Activities

This list has been developed consistent with California Environmental Quality Act (CEQA) Article 19, Categorical Exemptions Section 15300.4 titled “Application By Public Agencies,” which states in part:

A public agency shall, in the course of establishing its own procedures, list those specific activities which fall within each of the exempt classes, subject to the qualification that these lists must be consistent with both the letter and the intent expressed in the classes.

Applicable exempt classes of activities listed in the CEQA guidelines are shown in the left column of Table 1, below, with corresponding activities undertaken as part of the routine operation and maintenance of the California-Oregon Transmission Project (COTP) shown in the right column. The listed routine operation and maintenance activities will be considered categorically exempt from CEQA unless any of the exceptions specified in Section 15300.2 of the CEQA guidelines are applicable under the particular circumstances of the proposed activity.¹ For TANC, the activities would generally take place within or adjacent to existing substations, switchyards, maintenance facilities, access roads, communication sites, repeater sites or transmission tower rights of way.

Table 1. List of Specific Routine Operation and Maintenance Activities Determined to be Ordinarily Categorically Exempt from the Provisions of CEQA	
CEQA-Exempt Activities Class	Specific Routine Operation and Maintenance Activities
15301. Existing Facilities Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.	<ol style="list-style-type: none"> 1. Placement or removal of fill or rocks around or near existing culverts, structures, poles, or towers, or along and adjacent to existing access roads; including, without limitation, emergency and permanent placement of fill and rocks at the bases of hillsides, poles or structures to stabilize eroded areas. 2. Clean, repair, remove, inspect, and/or maintain buildings including interior and exterior paint, roof, ceiling, floor, windows, doors, interior partitions, plumbing, and electrical conveyances. 3. Minor alterations to existing COTP facilities. 4. Restoration or rehabilitation of deteriorated or damaged structures, facilities, or mechanical equipment to meet current standards of public health and safety. 5. Locate, clean, service, test, repair, replace, install, remove, inspect and maintain: <ol style="list-style-type: none"> a. underground water, power, communication or ground electrical lines, wires or equipment b. foundations for storage buildings above ground mat c. footings d. transformers and breakers e. brushings f. capacitor banks

¹ CEQA Section 15300.2-Exceptions generally exclude projects located in sensitive environments, projects which result in cumulative impacts, activities that can result in significant effects due to unusual circumstances, activities that may damage resources within scenic highways, and activities located on hazardous waste sites or that can cause adverse impacts to historic resources.

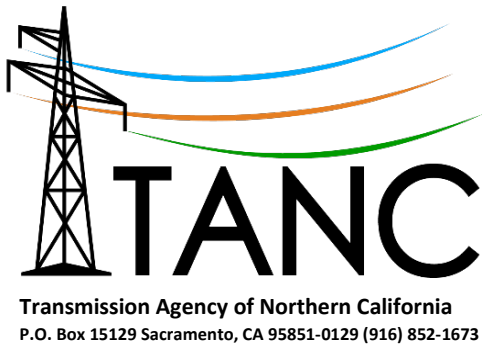
Table 1. List of Specific Routine Operation and Maintenance Activities Determined to be Ordinarily Categorically Exempt from the Provisions of CEQA	
CEQA-Exempt Activities Class	Specific Routine Operation and Maintenance Activities
	<ul style="list-style-type: none"> g. propane tanks h. existing equipment (including antennas, radios, dehydrators, switches, voltage regulators, reactors, tap changes, reclosers, valves, capacitors, switches, wave traps and guides, radiators, lighting arresters, batteries, chargers, auxiliary power systems, blades, clips, control mechanisms, cut-out fuses, disconnect switches, heating and air conditioning systems, water, sewers, lighting, protective relays, meters, remote terminal units, digital fault and sequence of event recorders) i. wiring in substation and switchyards j. temporary transformers k. solar power arrays and controllers l. chemical spills when cleanup remains above the ground mat m. aircraft warning devices or light beacons n. insulators o. bird-guards and other bird-protection devices p. cross arms on wood pole transmission line structures q. steel members of steel transmission line structures r. hardware on wood and steel transmission line structures s. X braces and knee braces t. structure mile markers and marking signs on structures u. single post informational signs v. spacer and vibration dampers w. ground spikes on wood pole structures x. ground rods, wires and accessories y. armor rods and clipping-in structures z. conductors and accessories aa. existing culverts bb. fences and gates cc. microwave towers and dishes dd. parabolic dishes ee. ground mats ff. antenna towers gg. alternating current and direct current power stations hh. cameras, meteorological stations, and/or other surveillance, detection, and communication devices for wildfire situational awareness. <ul style="list-style-type: none"> 6. Addition of safety or health protection devices for use during construction of or in conjunction with existing structures, facilities, or mechanical equipment, or topographical features including navigational devices. 7. Removal of part or all of existing microwave improvements and communication equipment at existing communication sites, including towers, antennas, battery banks, emergency generators, and other project related equipment, including removal of foundations to three feet below the normal ground elevation, and restoration of the site grade and vegetation to a condition blending well with the surrounding grade, elevation and appearance. 8. Additions to existing structures within the confines of established facility fencing. 9. Installation of fiber optic cable on existing structures.

Table 1. List of Specific Routine Operation and Maintenance Activities Determined to be Ordinarily Categorically Exempt from the Provisions of CEQA	
CEQA-Exempt Activities Class	Specific Routine Operation and Maintenance Activities
	<ol style="list-style-type: none"> 10. Maintenance of existing landscaping, native growth, and related facilities (excluding the use of pesticides as defined in Section 12753, Division 7, Chapter 2, Food and Agricultural Code). 11. Application of soil sterilants and herbicides consistent with applicable label instructions and the terms and conditions governing TANC's operation and maintenance activities for the subject properties. 12. Application of wood preservatives on existing wooden pole structures. 13. Servicing and testing of equipment at existing substations, including oil change-outs and review of the maintenance test reports. 14. Remediation of small (between 1 and 10 gallons) spills of oil and hazardous materials. 15. Repair, installation and removal of ground and buried anchors. 16. Repair, installation and removal of wood poles. 17. Repair, installation and removal of pole guards. 18. Removal of soil deposition around tower legs.
15302. Replacement or Reconstruction Class 2 consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced.	<ol style="list-style-type: none"> 1. Replacement of existing culverts within the confines of an existing access road that are sized to reflect current and approved hydrology and hydraulics analyses and standards. 2. Excavation and installation of new tower footings and soil and slope stabilization structures including minor relocations within the COTP right-of-way to address damage resulting from a weather event or other natural phenomenon. 3. Maintaining, upgrading and repairing of existing access roads for normal erosion control and associated best management practices, including, without limitation, improvement to existing and construction of new rolling dips along existing access roads 4. Upgrading and repairing of existing access roads and side slopes to address damage resulting from a weather event or other natural phenomenon. 5. Replacement of a commercial structure at substantially the same location with a new structure of substantially the same size and purpose. 6. Replacement or reconstruction of existing utility systems and/or facilities. 7. Replacement of existing culverts with single-span bridges located above the ordinary high-water mark within the confines of an existing access road.

Table 1. List of Specific Routine Operation and Maintenance Activities Determined to be Ordinarily Categorically Exempt from the Provisions of CEQA	
CEQA-Exempt Activities Class	Specific Routine Operation and Maintenance Activities
<p>15303. New Construction, or Conversion of Small Structures</p> <p>Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure.</p>	<ol style="list-style-type: none"> 1. Installation of electrical, and other utility extensions, including street and road improvements, of reasonable length to serve such construction within the confines of an existing right-of-way. 2. Accessory (appurtenant) structures within the confines of the COTP right-of-way. 3. Tower/pole relocation/realignment/replacement within the existing right of way.
<p>15304. Minor Alterations to Land</p> <p>Class 4 consists of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes.</p>	<ol style="list-style-type: none"> 1. Cutting and dropping of danger and/or hazard trees within and adjacent to the COTP right-of-way, including, without limitation, trees interfering with microwave signal paths and trees that could result in a potential fire threat; provided, that the activities will not result in the taking of endangered, rare or threatened plant or animal species or result in significant erosion and sedimentation of surface waters. 2. Removal of brush and vegetative fuels within and adjacent to the COTP right-of-way, including, without limitation, vegetative fuels that could result in a potential fire threat. 3. Hand removal of brush and vegetative fuels within the confines of the full width of existing access road easements or facilities including fenced substation and communication sites and maintenance facilities. 4. Machine removal of brush and vegetative fuels within the confines of the full width of existing access roads. 5. Minor alterations to existing access roads and similar facilities, including road grading, regrading and placement of rock and the installation of geotextile fabric or other improvements that improve traction and overall road drainage, stability and safety. 6. Placing fill in and adjacent to erosional features within the existing right of way or on or adjacent to access roads. 7. Maintenance of wildlife habitat areas and stream channel debris clearing to accommodate design flow. 8. Grading on land with a slope of less than 10 percent, except that grading shall not be exempt in a waterway, in any wetland, in an officially designated (by federal, state, or local government action) scenic area or in officially mapped areas of severe geologic hazard such as an Alquist-Priolo Earthquake Fault Zone or within an official Seismic Hazard Zone, as delineated by the State Geologist. 9. New gardening or landscaping, including the replacement of existing conventional landscaping with water-efficient or fire-resistant landscaping.

Table 1. List of Specific Routine Operation and Maintenance Activities Determined to be Ordinarily Categorically Exempt from the Provisions of CEQA	
CEQA-Exempt Activities Class	Specific Routine Operation and Maintenance Activities
	<ol style="list-style-type: none"> 10. Filling of earth into previously excavated land with material compatible with the natural features of the site. 11. Minor alterations in land, water and vegetation on existing officially designated wildlife management areas or fish production facilities that result in improvement of habitat for fish and wildlife resources. 12. Minor temporary use of land having negligible or no permanent effects on the environment, including vehicle use, and equipment and personnel staging as needed to respond to maintenance and emergency events. 13. Minor trenching and backfilling where the surface is restored. 14. Fuels management and tree removal activities within and adjacent to the COTP right-of-way to reduce the volume of flammable vegetation and potential fire threat. This exemption shall apply to fuels management activities necessary to prevent an emergency from a sudden, unexpected fire extending to a structure if the public agency having fire protection responsibility for the area has determined that sufficient fuel clearance is required due to extra-hazardous or high and/or extreme fire threat conditions that could lead to a fire-related emergency. 15. Mechanical vegetation management by means of bulldozers, masticators or other equipment. 16. Erosion control projects at existing facilities.
<p>15305. Minor Alterations in Land Use Limitations</p> <p>Class 5 consists of minor alterations in land use limitations in areas with an average slope of less than 20%, which do not result in any changes in land use or density.</p>	<ol style="list-style-type: none"> 1. Issuance of minor licenses or agreements.
<p>15306. Information Collection</p> <p>Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action that a public agency has not yet approved, adopted, or funded.</p>	<ol style="list-style-type: none"> 1. Biological and cultural resources surveys, liaison activities, detailed site inspections and reviews and Geographic Information System (GIS) mapping services. 2. Drilling of three or fewer geotechnical boreholes for the purpose of ascertaining the character of the surface materials and underlying substratum that could be affected by excavations and related disturbances for transmission towers or small structures.

Table 1. List of Specific Routine Operation and Maintenance Activities Determined to be Ordinarily Categorically Exempt from the Provisions of CEQA	
CEQA-Exempt Activities Class	Specific Routine Operation and Maintenance Activities
15309. Inspections Class 9 consists of activities limited entirely to inspections, to check for performance of an operation, or quality, health, or safety of a project, including related activities such as inspection for possible mislabeling, misrepresentation, or adulteration of products.	1. Routine ground inspections, tower climbing inspections and air patrols.
15311. Accessory Structures Class 11 consists of construction or placement of minor structures accessory to (appurtenant to) existing commercial, industrial, or institutional facilities.	1. On-premise signs. 2. Small parking lots less than one acre in size.
15330. Minor Actions to Prevent, Minimize, Stabilize, Mitigate, or Eliminate the Release or Threat of Release of Hazardous Waste or Hazardous Substances. Class 30 consists of any minor cleanup actions taken to prevent, minimize, stabilize, mitigate, or eliminate the release or threat of release of a hazardous waste or substance which are small or medium removal actions costing \$1 million or less.	1. Hazardous waste management and disposal including, the removal of sealed, non-leaking drums or barrels of hazardous waste or substances that have been stabilized, containerized and are designated for a lawfully permitted destination. 2. Maintenance or stabilization of berms, dikes or surface impoundments. 3. Construction or maintenance of temporary or interim surface caps. 4. Onsite treatment of contaminated soils or sludges provided the treatment system meets Title 22 requirements and local air district requirements. 5. Excavation and/or offsite disposal of contaminated soils or sludges in regulated units. 6. Application of dust suppressants or dust binders to surface soils. 7. Controls for surface water run-on and run-off that meets seismic safety standards. 8. Pumping of leaking ponds into an enclosed container. 9. Construction of interim or emergency ground water treatment systems. 10. Posting of warning signs and fencing for a hazardous waste or substance site that meets legal requirements for protection of wildlife. 11. Preparation of Pollution Prevention Plans, Hazardous Materials Business Plans, Spill Contingency Plans, fee payments, annual inspections and tracking and permit acquisition.



MEMORANDUM

DATE: March 12, 2025

FROM: John Roukema
Interim General Manager

SUBJECT: RESOLUTION AUTHORIZING THE PLACEMENT OF THE 2025-2026 COTP
INSURANCE PROGRAM

The current Insurance Program for the California-Oregon Transmission Project (COTP) expires on March 31, 2025. Staff has been working in conjunction with Aon Insurance Services (Aon), the current Insurance broker, and the Joint Transmission Agency of Northern California (TANC)/COTP Insurance Task Force (Task Force) on the placement of the 2025-2026 COTP Insurance Program. The Task Force met in December 2024 to discuss the guidelines of the new program. At their December meeting, the Task Force instructed Aon to structure a program mirroring the current Insurance Program and advised them to market the program to insurers outside of the current program. The Task Force will meet again on March 18, 2025 to review quotes.

A table will be circulated before the March TANC Commission meeting outlining the recommended renewal recommendations by the Insurance Task Force as well as premium costs for all coverages.

Approval of the enclosed resolution will authorize the Interim General Manager to submit an email vote for approval of the 2025-2026 COTP Insurance Program to the COTP Management Committee. In addition, approval of the enclosed resolution will also authorize the Interim General Manager to bind the 2025-2026 COTP Insurance Program, subject to the approval of the COTP Management Committee.

Enclosure

RESOLUTION 2025-__

A RESOLUTION OF THE
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
APPROVING THE PLACEMENT OF THE 2025-2026
CALIFORNIA-OREGON TRANSMISSION PROJECT INSURANCE PROGRAM

WHEREAS, the Transmission Agency of Northern California (TANC) is a joint exercise of powers agency organized under the laws of the State of California; and

WHEREAS, TANC is the largest Participant and the Project Manager of the California-Oregon Transmission Project (COTP); and

WHEREAS, TANC and the other COTP Participants have formed a Joint TANC/COTP Insurance Task Force (Task Force) to evaluate the insurance coverage of the COTP and develop annual Insurance Programs for the COTP; and

WHEREAS, the COTP Insurance Broker, Aon Risk Insurance Services (Aon), has obtained quotes for 2025-2026 Insurance Program; and

WHEREAS, TANC and the Task Force are continuing to work with Aon to finalize the Insurance Program for 2025-2026; and

WHEREAS, the current Insurance Program expires March 31, 2025; and

WHEREAS, Aon will need authorization from TANC to bind the 2025-2026 Insurance Program by March 30, 2025; and

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the TANC Commission authorizes the Interim General Manager to submit an email vote for approval of the 2025-2026 COTP Insurance Program to the COTP Management Committee and that third-party funds held at

Treasurer/Controller be used to fund the difference in the budget and the total amount of premiums be used to fill the gap between budget and premiums, if any.

FURTHER BE IT RESOLVED that the TANC Commission authorizes the Interim General Manager to enter into agreement(s) with Aon as deemed appropriate to execute the COTP Insurance Program for 2025-2026, subject to the approval of the COTP Management Committee.

ADDITIONALLY, BE IT RESOLVED that the COTP Insurance Broker, Aon, is authorized to bind the COTP Insurance Program for 2025-2026.

PASSED AND ADOPTED this 19th day of March 2025, on a motion by_____,
seconded by _____.

AYES

NOES

ABSTAIN

ABSENT

City of Alameda

City of Biggs

City of Gridley

City of Healdsburg

City of Lodi

City of Lompoc

Modesto Irrigation District

City of Palo Alto

Plumas-Sierra Rural Electric Cooperative

City of Redding

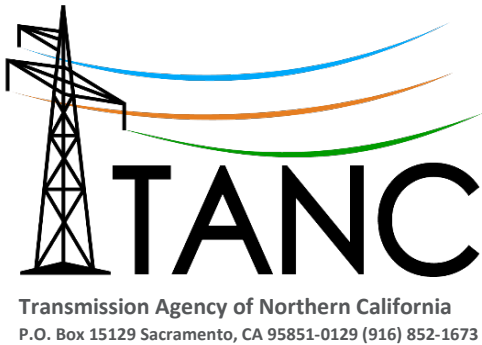
City of Roseville

Sacramento Municipal Utility District

City of Santa Clara

Turlock Irrigation District

City of Ukiah



MEMORANDUM

DATE: March 12, 2025

TO: TANC Commission

FROM: John Roukema
Interim General Manager

SUBJECT: RESOLUTION ADOPTING THE FISCAL YEAR 2026 COTP O&M BUDGET AND WORKPLAN

Attached is the proposed Fiscal Year 2026 (FY26) California-Oregon Transmission Project (COTP) Operation and Maintenance (O&M) Budget and Workplan. The FY26 budget was prepared with direction received at the COTP Budget Workshop held on February 13, 2025 and was reviewed by the COTP Engineering and Operations Committee (E&O) at their meeting on March 12, 2025.

The proposed FY26 Budget is approximately \$26.8 million and represents a decrease of approximately \$122.0 million over the current Fiscal Year 2025 (FY25) budget. Similar to prior years, as part of the guidance provided by COTP Participants throughout the budget development process, emphasis was placed on reviewing proposed work activities and funding levels to minimize the overall cost impact to both COTP Participants and TANC Members. Outlined below is a more detailed description of the specific changes in each of the major FY26 budget categories compared to the FY25 budget.

Operations

Operations funding is proposed at \$5,770,430 which is an increase of \$843,457 or 17.1 percent. Operations include the following budget subcategories:

- Operating Agent – an increase of \$784,457 or 67.1 percent. The increase is a result of annual pay increases, job progression steps and increased overtime to cover shifts due to shortage of qualified dispatchers.
- Sub-Balancing Authority Services – an increase of \$58,949 or 6.4 percent.
- Balancing Authority Services – Flat

A Public Entity whose Members include:
Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,
Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah

Maintenance

Total Maintenance funding is proposed at \$9,212,605 which reflects an increase of approximately \$697,217 or 8.2 percent. Maintenance includes the following budget subcategories:

- Transmission Line Maintenance – decreased by \$982,895 or 22.6 percent.
- Substation Maintenance – an increase of \$1,582,957 or 80.2 percent. The increase is a result of transformer reimbursement and bushing replacement at the Tracy Substation.
- Communication System Maintenance – a decrease of \$17,228 or 2.3 percent.
- Vegetation Management – an increase of \$114,383 or 8.0 percent.

Natural Resources

Funding requirements for Natural Resources is \$3,071,242 which equates to an increase of \$218,764 or 7.7 percent.

- The Environmental budget has been increased by \$32,198 or 5.0 percent.
- The Land budget has an increase of \$186,566 or 8.4 percent.

Compliance

Funding requirements for Compliance is \$919,447 which equates to an increase of \$63,816 or 7.5 percent.

- The Western Electricity Coordinating Council/North American Electric Reliability Corporation budget has been increased by \$48,816 or 7.0 percent.
- The Wildfire budget increase by \$15,000 or 9.4 percent.

Security/Safety

Funding in for Security and Safety is budgeted at \$536,209 reflecting an increase of \$56,962 or 11.9 percent.

Project Support

Total Project Support funding is budgeted at \$5,756,000 an increase of \$557,000 million or 10.7 percent and includes the below categories:

- Insurance – increased by \$508,000 or 12.5 percent.
- Project Management - increased by \$24,000 or 3.6 percent.
- System Studies – increased by \$25,000 or 5.2 percent.

Capital Improvements

Capital Improvement Budget is \$1,582,146 which is a decrease of \$124.4 million and includes funding for:

- Breaker/Motor-Operated Disconnect Ground Switch Replacement.
- Remote Terminal Unit for the Supervisory Control and Data Acquisition system.
- Series Capacitor Bank Replacement.

The COTP E&O Committee reviewed the draft FY26 COTP O&M Budget at their March 12, 2025 meeting and recommend that the TANC Commission approve the FY26 COTP O&M Budget at the funding levels provided herein.

Approval of the enclosed resolution will authorize the Interim General Manager to submit an email vote for approval of the FY26 COTP O&M Budget at the funding levels provided herein to the COTP Management Committee.

Approval of the enclosed resolution will also authorize the Interim General Manager to execute the FY26 COTP O&M Budget at the funding levels provided herein; authorize the Interim General Manager to execute implementing agreements, contract renewals, or amendments with COTP contractors, if required, pursuant to the funding levels provided in the FY26 COTP O&M Budget; and authorize the TANC Treasurer/Controller to make payments up to the FY26 COTP O&M Budget amounts, subject to the approval of the COTP Management Committee.

Enclosure

RESOLUTION 2025-__

A RESOLUTION OF THE
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
APPROVING THE
FISCAL YEAR 2026 CALIFORNIA-OREGON TRANSMISSION PROJECT
OPERATION AND MAINTENANCE BUDGET

WHEREAS, the Transmission Agency of Northern California (TANC) is a joint exercise of powers agency organized under the laws of the State of California; and

WHEREAS, TANC is the largest Participant and the Project Manager of the California-Oregon Transmission Project (COTP); and

WHEREAS, a Fiscal Year 2026 (FY26) COTP Operation and Maintenance (O&M) Budget has been developed and attached hereto by reference; and

WHEREAS, the FY26 COTP O&M Budget was developed under the direction of the COTP Engineering and Operations Committee; and

WHEREAS, a workshop to discuss the FY26 COTP O&M Budget with COTP Participants was held on February 13, 2025; and

WHEREAS, at their March 12, 2025, meeting, the COTP Engineering and Operations Committee recommended that the TANC Commission approve the FY26 COTP O&M Budget; and

WHEREAS, the FY26 COTP O&M Budget is \$26,848,079 of which TANC's share is \$21,961,651; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Commission of the Transmission Agency of Northern California that the FY26 COTP O&M Budget is approved and adopted for a total of \$26,848,079 of which TANC's share is \$21,961,651.

BE IT FURTHER RESOLVED that: 1) the Interim General Manager is authorized to submit an email vote for approval of the FY26 COTP O&M Budget at the funding levels provided herein to the COTP Management Committee; 2) the Interim General Manager is authorized to execute implementing agreements, contract renewals, or amendments with COTP contractors, if required, pursuant to the funding levels provided in the FY26 COTP O&M Budget; subject to the approval of the COTP Management Committee and 3) the TANC Treasurer/Controller is authorized to make payments up to the FY26 COTP O&M Budget amounts, subject to the approval of the COTP Management Committee.

PASSED AND ADOPTED this 19th day of March 2025, on a motion by _____
and seconded by _____.

AYES

NOES

ABSTAIN

ABSENT

City of Alameda

City of Biggs

City of Gridley

City of Healdsburg

City of Lodi

City of Lompoc

Modesto Irrigation District

City of Palo Alto

Plumas-Sierra Rural Electric Cooperative

City of Redding

City of Roseville

Sacramento Municipal Utility District

City of Santa Clara

Turlock Irrigation District

City of Ukiah

California- Oregon Transmission Project



Operation and Maintenance Budget
Fiscal Year 2026



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SECTION 1

INTRODUCTION

The California-Oregon Transmission Project (COTP or Project) is a 340-mile-long, 500-kV alternating current (AC) transmission line stretching from just north of the California-Oregon border to central California. The Project Participants are the Transmission Agency of Northern California (TANC), Western Area Power Administration (WAPA), and Pacific Gas and Electric.

The California-Oregon Transmission Project Operation and Maintenance Agreement (POMA) outlines the operation and maintenance (O&M) responsibilities for Project facilities and provides procedures for the annual O&M Budget and Work Plan. The POMA details the work and the attendant duties of the Operating Agent, WAPA and the Project Manager which has been assigned to TANC. The POMA outlined the following responsibilities:

- Designated WAPA as the Operating Agent, with responsibilities as delineated in the POMA.
- WAPA is responsible for O&M activities on the Tracy to Olinda Segment of the Project, including the substations and communication facilities located within the substations.
- TANC as Project Manager is responsible for O&M of the Northern Segment, the Tesla By-Pass Segment, and the remaining microwave and fiber communication system, in addition to its responsibilities for administration, reporting, and technical activities.

TANC has an agreement with WAPA for their O&M responsibilities assigned in the POMA under the TANC/WAPA Operations and Maintenance Agreement (TWOMA).

In addition, the Project has two balancing authority contracts; the first with WAPA for services related to the COTP location within the WAPA Sub-Balancing Authority. The second with the Balancing Authority of Northern California (BANC) whose contractual tasks are performed by the BANC Operator, the Sacramento Municipal Utility District (SMUD). These agreements finalize the Project's obligation outlined in the Second Amended Owners Coordinated Operation Agreement to operate in a North American Electric Reliability Corporation certified balancing authority.

Compliance obligations for Balancing Authority are performed by BANC, with WAPA and TANC having a delegation agreement which sets forth each party's compliance obligations for transmission owner and transmission operator requirements.

KEY ASSUMPTIONS

The FY 2026 O&M Budget and Work Plan is prepared consistent with the Project Agreements, the above-noted discussion, and the following assumptions:

- The Fiscal Year O&M Budget begins on July 1st, 2025 and ends on June 30th 2026.
- Cash Calls outlined in Table 2-1 are just estimates based on the monthly budgets presented in the budget tables. Project Manager as conditions warrant during the fiscal year may adjust monthly cash calls to Participants.
- The O&M Budget identifies revenues generated from third-party microwave communication site subleases. Based on past direction of the COTP Management Committee, revenues from third-party subleases will continue to be held in a reserve account.
- The Operating Agent performs control operations and switching, issues clearances, and other activities associated with the Participants' use of the Project. Delivery of power is scheduled by each Participant other than TANC. Each TANC Member schedules their own COTP entitlement.
- WAPA performs activities necessary to monitor power flows and, as the Sub-Balancing Authority Operator, monitors power schedules on the Project. BANC, as the Balancing Authority Operator advises the need for curtailments; notifies and reports on same; monitors the Participants' use of the Project; and coordinates operations as necessary with the CAISO, Bonneville Power Administration, other electric utilities, and the Project Participants.
- The Project Manager assists in the coordination of activities for O&M work, provides technical assistance to the Project, arranges and conducts Project Committee meetings, provides system studies for the Project, and manages other administrative matters for the Project, including arrangements for land requirements, permits, environmental compliance, insurance and similar activities.
- WAPA operates and maintains Sulphur Hexafluoride (SF6) power circuit breakers owned by COTP, located in the Olinda, Maxwell, and Tracy Substations. WAPA prepares reports of all COTP-owned SF6 power circuit breaker emissions. WAPA reports COTP and WAPA SF6 emissions in a consolidated report to Environmental Protection Agency (EPA). WAPA's responsible official certifies the accuracy of the reporting to EPA. WAPA transmits reports of COTP-owned SF6 power circuit breaker emissions to TANC as final reports in a format that can be uploaded to the California Air Resources Board (ARB) Cal e-GGRT database. Project Manager uploads the COTP data to the ARB Cal e-GGRT database and designates a responsible official to certify it according to the ARB requirements.
- WAPA's overhead costs are divided into these categories: 1) Administrative and General Expenses (AGE); and 2) Associated Direct Expenses (ADE). The AGE rate includes costs of items such as office supplies, computer, and salaries of administrative and management staff. The costs of operations, maintenance, and construction, including overtime, for both WAPA's Folsom and Headquarters offices, which cannot be directly charged to a Project, are covered under ADE. Both the AGE

and ADE costs per direct labor dollar are estimated for budget purposes and recalculated at the beginning of each federal government fiscal year. The total monthly cost is dependent on the number of dollars charged directly to a Project per month and this varies from month-to-month. Overhead cost for Federal FY 2026 (10/25 thru 9/26) are below:

WAPA Headquarters and Folsom AGE Rate	61.72%
Folsom	20.52%
Headquarters	41.20%
ADE Rate for Operations and Maintenance	39.98%
Folsom	26.12%
Headquarters	13.86%
ADE Rate for Construction	19.57%
Folsom	5.53%
Headquarters	14.04%
ADE Rate for Operations	14.70%
Folsom	1.30%
Headquarters	13.40%

- Beginning in federal FY 2019, the General Western Allocation (GWA) indirect cost pool was eliminated, and costs were folded into the AGE rate. This is the primary reason for the increase in overhead rates. In the FY 2026 O&M Budget, an allocation of GWA overhead has been deducted from budgeted labor. As a result, the proposed budget reflects lower overhead costs than the rates shown above. WAPA has budgeted the deduction of an allocation of GWA since FY 2019. Consistent with the POMA, WAPA directly charges the Project for staff labor hours and associated administrative and general costs used strictly for O&M activities on the Project. Such costs are tracked by WAPA in its financial management system, FIMS.

ORGANIZATION OF THIS BUDGET AND WORK PLAN

This O&M Budget and Work Plan is divided into seven major categories: Operations, Maintenance, Natural Resources, Compliance, Security/Safety, Project Support, and Capital Improvements.

Figure 1
California-Oregon Transmission Project
Operation and Maintenance Budget
Fiscal Year 2026 with Four Year Forecast

CATEGORY	Budget Year		Forecast		
	2026	2027	2028	2029	2030
Operation					
Operating Agent	1,953,570	2,013,000	2,162,000	2,227,000	2,294,000
Sub-Balancing Authority	982,460	1,012,000	1,042,000	1,074,000	1,106,000
Balancing Authority	<u>2,834,400</u>	<u>2,928,200</u>	<u>3,001,500</u>	<u>3,076,600</u>	<u>3,153,600</u>
Subtotal Operation	5,770,430	5,953,200	6,205,500	6,377,600	6,553,600
Maintenance					
Transmission Line	3,375,801	2,808,000	2,926,000	3,038,000	3,142,000
Substation	3,557,077	1,892,000	1,949,000	2,077,000	2,067,000
Communication System	741,663	764,000	787,000	811,000	835,000
Vegetation Management	<u>1,538,064</u>	<u>1,571,000</u>	<u>1,605,000</u>	<u>1,680,000</u>	<u>1,716,000</u>
Subtotal Maintenance	9,212,605	7,035,000	7,267,000	7,606,000	7,760,000
Natural Resources					
Environmental	670,615	688,000	706,000	730,000	749,000
Land	<u>2,400,627</u>	<u>2,575,000</u>	<u>2,634,000</u>	<u>2,743,000</u>	<u>2,803,000</u>
Subtotal Natural Resources	3,071,242	3,263,000	3,340,000	3,473,000	3,552,000
Compliance					
NERC/WECC	744,447	727,000	744,000	766,000	794,000
Wildfire	<u>175,000</u>	<u>175,000</u>	<u>180,000</u>	<u>180,000</u>	<u>185,000</u>
Subtotal Compliance	919,447	902,000	924,000	946,000	979,000
Security/Safety					
Substation Security	520,419	536,000	552,000	569,000	586,000
Safety	<u>15,790</u>	<u>16,300</u>	<u>16,700</u>	<u>17,300</u>	<u>18,000</u>
Subtotal Security/Safety	536,209	552,300	568,700	586,300	604,000
Project Support					
Insurance	4,560,000	4,700,000	5,200,000	5,800,000	6,400,000
Project Management	691,000	700,000	700,000	735,000	735,000
System Studies	<u>505,000</u>	<u>505,000</u>	<u>520,000</u>	<u>520,000</u>	<u>520,000</u>
Subtotal Project Support	5,756,000	5,905,000	6,420,000	7,055,000	7,655,000
Total Operations and Maintenance	25,265,933	23,610,500	24,725,200	26,043,900	27,103,600
Capital Improvements					
Breaker/MOD Ground Switch	451,555	-	-	-	-
D20 TO RTU SCADA	544,044	299,718	361,355	357,471	-
Series Cap Bank	586,547	744,823	602,272	816,131	687,154
SONET Network	<u>-</u>	<u>-</u>	<u>331,000</u>	<u>-</u>	<u>-</u>
Subtotal Capital	1,582,146	1,044,541	1,294,627	1,173,602	687,154
Total COTP	26,848,079	24,655,041	26,019,827	27,217,502	27,790,754

Figure 2
California-Oregon Transmission Project
Budget Comparison

CATEGORY	Fiscal Year		Variance	
	2025	2026	Dollars	Percentage
Operation				
Operating Agent	1,169,113	1,953,570	784,457	67.1%
Sub-Balancing Authority	923,511	982,460	58,949	6.4%
Balancing Authority	<u>2,834,400</u>	<u>2,834,400</u>	<u>-</u>	<u>0.0%</u>
Subtotal Operations	4,927,024	5,770,430	843,406	17.1%
Maintenance				
Transmission Line	4,358,696	3,375,801	(982,895)	-22.6%
Substation	1,974,120	3,557,077	1,582,957	80.2%
Communication System	758,891	741,663	(17,228)	-2.3%
Vegetation Management	<u>1,423,681</u>	<u>1,538,064</u>	<u>114,383</u>	<u>8.0%</u>
Subtotal Maintenance	8,515,388	9,212,605	697,217	8.2%
Natural Resources				
Environmental	638,417	670,615	32,198	5.0%
Land	<u>2,214,061</u>	<u>2,400,627</u>	<u>186,566</u>	<u>8.4%</u>
Subtotal Natural Resources	2,852,478	3,071,242	218,764	7.7%
Compliance				
NERC/WECC	695,631	744,447	48,816	7.0%
Wildfire Compliance	<u>160,000</u>	<u>175,000</u>	<u>15,000</u>	<u>9.4%</u>
Subtotal Compliance	855,631	919,447	63,816	7.5%
Security/Safety				
Substation Security	464,643	520,419	55,776	12.0%
Safety	<u>14,604</u>	<u>15,790</u>	<u>1,186</u>	<u>8.1%</u>
Subtotal Security/Safety	479,247	536,209	56,962	11.9%
Project Support				
Insurance	4,052,000	4,560,000	508,000	12.5%
Project Management	667,000	691,000	24,000	3.6%
System Studies	<u>480,000</u>	<u>505,000</u>	<u>25,000</u>	<u>5.2%</u>
Subtotal Project Support	5,199,000	5,756,000	557,000	10.7%
Total Operations and Maintenance	22,828,767	25,265,933	2,437,166	10.7%
Capital Improvements	125,984,780	1,582,146	(124,402,634)	-98.7%
Total California-Oregon Transmission Project	148,813,547	26,848,079	(121,965,468)	-82.0%

Figure 3
California-Oregon Transmission Project
Breakdown by Participant

COTP Participant	POMA		TWOMA/BA		Blended ¹		Total
Transmission Agency of Northern California	74.5789%	5,633,909	88.5625%	7,089,224	81.5706%	9,208,519	21,931,651
Western Area Power Administration	23.6843%	1,789,181	9.3750%	750,447	16.5297%	1,866,041	4,405,669
Pacific Gas and Electric	<u>1.7368%</u>	<u>131,203</u>	<u>2.0625%</u>	<u>165,098</u>	<u>1.8997%</u>	<u>214,457</u>	<u>510,759</u>
Total	100.0000%	7,554,293	100.0000%	8,004,769	100.0000%	11,289,017	26,848,079

1) The blended rate is combination of the POMA/TWOMA percentages

Figure 4
California-Oregon Transmission Project

Category	Western Area Power Administration	Sacramento Municipal Utility District	Project Manager	Total
Operation				
Operating Agent	1,953,570	-	-	1,953,570
Sub-Balancing Authority	982,460	-	-	982,460
Balancing Authority	-	2,834,400	-	2,834,400
Subtotal Operations	2,936,030	2,834,400	-	5,770,430
Maintenance				
Transmission Line	3,375,801	-	-	3,375,801
Substation	3,557,077	-	-	3,557,077
Communication System	741,663	-	-	741,663
Vegetation Management	1,098,064	-	440,000	1,538,064
Subtotal Maintenance	8,772,605	-	440,000	9,212,605
Natural Resources				
Environmental	585,615	-	85,000	670,615
Land	265,627	-	2,135,000	2,400,627
Subtotal Natural Resources	851,242	-	2,220,000	3,071,242
Compliance				
NERC/WECC	529,447	-	215,000	744,447
Wildfire Compliance	-	-	175,000	175,000
Subtotal Compliance	529,447	-	390,000	919,447
Security/Safety				
Substation Security	520,419	-	-	520,419
Safety	15,790	-	-	15,790
Subtotal Security/Safety	536,209	-	-	536,209
Project Support				
Insurance	-	-	4,560,000	4,560,000
Project Management	-	76,000	615,000	691,000
System Studies	-	-	505,000	505,000
Subtotal Project Support	-	76,000	5,680,000	5,756,000
Total Operations and Maintenance	13,625,533	2,910,400	8,730,000	25,265,933
Capital Improvements	1,582,146	-	-	1,582,146
Total California-Oregon Transmission Project	15,207,679	2,910,400	8,730,000	26,848,079

SECTION 2

OPERATION

OPERATION **\$5,777,430**

A. AGENT SERVICES **\$1,953,570**

Supervision and Dispatch Support **\$1,074,920**

Supervision and dispatch support consist of the following operations personnel: 20 percent of five (5) Transmission Dispatchers and one (1) Transmission Switching & Operations (TSO) Supervisory Power System Dispatcher. It also covers ten (10) percent of two (2) outage coordinators, two (2) trainers, one (1) technical writer, two (2) dispatch interns and one (1) Supervisory Power System Dispatcher.

The 18% increase in this section is due to annual pay increases, job progression steps and increased overtime to cover shifts due to shortage of qualified dispatchers.

Dispatch support expenditures are incurred from performance of the following tasks:

1. Monitoring power system.
2. Operating substation equipment.
3. Scheduling and coordinating outages.
4. Preparing, placing, removing, and coordinating switching orders for clearance, hot line orders, and general switching.
5. Collecting, logging, and distributing system data.
6. Monitoring communication system.
7. Logging activities.
8. Monitoring substation security.
9. Interacting with operators of interconnected electric systems.
10. Performing other duties specified in the POMA.
11. Supporting finance for the Project.
12. Supporting TOP-001-5 RTCA Requirements.
13. Coordination, writing and maintaining procedures and operating plans.
14. Compliance activities and technical writer support.
15. Training for dispatchers.

Computer System Maintenance **\$602,520**

Computer System Maintenance previously reflected the cost associated with supervisory control and data acquisition (SCADA) of the Project's power systems equipment from Western Area Power Administration's (WAPA) Sierra Nevada Regional (SNR) Office Control Center. FY 2025 cost estimates included \$24,000 for the COTP share of the Map Board Controllers for SNR's EMS SCADA. This replacement will be required in out-year FY 2031. The FY 2026 cost estimate includes a cost for Annual SCADA IT system support. This is 20

percent of 6 staff and 1 supervisor. They provide 24-hour support for the SCADA system. The project's share of cost is \$540,020.

Coordinating payment with the Hosted Advanced Network Applications (HANA) service provided by the California Independent System Operator (CAISO) is also included. CAISO RC HANA includes a set of core applications including the Real Time State Estimator (SE), Real Time Contingency Analysis (RTCA), and Study Power Flow and Study Contingency Analysis (STNET). These applications are key elements for the operation of the Bulk Electric System (BES) to maintain acceptable awareness in both pre and post contingency environments. The budget includes 20 percent of WAPA's costs associated with HANA. The project's share of HANA cost is \$21,500.

Additionally, the term license fees are included for Open Systems International (OSI) monarchTM Supervisory and Control (SCADA) and Energy Management System (EMS) suite of applications to provide software troubleshooting, maintenance, and updates for the OSI monarchTM SCADA and EMS suite of applications for WAPA Sierra Nevada Region. The project's share of cost is \$41,000.

Operations Studies

\$229,830

WAPA contractually maintains and operates one of the three major transmission lines that make up WECC Path 66 also known as the California -Oregon Intertie (COI). Path 66 is comprised of the Malin -Round Mountain #1 and #2 500kV transmission lines as well as the Captain Jack -Olinda 500kV transmission line which was constructed as part of the California Oregon Transmission Project (COTP). Regulatory designations for the COTP are shared between WAPA and TANC, where TANC retains ownership, but WAPA provides operation and maintenance contractual duties. A budget allocation has been included in the Operations category to fund Operations Studies, which will be coordinated with TANC as the Project Manager.

WAPA perform the necessary Operations Studies and coordination activities to support the safe and reliable operation of the COTP. These Operations Studies relate to the daily operation of the COTP and due to the nature of the COTP, includes routine coordination activities with the RC and neighboring entities. This includes the typical studies required for operations such as, next day studies and studies related to outage coordination for planned maintenance outages of the COTP facilities or facilities on the neighboring systems that may impact the operation of the COTP. In addition, this also includes the studies that WAPA operations engineers perform as part of the 24-hour support for the COTP real-time operations. These studies support the reliable operation of the COTP during emergency conditions, such as during forced outages, wildfire, and extreme weather conditions. These studies also include those requested by the WAPA dispatch to assess switching options needed to control COTP voltages or support on-site maintenance crews. WAPA Operations Engineers continues to perform these studies to support the safe operation of the COTP and

continues coordinating with neighboring entities to maximize the transfer capability of the COI path.

COTP Contractual operation and maintenance duties and an increase in compliance requirements have resulted in increased WAPA workload. The budget includes an allocation for the increased WAPA workload and the expected time required for performing next day studies, reviewing the 500-kV next day studies performed by the CAISO, and as needed, working with the CAISO to resolve differences resulting in the two studies, as well as other compliance functions.

Administrative/Financial Tracking and Management Oversight \$46,300

Funding is provided for approximately half of one Budget Analyst to perform annual budget development, monthly report and funding requirements, monthly execution tracking, and assistance to the WAPA project managers to determine the funding availability and proper charging. An allocation for management oversight is also included.

B. SUB-BALANCING AUTHORITY SERVICES \$982,460

Scheduling \$356,500

WAPA processes the e-tags required to ensure all energy as scheduled can settle for line losses and WAPA's Sub-Balancing Authority (S-BA) net scheduled interchange is calculated. As the Transmission Operator for the COTP, WAPA processes every e-tag associated with COTP transactions. Hourly checkouts with the BA are performed to verify all energy scheduled over the COTP has been tagged with WAPA included on the tag. WAPA budgets for ten (10) percent of five (5) Transmission Security and Scheduling (TSS) dispatchers and for ten (10) percent of the TSS Supervisory Power System Dispatcher. The Supervisory Power System Dispatcher provides support to the operation of the COTP.

The 11% increase in costs is due to annual pay increases, job progression steps and updating built in overtime costs of the dispatchers.

Settlements \$170,000

WAPA processes all consummated energy transactions using e-tags for energy schedules entering, leaving, and flowing through WAPA's S-BA, and reconciles these tags with the BANC and each party scheduling over the COTP. Transmission losses are assessed to each transmission customer's schedule and verified with the customer. Financial loss settlement in dollars is calculated as the product of a customer's transmission losses and WAPA's loss settlement rates. Since WAPA and TANC transitioned to a financial loss payback process, it has resulted in some efficiencies such as not requiring daily checkouts. The CAISO has recently implemented its new process for paying transmission losses to WAPA. WAPA continues to perform additional work to track the differences between CAISO's payments and WAPA's loss settlement amounts.

Automatic Generation Control**\$341,660**

The AGC desk monitors the COTP tie lines in real time to maintain WAPA's S-BA Area Control Error (ACE). The AGC desk receives notification from BANC/SMUD for California-Oregon Intertie (COI) Mitigation of Operating Transfer Capability (OTC) exceedances, loads reserves from Central Valley Project (CVP) generation, and contacts Load Serving Entities inside the S-BA to load reserves to mitigate the OTC exceedance on the COI. The AGC dispatcher coordinates with BANC in the mitigation process for all contingencies as they occur. WAPA budgets for ten (10) percent of five (5) Automatic Generation Control dispatchers and for ten (10) percent of the AGC Supervisory Power System Dispatcher. The Supervisory Power System Dispatcher provides support to the operation of the COTP.

Network and Computer Infrastructure Support**\$5,000**

The IT Support personnel in the Network group work to maintain the communications paths, network equipment, and compliance requirements that support the overall functionality of AGC and WAPA's Scheduling system.

Planning Authority/Planning Coordinator**\$104,400**

Under Agreement 05-SNR-00869 between the Project and WAPA, WAPA agreed to fulfill the Planning Coordinator (PC) function for the COTP. The resource requirement is approximately 30% of one (1) PC for the COTP. This position is currently funded on a technical services contract. Increased due to reclassifying the role as an engineering position.

Maintenance of Control Equipment**\$4,900**

This task includes support of metering, RTU, and communications at Captain Jack Substation, Tracy Substation, and back-up metering at Olinda Substation for the monitoring and control of the WAPA Sub-BA.

C. BALANCING AUTHORITY**\$2,834,400****Power System Operators****\$1,624,800**

As the Balancing Authority operator, SMUD is the e-tag approval entity and its staff monitors the determination and implementation of the TTC values of the COI path Operators, BPA and the CAISO. The BA operator maintains overall bulk power system situational awareness in coordination with the RC and neighboring BAs. This includes monitoring all tie-points with neighboring BA's and TOPs and assessing and responding to events that could impact the reliable operation of the bulk power system including the status of the Remedial Action Schemes and operating reserves and transmission margin requirements based on potential contingencies. Tasks performed ensure COTP facilities and those operated in coordination with the COTP are operated reliably and safely. These activities as listed in Exhibit 3 of the ACOA and include:

1. Communication of ASC to the COTP Participants from the COI Path Operator
2. Monitoring of parties' schedules and available scheduling rights
3. Administration of and if needed Implementation of curtailments
4. Implementation of low reduction measures for COI overload mitigation in coordination with the RC and neighboring BAs
5. Coordination and monitoring of switching and restoration activities with neighboring BAs and TOPs
6. Coordination of the operation of the COTP facilities
7. Maintenance of support systems which monitor the COTP in real-time

Settlements Personnel

\$300,000

Processing of COTP energy schedules entering, leaving, and flowing through BANC is performed under this category:

1. BANC will collect revenue metering and metering acquisition data from the COTP Interconnection Points and reconcile with schedules and calculate inadvertent with the interconnection and the WAPA Sub-Balancing Authority.
2. The COTP schedules will be reconciled with revenue metering and billing.

BANC's settlement personnel perform the following tasks for the COTP:

1. Process all COTP energy schedules entering, leaving, and flowing through the BANC area. Associated work effort includes curtailment validation, resolving tagging issues, such as creating after-the-fact tags when appropriate, and validation and problem resolution for COI OTC mitigation events.
2. Collect revenue metering and metering acquisition data from the COTP Interconnection Points at Tracy and Captain Jack, reconcile with schedules, and calculate inadvertent with BANC's adjacent balancing authorities, the WAPA Sub-BA.
3. Reconcile COTP schedules with monthly revenue metering quantities and daily and hourly billing quantities as needed in coordination with adjacent balancing authorities and the WAPA Sub-BA.

Outage Coordinator

\$406,800

Under this category Outage Coordination is provided, including specifically:

1. Processing and coordinating outages and operating requests with Bonneville Power Administration (BPA), WAPA, CAISO, the BANC transmission systems, and the COI Path Operator. Outages will be handled for planned and real-time events.
2. Performing, or causing to be performed, technical studies to support balancing authority coordination of outages so that the proper operating parameters can be communicated to ensure the operation of the system adheres to applicable regional reliability criteria, standards, policy, and business practices.

3. Producing specific operating instructions/documentation, when needed, to support outages.

Operations Engineering**\$345,600**

The BANC operator participates in seasonal study development and reviews, develops, and maintains various operating procedures with the CAISO, WAPA, Turlock Irrigation District (TID), and BPA for the following procedures:

1. Outage coordination
2. Black start
3. System restoration
4. Communication
5. Capacity energy shortage contingency plan
6. Scheduling
7. Counter schedules/COI flow mitigation

Additional activities under this category are:

1. Technical studies to support clearances normal and seasonal operating limits.
2. Processing templates and reports on a periodic basis to support the WECC and NERC reporting requirements.
3. Provide on-call technical support for non-business hour situations to ensure the proper procedures and operating limits are defined for the COTP.
4. Investigate disturbances which affect the COTP and COI.
5. Provide technical support to resolve issues, including tagging, alarming, and system coordination.

Reliability/Critical Infrastructure Protection and Administration \$157,200

This category reflects the workload related to industry requirements concerning reliability. Interchange accounting, reporting, and infrastructure protection continues to require the efforts of two engineers and an administrative position at BANC. A portion of these costs has been assigned to the COTP Participants for cost recovery.

SECTION 3

MAINTENANCE

MAINTENANCE

\$9,212,605

A. TRANSMISSION LINE MAINTENANCE

\$3,375,801

Transmission line maintenance to be performed by Western Area Power Administration (WAPA), and by WAPA under contract with Transmission Agency of Northern California (TANC), includes costs associated with:

1. Periodic aerial line patrols required semiannually with intermediate patrols as needed for: CVP Upgrade Segment, Northern Segment, and Tesla By-Pass Segment
2. Annual ground line patrol
3. Annual detailed ground inspection of 20 percent of all structures
4. Additional annual patrol of Tier 2 and Tier 3 high fire threat lines
5. Removal and control of trees, brush, and weeds
6. Power line inspection patrol for road maintenance and inspection of drainage culverts for plug-ups and overflows
7. Replacement of damaged insulators and insulator strings
8. Application of patch-rod or repair sleeves to damaged conductor
9. Replacement of damaged vibration dampers on overhead ground-wire
10. Replacement of damaged spacer dampers
11. Replacement and repair of aircraft warning devices
12. Maintenance of fences and gates
13. Repair of steel tower structures
14. General hauling of line material and equipment
15. Testing of tools and equipment related to line work
16. Inspection of line crew heavy equipment
17. Investigating line outages
18. Accompanying various representatives to job sites
19. Aiding real estate representatives with right-of-way (ROW) and encroachment investigations
20. Maintaining access and right-of-way roads
21. Monitoring activities of support contractors
22. Performing Reliability Centered Maintenance (RCM) analysis on all maintenance activities
23. Operating and maintaining a computer-based maintenance management program
24. Providing periodic equipment performance reports as requested
25. Recording maintenance and repair information at the tower level of detail
26. Vehicles and equipment use

Access road management activities help preserve the integrity of the electrical transmission infrastructure and provide safe and reliable access to various facilities for routine maintenance and emergency repairs. Many of these roads lie within high fire risk areas where maintenance crews and first responders may need access during a wildfire event. Although access road issues can be found throughout, they tend to be concentrated along the Captain Jack-Olinda line which traverses mountainous terrain and is subject to significant precipitation and wildfire events. These events can rapidly deteriorate road conditions from year-to-year if not adequately addressed. Important components of this effort are controlling and preventing soil erosion by implementing effective and properly engineered erosion control measures, routinely maintaining access roads, occasional road reconstruction, limiting unauthorized use, and coordinating work with the U.S. Forest Service (USFS) and regulatory agencies. This budget category will be used to implement the access road management activities described above on an annual basis to ensure safe and reliable access throughout the Project. WAPA also identified several access roads outside of Redding, California, that were damaged by recent rainstorms. Initial cost estimates require additions funds to complete the repairs in one year and allow safe access to impacted structures. Funding for this category is \$330,584.

In response to California Senate Bill 901 (SB901), WAPA has expanded its use of remote sensing technologies to augment and enhance its inspection capabilities. WAPA proposes to annually scan several transmission lines for Corona which is an electrical discharge caused by ionization. The scans will be done aerially from a helicopter. The camera equipment used will record Ultra-Violet (UV) video images and also Infra-Red (IR) images. High definition still pictures of areas with corona will also be collected. The data will be reviewed, analyzed and reports will be generated showing areas of concern and their order of severity so that maintenance can be prioritized based on the High Fire Threat Districts (HFTDs) established by the California Public Utilities Commission. This data will be used to correct problems that could start fires or cause the transmission system to become unreliable. WAPA is budgeting \$12,465.

COTP 500kV Spacer Replacement Project

WAPA has implemented a comprehensive multi-year spacer replacement program on the CPJ-ODA and ODA-TCY segments of the COTP. WAPA is in progress of replacing the current spacers with a newer style spacer which has a longer life span. WAPA is budgeting \$1,860,223 in FY 2026 to continue this effort.

Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
CPJ-ODA Spacers	\$1,860,223	\$1,680,930	\$1,489,753	\$1,541,737	
ODA-TCY Spacers		\$263,241	\$547,348	\$580,176	\$2,198,877

500kV Transmission Line River Crossing Tower Painting

Mutual interests exist between the Project and WAPA regarding the integrity of the corrosion protection coatings on a series of 500kV river crossing structures supporting spans across the Sacramento and San Joaquin Rivers approximately seven (7) miles northeast of Antioch, CA. A series of field inspections in 2000, 2001, and 2011 were performed by WAPA. This series of inspections were performed at the base of the towers and the first platform elevation. Thickness measurements were taken utilizing an electronic thickness gauge with each test location manually sanded to remove oxide layers exposing the underlying zinc. In 2013, a field inspection was performed by a team consisting of Civil Design & Engineering (CD&E) (Project Manager), Terracon/ Hawk Rope Access, and DiGioia Gray (DG) (Transmission Structure Analysis). In addition to the coating thickness measurements, the 2013 inspection encompassed the visual observation of welds and bolted connections and the sampling of the painted structures for the presence of lead-based paint. The current field inspection performed in April 2020 was similar in scope to the 2013 inspection except for the lead-based paint sampling and testing. Coating thickness measurements were taken from the same locations as in 2013 and the general condition of the full height of each structure was identified. In general, all structures exhibit some degree of brown staining of the Hot Dip Galvanized (HDG) coatings, and painted portions of the river crossing towers show significant degradation of the paint. Some structures show isolated locations with red staining indicating some corrosion of ferrous materials. A significant loss of galvanized coating thickness was noted on all the structures as compared to the previous inspection.

Planning and market research during FY 2025 has indicated that cost for the tower painting is more than originally anticipated. Current market research is at around \$1,500,000 to \$2,000,000 per tower. WAPA plans to proceed with contract award in FY 2025 to paint two towers. We anticipate executing that construction contract during FY 2026. Additional tower painting contracts will likely be recommended in the FY 2028 budget request, once we have completed the first contract. The FY 2026 budget includes funding for federal labor, construction inspection QA/QC services and biological surveys/monitoring (should they be needed). WAPA is budgeting \$677,356 for FY 2026.

B. SUBSTATION MAINTENANCE

\$3,557,077

The activities associated with maintenance efforts for Substation Maintenance at Olinda Substation, Maxwell Compensation Station, and Tracy Substation expansion are categorized below:

1. Perform monthly substation inspections at Olinda, Tracy, and Maxwell.
2. 500-kV circuit breakers: perform periodic and condition-based maintenance.
3. Disconnect switches: inspect, lubricate, and make minor adjustments to blades, clips, and control mechanisms as needed.
4. Protective relays: perform periodic maintenance and trouble shooting.

5. Revenue-quality kilowatt-hour meters: inspect, make periodic tests, and adjust.
6. RTU: inspect, make periodic tests, and adjust.
7. Digital fault recorder/sequence of events recorder (DFR/SER): inspect, test, and adjust.
8. 500/230-kV power transformers: inspect, maintain, test, and repair, as needed including semiannual oil analysis for dissolved gases.
9. Perform station service: including the facilities that are common to the Project and CVP, such as station alternating current (AC) power, station direct current (DC) power, heating and air conditioning, control building, fences, water, sewer, and lighting.
 - a. The costs for station service at the Olinda and Tracy Substations are prorated between the Project and CVP. This ratio is calculated using the number of control panels in the control room dedicated to the Project and CVP to establish the percentage cost ratio. Project costs are 67 percent at Olinda and 48 percent at Tracy. Station service costs at Maxwell Compensation Station are 100 percent Project costs.
10. Coordinate with interconnected utilities for remedial action schemes, maintenance scheduling, and resolution of protective relaying problems.
11. Revise the relay setting database, as necessary.
12. Review periodic maintenance test reports.
13. Analyze power system disturbances to determine if the equipment functions correctly and prepare necessary reports.
14. Develop the issues relay change orders to correct unusual operating conditions or to improve protection performance.
15. Analyze the power system disturbances using digital fault and sequence of events recording equipment and other sources of information.
16. Make modifications to protection equipment to improve reliability, as needed.
17. Troubleshoot problems.
18. Mark up "as-built" prints, and revise drawings.
19. Order equipment and spare parts, as needed.
20. Develop job instructions and test plans.
21. Train for safety, environmental, and craft proficiency; ratio of cost is calculated in the same way as for item 9, station service.
22. Order, track, and stock replacement parts, materials, and supplies including warehouse cost.
23. Provide janitorial services; ratio of cost is calculated in the same way as for item 9, station service.
24. Maintain vehicle used for Olinda, Tracy, and Maxwell.
25. Consult with the manufacturer periodically to obtain needed data on testing and maintenance procedures.
26. Develop and implement maintenance guidelines for Project-specific equipment.
27. Continue to develop and coordinate trouble reporting and maintenance procedures with the interconnected utilities.

28. Continue to assimilate as-built drawings and documentation into WAPA's existing drawing system.
29. Replace minor worn or damaged parts found during routine maintenance activities not covered by manufacturer's warranty.
30. Perform non-scheduled maintenance, such as emergency call-out for equipment failure or malfunction, investigate suspected problems with equipment, and responding to requests for assistance.
31. Test and adjust the substation communication equipment signal strength, frequency, and voltage levels.
32. Troubleshoot and repair communication equipment located at the substations.
33. Maintain control boards including panel meters, transducers, and synch scope and systems.
34. Perform station battery maintenance, including periodic load tests.
35. Perform annual infrared survey of substation equipment.
36. Perform RCM analysis on all maintenance activities.
37. Operate and maintain a computer-based maintenance management program.
38. Provide periodic equipment performance reports as requested.
39. Provide USA cable-locating services for Project underground fiber optic cables.
40. Security activities include facility inspections and site assessments at Olinda, Maxwell, and Tracy in accordance Critical Infrastructure Protection (CIP) requirements.
41. Test assets in accordance with the North American Electric Reliability Corporation/Western Electricity Coordinating Council (NERC/WECC) Standards.
42. Periodic washing of substation equipment (such as the Series Capacitor Banks) as needed.
43. Support for the EPRI Insulator Leakage Current Monitoring at Tracy Substation.

Outside normal maintenance activities, WAPA budgeted the following substation projects for FY 2026:

Olinda KT7A and KT8A Reactor Refurbishment

The refurbishment of the ODA KT7A Reactor has been completed and the neutral bushing and other ancillary equipment that also requires replacement is scheduled for March 2025. The KT8A Reactor Refurbishment originally scheduled for July 2024 has been rescheduled to October 2025 due to outage constraints. WAPA has budgeted \$192,578 in FY 2026 for the labor to escort the contractor and for WAPA craft to provide grounding, removal and installation of jumpers, switching, and 24-hour coverage during the oil processing phase for KT8A.

Olinda 1096 and Tracy 1192 HMB Breaker Mechanism Replacement

The existing Olinda 1096 and Tracy 1192 breaker mechanisms are leaking and failing and need to be replaced. ABB has revised their original mechanism design to the current HMB model. WAPA will replace the current AHMA mechanisms with the more current HMB.

WAPA is procuring the HMB mechanisms in FY 2025 and budgeting \$177,244 for FY 2026 to complete the replacements at TCY 1192 and ODA 1096.

Tracy Substation Contaminated Insulator Leakage Current Monitoring System

There is a contamination problem (bird excrement, agricultural pollution, dirt, fire ash, salt, etc.) with the insulators at Tracy substation. Contamination combined with moisture (fog, drizzle, rain, dew, etc.) can lead to flashed insulators and outages. However, there is not always a need to wash the insulators. The goal of this project is to provide a technical basis for washing the insulators in the Tracy substation yard (which can be expensive and resource intensive). In FY 2025 WAPA executed a contract with EPRI to use their contaminated insulator leakage current monitoring system. The monitors will be installed on selected insulators in the Tracy substation yard and to measure leakage current and send this information (via radio frequency in the 2.4GHz open band with subnetwork access protocol) to base stations located in the substation. The base stations would, in turn, aggregate, store, and transmit the data (including local temperature, humidity, rainfall, wind speed, and direction) to EPRI secure servers using a cellular network (such as Verizon or AT&T). The servers can then generate email alerts and alarms for insulator washing using EPRI (or WAPA) developed algorithms.

The contract with EPRI for monitoring and technical support also includes options for additional years. EPRI will periodically monitor and analyze the data and alert WAPA/SNR if there are any events that may require our attention, as EPRI has three of the world's top power system contamination experts. This contract also includes the cost of replacement in the event of equipment failure. The budget is \$18,670 for the first option year.

Tracy KT2A Transformer Refurbishment and Bushing Replacement

Tracy KT2A requires repair and refurbishment (similar to Olinda KT7A and KT8A) as well as replacement of the COTA bushings. The bushings need to be replaced as soon as possible due to faulty COTA bushings that were discovered after a bushing failure and subsequent explosion and transformer fire at one of WAPA's facilities. WAPA is in the process of ordering the new bushings, which have a 48-week lead time. In FY 2026, WAPA will procure and execute a service contract to perform the reactor refurbishment and repair and bushing replacement. Work will include re-gasketing, oil processing and conservator bladder replacement as well as adding bushing Doble links, weld fall protection attachments and replacing the H1, H2 and H3 bushings. WAPA is budgeting \$1,320,028 in FY26 for this effort.

Olinda Warehouse Intrusion Detection System

WAPA Office of Security and Emergency Management (OSEM) proposes to install an Intrusion Detection System at the Olinda Warehouse. This includes installing a Physical Access System (PACS) for the (3) perimeter man-doors, installation of door contacts for the (3) overhead doors and installing motion detectors within the enclosed conditioned and unconditioned storage spaces. OSEM also recommends installing Axis Cameras with motion

detection at the open (but covered) storage area. WAPA has budgeted \$125,000 for this effort in FY 2026.

C. COMMUNICATION SYSTEM MAINTENANCE

\$741,663

Costs associated with the continued Operations and Maintenance of the Project microwave and fiber optic communication facilities include:

1. Monitoring performance of the microwave communication system
2. Monitoring performance of Project owned, and Project used fiber optic circuits
3. Maintaining the microwave channel plan
4. Coordinating maintenance scheduling and problem resolution with the interconnected power system communication staff
5. Reviewing periodic maintenance test reports
6. Analyzing and developing reports for communication system outages and recurring problems
7. Troubleshooting and repairing equipment associated with unscheduled maintenance
8. Providing engineering solutions to communication problems
9. Marking up as-built prints, and revising drawings
10. Developing and revising job instructions and test plans
11. Assisting in implementation of system modifications
12. Providing studies and data for resolving interference problems
13. Inspecting, adjusting, cleaning, and repairing communication equipment, batteries and chargers, antenna towers and wave guides, and auxiliary power supplies, as needed
14. Testing and adjusting the signal strength, frequency, and voltage levels
15. Obtaining materials needed to replace inoperable or unserviceable parts
16. Performing semi-annual site inspections
17. Performing annual maintenance and Federal Communications Commission (FCC) required tests
18. Performing RCM analysis on all maintenance activities
19. Operating and maintaining a computer-based maintenance management program
20. Providing periodic equipment performance reports as requested
21. Testing assets in accordance with NERC/WECC Standards

D. VEGETATION MANAGEMENT

\$1,538,064

WAPA

\$1,098,064

Vegetation management activities support stable, low-growth plant communities free from noxious or invasive plants. These communities will typically be comprised of herbaceous plants and low growing shrubs that are ideally native to the local area. Adequate access routes

are also required and must be maintained to provide for efficient, cost-effective vegetation treatment activities in addition to all-weather access.

WAPA's continuous practice under the FY 2026 budget is to fully comply with all applicable NERC reliability standards by ensuring requirements are either already addressed or adding them into the existing programs. NERC's Standard FAC-003 – Transmission Vegetation Management was developed to improve the reliability of the electric transmission systems by preventing outages from vegetation located on transmission ROWs and minimizing outages from vegetation located adjacent to the ROW. Vegetation management includes applying herbicides at the substations in order to maintain the transmission line clearances previously achieved under this program.

Off-ROW hazard trees present an on-going risk that WAPA is actively assessing and mitigating by regularly surveying and removing trees that are dead, diseased and/or structurally unsound and could strike COTP infrastructure.

Reducing excessive fuel loads within and adjacent to the ROW is another priority for WAPA. As such, we are using current still images, video and LiDAR to evaluate and prioritize fuel reduction efforts along COTP ROWs and facilities.

WAPA requires a contract support position associated with coordinating, inspecting, auditing, inventorying, and preparing field activities in coordination with WAPA, COTP, and its Integrated Vegetation Management (IVM) contractors. WAPA anticipates executing support and management services at a cost of \$297,000 to facilitate Vegetation Management for the COTP. The FY2026 budget includes an increase for an additional forester to add to our capacity for off-ROW hazard tree inspections, culvert monitoring, and vegetation and roads contractor oversight.

WAPA is also continuing the additional support services contractor added in FY 2025 to assist with managing communications with the field, communicating requirements and restrictions to field staff, maintaining the fieldwork calendar, and providing additional field escort support as needed.

WAPA uses a transmission line inspection tool that integrates our existing geographic information system (GIS) and computer maintenance management system (Maximo) databases. The FY 2025 budget includes \$41,833 for GIS support including maintaining the software to meet the increased needs of reliability compliance planning/audits and asset management reporting.

Project Manager**\$440,000****Fuels and Vegetation Management****\$115,000**

An aggressive fuels and vegetation management program that is continuously reducing associated wildfire ignition and lateral spread risks and their drivers is of high importance. This budget category responds to that priority and focuses on fuels and vegetation management actions that will be initiated and implemented by COTP staff to assess and monitor fuels and other vegetation, including hazard trees that pose ongoing wildfire risks outside of the COTP right of way (ROW).

This budget category will be used to support staff time preparing for and attending interagency field meetings and related coordination and contracting efforts focused on areas adjacent to the COTP ROW, along its access roads, and on-site at selected COTP communications sites where fuels and wildfire ignition and spread risks and risk drivers need to be addressed. It is additive and complementary to the in-ROW vegetation management services provided by WAPA. This budget category will also be used for the following purposes and tasks:

- Implementing several fuels and vegetation management treatment programs that leverage existing and new federal and state agency relationships. Tasks will include pursuing additional agreements with the U.S. Forest Service (USFS) to expand the existing network of fuel breaks and fuel treatments that have been effective in reducing wildfire risks in areas where the COTP and other California-Oregon Intertie (COI) lines are in close proximity. It may also include the development of contract fuels reduction agreements with local entities that may include Fire Safe Councils, and towns and cities located near the COTP ROW.
- Establishing and maintaining a relationship with the California Department of Forestry and Fire Protection (CAL FIRE) to better understand and therefore potentially participate in wildfire risk reduction projects already prioritized in CAL FIRE unit strategic fire plans and community wildfire protection plans that could also provide benefits to the COTP. Pursuing funding as eligibility and opportunities become evident.
- Contracting for and overseeing Registered Professional Forester (RPF) services to address issues associated with the removal of danger and hazard trees outside of the COTP ROW on an as-needed basis.
- Conducting on-site assessments of brush, trees, and other flammable materials and related risks at selected COTP communications sites directed towards developing contracts for their mitigation; and
- Actively coordinating with WAPA vegetation management staff.

These tasks will be directed towards fulfilling applicable contractual obligations, federal and state environmental compliance requirements, and other applicable laws, orders, and regulations.

Forester Services**\$75,000**

This budget category will be used to cover the costs of a Registered Professional Forester (RPF) to support the administration of merchantable timber value estimates needed for removal of the off-ROW hazard trees on commercial timberlands, and possibly on federal lands managed by the U.S. Forest Service. It will also be used to fund periodic RPF field patrols of selected segments of areas outside of the COTP ROW for danger and hazard trees as they die, decay, and become unstable because of aging, weather, and ground conditions that qualify them as danger and hazard trees.

Mitigation Payments**\$250,000**

This budget category is used to pay for merchantable timber to be removed from commercial timberlands where the Project is obligated to compensate commercial timber owners for the merchantable value of timber removed on their lands adjacent to the COTP ROW. These payments are estimated as part of the ongoing COTP off-ROW hazard tree removal activities. WAPA will be identifying off-ROW danger and hazard trees during 2024 on both commercial timberlands and federal lands managed by the U.S. Forest Service.

SECTION 4

NATURAL RESOURCES

NATURAL RESOURCES

\$3,071,242

A. ENVIRONMENTAL

\$670,615

WAPA

\$585,615

WAPA's Environmental Office supports routine maintenance activities to ensure compliance with environmental laws and regulations. The Environmental Office will continue to work with the Project on areas of joint interest and special projects.

Substation Maintenance (Compliance): Routine items include hazardous waste management and disposal, Pollution Prevention, Hazardous Material Business Plans (HMBP), Spill contingency Plans, fee payments, annual inspections, sulfur hexafluoride (SF₆) tracking – CA AB32, and permit acquisition for Olinda, Tracy, and Maxwell Substations, and remaining communications sites. The FY 2026 funding for this effort in labor, on-call biological services, supplies, support services, work products, and permits is \$317,600. Increased by 5% to account for inflation, quarterly hazardous waste pick-ups, technical support services for environmental compliance, increased costs associated with SF₆ reporting, annual lease vehicle costs, and air monitoring contract for generator reporting at Maxwell.

In FY 2026, Environment will continue implementing methods to address the starling control issues at Maxwell Compensation Station and Tracy Substation. An integrated suite of methods will be used to investigate effectiveness. Approaches taken from FY 2018 through FY 2024, including methyl anthranilate fog and propane cannons, appear to have prevented starlings from roosting in large numbers and will be continued in FY 2026. Environment staff will continue to maintain and refill machines and monitor activity as needed. The FY 2026 funding for this routine effort in labor, travel, and increased materials cost is \$50,835, including an increase of 5% for inflation.

In FY26, Environment proposes to conduct a facility audit at Tracy substation and maintenance facility to assess the energy, water, carbon footprint, fleet management, waste tracking/recycling, and green supply chain/sustainability acquisition to assist with setting sustainability goals and identifying facility and system improvements. This effort is to support requirements set forth in Executive Order 1405, the Federal Energy Management Program (FEMP), the Energy Independence and Security Act, the DOE Sustainability Program, and California Air Resources Board fleet requirements. The FY 2026 funding for this effort in services is \$20,000.

Repeater Sites (Compliance, Environmental Planning and Mitigation): Routine Compliance items include hazardous waste management and disposal, Pollution Prevention, HMBPs, fee

payments, air permits (when required), liaison activities, site inspections, and inspections for 11 repeater sites. Routine Environmental Planning and Mitigation items include biological and cultural resource surveys, liaison activities, site inspections, and National Environmental Policy Act (NEPA) preparation. The FY 2026 funding for this effort in labor, training, supplies, work products, and permits is \$20,000, include an increase of 5% for inflation.

Right-of-Way (ROW) and Facility Maintenance (Environmental Planning and Mitigation):

Routine items include road maintenance and erosion control technical support, vegetation management, biological and cultural resource surveys and liaison activities, site inspections/reviews, raptor protection and support, and permit acquisition. Vegetation management efforts will continue at an increased level in FY26 in order to support wildfire mitigation. Therefore, biological and cultural resource surveys and monitoring to support these activities will also increase. The FY 2026 funding for this effort in labor, training, supplies, support services, work products and permits is \$177,180, including an increase of 5% to account for inflation.

Environment Services

\$85,000

Agency liaison obligations originated in the California-Oregon Transmission Project (COTP) Environmental Impact Statement/Report and Bureau of Land Management (BLM) and United States Forest Service (USFS) Easements, which required, among other things, that the COTP implement ongoing fire response and fuels management plans and an operation and maintenance plan. The importance of these agency relationships has become even more important with the passage of SB 901 and the need to take actions that reduce COTP wildfire risk.

Funding will be used to maintain longstanding and strong relationships with the USFS. The COTP has benefitted from maintaining positive, collaborative relationships with the Lassen, Modoc, and Shasta-Trinity National Forests (Forests). These benefits have included expedited permit approvals and a high level of responsiveness for access road, fuels and vegetation management, emergency tower stabilization efforts, and wildfire risk reduction projects. The Project currently provides funding for collection agreements for USFS fire response, fuels treatments and access road maintenance that is important in maintaining these relationships.

Project staff time will be used in this budget category to coordinate frequently and closely with representatives of these three Forests regarding the accounting and uses of collection agreement funds, contracting procedures and progress achieved, and projected work plans and objectives. The work also involves coordination with the USFS regarding COTP projects' compliance with the National Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), Endangered Species Act (ESA), and related regulatory processes.

Key elements of this budget category also include providing COTP input and assistance to USFS planning efforts beneficial to the Project and attending important site review meetings. Staff also ensures that the COTP fully complies with all USFS Easement terms and conditions. Staff prepare for and attend annual and project-specific meetings and maintain active communications with several representatives of each of these Forests. Specific staff activities covered in this category also include but are not limited to review of ongoing changes in agency policies and procedures, direct communications with agency officials to represent the Project's interests and cooperating with agencies seeking grant funding application support letters and related interagency collaboration assistance.

Additional work performed will also be used to coordinate with the following agencies as needed:

- The California Department of Forestry and Fire Protection (CALFIRE) regarding opportunities to collaborate with state and local entities on vegetation treatments to reduce wildfire risks.
- The Federal Emergency Management Agency (FEMA), regarding communications and documentation needed to closeout TANC's Request for Public Assistance (RPA) for the January 2017 storms that damaged COTP access roads.
- The Bureau of Land Management regarding TANC's ongoing compliance with the Right of Way Grant for the COTP.
- The Central Valley Regional Water Quality Control Board regarding federal and state regulatory compliance for potential water quality effects of COTP access road maintenance and repair projects.
- Other federal, state and local agencies with interests in COTP projects that could affect their environmental, land management and wildfire risk reduction responsibilities.

The Project is required to mitigate for potential COTP impacts to waterfowl in the Sacramento-San Joaquin Delta region through implementation of the 1992 Waterfowl Mitigation Plan (Mitigation Plan). This requirement was established as a condition of approval of the 1988 COTP Environmental Impact Statement/Environmental Impact Report (COTP EIS/EIR). Mitigation Plan implementation requirements included the purchase of a waterfowl mitigation site (Palm Tract "B") managed to raise 145 ducks annually to flight stage. COTP subsequently acquired the 1,213-acre tract referred to as Palm Tract "B." In coordination with the California Department of Fish and Game (CDFG), Project staff developed a more detailed Waterfowl Habitat Management Plan (WHMP). The WHMP balances farming and waterfowl management for nesting and brood habitat conservation. Initial Mitigation Plan monitoring goals were met by 1998. Additional monitoring since 1998 has confirmed the achievement of duck production goals in collaboration with CDFW.

Additional staff time and resources will continue with ongoing “compliance” monitoring required by the Mitigation Plan, WHMP, and the 1994 Conservation Easement held by the California Department of Fish and Wildlife (CDFW; formerly CDFG). Staff conduct site visits to monitor tenant farmer compliance with brood and seasonal wetland monitoring related to flooding and drawdown schedules, residual grain evaluation, and review of hunting, recreation, and related farming land uses. Monitoring activities are also used to confirm land use and cropping restrictions, overall site water management, hunting, fishing and recreation restrictions, and overall compliance with the Mitigation Plan, WHMP, and 1994 Conservation Easement. Annual monitoring data and compliance status reports are compiled in annual reports.

Finally, Staff time will be used to routinely monitor and review ongoing changes in federal, state, and regional local environmental and land use regulations. This monitoring is directed towards potential changes in COTP environmental and lands regulatory requirements that may affect routine and non-routine access road, fuels and vegetation management, forestry, and other related activities. Staff regularly monitor changes in federal and state legislation focused on wildfire hazard reduction, more streamlined processes for achieving federal and state approvals for utility operations, maintenance, and vegetation management planning, endangered species listings, critical habitat designations, construction and related water quality permitting requirements, updates to the California Environmental Quality Act (CEQA) guidelines, federal and state wetlands regulations, and relevant case law interpretations that could have bearing on the costs and time requirements needed to maintain environmental compliance for the COTP.

B. LAND

\$2,400,627

WAPA

\$265,627

Continuing costs associated with Western Area Power Administration (WAPA) performed land-related work includes power line easements and ROW investigations due to requests for vegetation management, encroachments, crossing or license agreements. WAPA will perform the initial investigation and consultation with the landowner. WAPA will provide the information to the Project Manager for the Northern and Tesla Bypass Segment. Related work under the Land category includes: preparing and issuing license agreements in accordance with the Contract and Grant of Easement and General Guidelines (to be provided only for the CVP Upgrade Segment), liaison with the Project Manager; liaison with the landowners, liaison with developers, investigating encroachments and negotiating their removal, researching current landowner and parcel information, coordinating activities with maintenance representatives, coordinating vegetation management activities with landowners, monitor and tracking orchards, appraising crop and property damage and negotiating damage claims with landowners (CVP Upgrade portion only, supporting litigation for landowner damage claims, and electro-magnetic field issues).

Increased for FY 2026 based on technical support services and labor projections for Lands support including an additional Federal Lands Specialist.

Project Manager **\$2,135,000**

Permit & Land Administration **\$400,000**

Transmission Line **\$150,000**

This category provides funding for staff time in regard to the following work activities:

- Coordinating with COTP Counsel regarding the drafting of: 1) modifications to existing agreements; and 2) entirely new agreements, while also confirming the adequacy of the documentation and legal record needed for the other environmental and lands activities discussed below.
- Fulfilling annual California Environmental Quality Act (CEQA) obligations regarding the list of routine operations and maintenance activities categorically exempt from further CEQA analysis, CEQA analyses and documentation for non-routine access road, vegetation management, and other COTP-funded projects that may have physical impacts to the environment.
- Developing permit applications for state approvals and permits required by the Project, including CEQA compliance, Clean Water Act Section 401 Water Quality Certifications, Section 402 National Pollutant Discharge Elimination and General Construction Activity Permits, California Department of Fish and Game (CDFG) Code Section 1601 Streambed Alteration Agreements, and other permits as needed.
- Coordinating with WAPA on annual sulfur hexafluoride (SF₆) emissions reporting to the California Air Resources Board. This is particularly important in light of recent revisions to the Final Regulation Order for the Regulation for Reducing Sulfur Hexafluoride Emissions from Gas Insulated Switchgear, which have added to the complexity of associated emissions reporting.
- Responding to requests from private and public agency landowners and developers regarding their proposed projects affecting the COTP ROW, including residential and commercial developments, encroachments (leach fields, road crossings for timber harvest plans, pumping plants, etc.).
- Monitoring the progress of other projects that could affect the COTP ROW and/or access, including but not limited to the Delta Conveyance Project, Sites Reservoir

planning and construction as it may affect access to the Sites Communication Site, and other proposed projects “adjacent” to the COTP ROW, lands, and facilities.

In addition, activities include upgrading the Lands Management System (LMS) for the COTP. The LMS includes all hard copy parcel records for all real property interests that the Project holds along the COTP right of way (ROW). Staff periodically updates parcel ownership records by accessing county assessor’s parcel records on an as-needed basis.

Staff will also procure, assemble, and organize additional, expanded datasets that characterize important areas *outside* the COTP ROW where wildfire risk reduction projects may be beneficial over the long-term. Staff routinely coordinates with WAPA to receive aerial imagery adjacent to and outside of the COTP ROW that includes Light Detection and Ranging (LiDAR) data, orthophotography, oblique photography and high-definition video that has been funded by COTP and completed under contract by WAPA. LMS dataset upgrades may also include the acquisition of electronic parcel records that also cover these “off-ROW” areas.

Palm Tract Compliance and Operations

\$65,000

Staff will focus on fulfilment of several other compliance and contractual obligations associated with fee ownership of Palm Tract “B.” Staff acts as ownership representative and conducts the following tasks under this budget category:

- Completing annual Statements of Diversion and Use required by the State Water Resources Control Board to maintain and reinforce the strength of TANC’s water rights for the seven siphons used to irrigate Palm Tract B crops and maintain waterfowl habitat ponds and wetlands.
- Cooperating with the tenant farmer regarding annual compliance obligations with the Central Valley Regional Water Quality Control Board’s Irrigated Lands Regulatory Program. The 2025 reporting obligations include an Irrigation Nitrogen Management Plan Summary Report of 2024 nitrogen applications, and an Irrigation Nitrogen Management Plan for 2025 nitrogen applications.
- Coordinating with the tenant farmer regarding compliance with the terms and conditions of the 1993 Farming Lease. The tenant farmer provides annual reports regarding the crop plan for the parcel, residual crops, and copies of pesticide use reports.
- Representing COTP on the Board of Trustees (Board) for Reclamation District 2024 (RD 2024). Trustee duties include direct coordination with the Secretary-Counsel for RD 2024, attending two Board meetings per year, reviewing and signing monthly payment warrants issued to district contractors and vendors, reviewing notices of violation and enforcement-related communications to other district landowners and managers, and executing several annual state levee agreements.

- Communicating and coordinating directly with several teams of Pacific Gas and Electric (PG&E) lands, environmental, and engineering staff conducting multiple annual maintenance and improvement projects for the three gas lines and two gas valve lot stations located on Palm Tract B.
- Monitoring the activities of several Sacramento-San Joaquin Delta regulatory and land use planning and project development activities being pursued by the Delta Watermaster (Senate Bill 88 water measurement and reporting), Delta Protection Commission, Delta Stewardship Council, Delta Conservancy, and California Department of Water Resources.

Land Permits and Easements

\$185,000

Provides for the external costs of the rental payments, power line fees, renewal of permits, settling of minor disputes and claims, and maintenance of the ROW (e.g., removing items dumped by unknown third parties on the easement area). In addition, this subcategory provides for maintenance costs associated with the access road upkeep on both the northern and southern segments of the Project. In cases where the Project owns an easement on timberlands, additional conditions included in the easement require the Project Manager to contact landowners before removing trees.

Palm Tract-related assessment payments to RD 2024, within which the Project is a landowner, are processed according to the schedule set forth by RD 2024. The schedule is currently set on an annual basis. Direct costs associated with managing the WHMP and RD 2024, such as providing mosquito control and purchasing plant seed, are included. There is an annual payment to RD 2024 associated with the purchase of the Option from the previous Option holder on the Palm Tract "B" and an annual payment to CDFG for costs associated with administering the conservation easement. In accordance with the WHMP, purchase orders will be required for payment on the following items: mosquito fish for the brood ponds and seasonal wetlands, annual barley, vetch sago pond weed, water-grass smartweed, and swamp timothy seed. Purchase orders will also be required for major maintenance requirements associated with both the agricultural lease and waterfowl habitat structures.

USFS Fire Response/Fuels Management/Lease

\$920,000

A fuels management and fire protection plan are required for the Project to obtain the initial ROW for the COTP. Its objective is to: 1) maintain transmission system reliability by sufficiently reducing fuel loads between the Intertie lines and the COTP to eliminate the potential for a forest fire that could result in the simultaneous outage of all three lines; and 2) ensure prompt and correct action in the event of a forest fire. Fuels management and fire response activities are currently performed cooperatively by the Modoc and Shasta-Trinity National Forests under the Eleventh Collection Agreement, including staffing and funding for the Long Bell Fire Station and two engines, thinning of timber and brush, conducting controlled burns for wildfire hazard reduction, and other supporting activities. Funding is

also provided in this budget category for the Shasta-Trinity National Forest to perform necessary timber cruising and marking for COTP vegetation management approvals, and annual road maintenance services on National Forest system lands under the Twelfth Collection Agreement.

This budget category may also be used for expanded fuels treatments, access road maintenance and repair activities, and other projects directed towards reducing existing wildfire risks and risk drivers on lands managed by the USFS. This may include expansion of existing collection agreements or the development of a new collection agreement that takes advantage of several ongoing federal efforts to streamline forest and fuels management projects.

Communication System

\$550,000

Communication System Management

\$100,000

Activities performed under the communication site budget ensure that the terms and conditions specified in all site-related agreements and permits are met. Staff coordinates with lease holder, landowners, regulatory agencies and WAPA to ensure there is consistent access to the communication sites and acts as liaison between regulatory agencies and landowners and operations personnel when necessary. On-site inspections are performed as needed.

Site Lease Management. The Project has 12 active communication sites. Landowners at the communication sites vary from the federal government (United States Forest Service (USFS) and Bureau of Land Management (BLM)) to businesses and individual private landowners. Many of the communication sites had leases executed in the early 1990s. All 12 of TANCs communication sites are needed for COTP operations for the foreseeable future. Over the past few years, staff worked with legal counsel to negotiate either an extension of the existing lease agreement that was set to expire or to develop a new long-term lease agreement for the active communication sites. As part of the process, updates to the terms of the original agreements were also considered in coordination with the needs of WAPA. Staff continues to manage the terms of the new leasing arrangements at each communication site.

All permits, leases, and other communication site-related agreements are tracked to assure agreement stipulations, payment deadlines, and renewal terms are met. Payment schedules are also maintained and payments for both accounts payable and receivable are processed as needed.

Sublease Process. Third party subleasing of excess capacity has been authorized at certain communication site facilities. There are currently three sublease agreements with third-party users at two communication sites. These sublease agreements have all gone through multiple

revisions and amendments since they were originally granted. Staff is responsible for monitoring and coordinating with operations personnel, engineers, landowners, site operators, and outside parties at these sites. Staff is also responsible for managing the active sublease agreements. When approached by a prospective sub-lessee, staff reviews the terms of the master lease agreement and the information and equipment specifications provided by the prospective sub-lessee to determine: 1) if the proposed sublease is feasible; 2) if there is space in the shelter for equipment; 3) if tower space and tower loading is adequate to accommodate new equipment; and 4) whether or not a tower loading or structural evaluation will be required. In most cases, it is necessary to consult with WAPA operations engineers and possibly conduct an on-site review to ensure that the proposed use is compatible with other existing users, landowners, and regulatory agencies (where applicable).

Rents and other costs, which may include access road use and maintenance fees, and power use and power line maintenance fees, are calculated and included in a draft lease agreement, which is prepared in coordination with legal review. A minimal administrative fee is also included to offset a portion of the Staff and legal costs to review and process each request. The draft lease agreement is shared with the prospective sub-lessee and after any comments or questions are addressed, the draft lease is presented to the COTP Engineering and Operations (E&O) Committee for review and recommendation. If the COTP E&O Committee recommends approval of the draft lease agreement, it is then presented to both the TANC Commission and the COTP Management Committee for consideration.

After installation activities begin, it may also be necessary to coordinate and inspect installation sites, including access roads, tower, and shelter space occupied, to assure the protection of COTP facilities.

In addition, existing sub-lessees occasionally request to make changes to their equipment, including adding equipment and/or reconfiguring existing equipment or requesting to extend the lease term. These requests usually require an amendment to the sub-lessee's agreement, which is prepared by staff in coordination with legal counsel. Any revised or amended lease agreement will be presented to the COTP E&O Committee for review and recommendation. If the COTP E&O Committee recommends approval of the draft lease agreement, it is then presented to both the TANC Commission and the COTP Management Committee for consideration.

Other changes to existing agreements, including term extensions are handled in a similar manner. A minimal administrative fee is also included to offset a portion of the Staff and legal counsel costs to review and process each request.

In FY 2026, it is estimated that approximately \$87,000 will be received from existing third-party subleases. These revenues are routinely retained in a COTP Reserve Account

Repeater Site/Fiber Lease Payments

\$450,000

The COTP's communication system 12 active sites require payments for land use (rent) and access road easements, utilities, and other fees typically paid on an annual or other periodic basis. Most lease agreements require either an annual Consumer Price Index adjustment or a fixed percentage adjustment to the rent payment at regular intervals. Payments are made in accordance with the terms and due dates stipulated in the lease agreements and are processed, tracked, and transmitted by Staff. This budget item reflects that the rent associated with the long-term lease agreements that have been negotiated in the last few years have been higher than the rents in the previous long-term lease agreements.

Legal

\$80,000

Project Counsel will be directed to provide an opinion and legal review of sensitive landowner issues, Project mitigation requirements, sublease documents, and other environmental and land related category when necessary. Project Counsel will work closely with Project representatives to develop third-party subleases, road-use agreements, and the negotiation of new long-term leases for the remaining communication sites. In addition, Project Counsel will provide legal opinion on any changes required to the WHMP and any other policy-related issues associated with the Project's environmental mitigation requirements.

Access Road Improvement

\$185,000

Access Road Administration

\$65,000

Staff time will be directed towards addressing access road maintenance priorities identified in cooperation with WAPA and the USFS. This budget category augments and complements the WAPA access road budget requested in Section 3. The TANC-Western Operations and Maintenance Agreement (TWOMA) and Project Operations and Maintenance Agreement (POMA) clearly differentiate access road maintenance responsibilities. WAPA is primarily responsible for maintaining access roads to the COTP ROW in cooperation with landowners and land management agencies, and TANC is primarily responsible for maintaining access roads to communications sites in cooperation with site tenants. However, in addition to this allocation of responsibilities, TANC and WAPA staff have agreed that cooperation in the planning, budgeting, and implementation of large, substantial, and/or unexpected road repair and rehabilitation projects benefits from additional COTP staff contributions, including some procurement-related advantages. Staff will therefore use this budget category for the following tasks:

- Contracting with qualified engineering and/or construction firms for:
 - » Inspecting communication site access roads and developing and implementing maintenance and improvement work plans. These are required by ongoing requirements for spring, fall and post-storm inspections of certain communication site access roads established in the Project's 1994 Storm Water Management Summary for Microwave Communications Facilities.
 - » Responding to urgent, unanticipated road repair procurements and mobilizations needed as a result of torrential storms and excessive erosion and road damage; and
 - » Commenting on engineering plans, specifications, and related agency regulatory communications.
- Ensuring that the COTP's interests are represented with respect to federal and state environmental, lands, water quality, and related permitting requirements associated with road repair and improvement projects, including stormwater planning.
- Representing COTP at on-site field meetings to discuss compliance with Central Valley Regional Water Quality Control Board requirements.

Actual contracted road repairs are funded through the Access Road Improvements (non-labor) budget category (below).

Access Road Construction

\$120,000

Items include contract labor, equipment, and materials for access road repairs as needed to communication sites access roads, and for expanded COTP ROW access road surface improvements that materially benefit wildfire vehicle and equipment response times. These improvements may include the application of geotextile fabric and rock to slick, unstable and unsafe road segments, increased miles of roadside mastication, and other work recommended by the USFS for reducing wildfire risks associated with response times in remote areas of the COTP.

These costs include payments for contract civil engineering support, equipment and operators, materials (i.e. geotextile fabric and rock), and related access road work falling outside of those access road maintenance and repair elements being actively procured by WAPA.

SECTION 5

COMPLIANCE

COMPLIANCE

\$919,447

A) NERC/WECC

\$744,447

WAPA

\$529,447

North American Electric Reliability Corporation (NERC) and Western Electricity Coordinating Council (WECC) have mandated enforceable Reliability Standards for all users, owners, and operators of the bulk-power system to implement.

Under Agreement 15-SNR-01965 between Transmission Agency of Northern California (TANC) as project manager for the Project and Western Area Power Administration (WAPA), WAPA provides comprehensive evidence of compliance for each delegated standard, on at least an annual basis, or when it is requested by TANC. Among other things, the delegation agreement addresses the coordination of compliance activities between TANC and WAPA as it relates to TANC's registration as a Transmission Owner (TO). The FY 2026 budget includes activities associated with critical infrastructure protection cybersecurity standards (CIP Version 5)/Federal Information Security Management Act.

The Operations section of this budget includes activities related to PRC-026 and TPL-007. PRC-026 requires development of dynamic relay models for transient analysis and subsequent verification testing for components relative to the COTP additional verification study work is performed in response to neighboring entities assessment results upon notification. TPL-007 requires annual coordination with WECC, Transmission Planners, Transmission owners, and generation owners in the WASN PC area. Additionally, geomagnetic disturbance (GMD) related data is analyzed throughout the year in response to GM events and data is prepared for the NERC section 1600 data requests.

Reliability Standards Support

\$215,000

TANC is registered with NERC for the functions of TO, TSP and TP. Based upon its functional registrations, TANC must comply with the reliability standards and requirements that are nominally applicable to the TO, TSP, and TP functional registrations. Under Delegation Agreement (15-SNR-11965), which is generally updated annually, TANC delegates certain TO, TSP and TP Operations and Planning (O&P) reliability standards, to WAPA. TANC maintains the compliance obligations for all applicable O&P reliability standards. For applicable CIP standards, there is an existing Coordinated Functional Registration (Contract 05-SNR-00869) in place between TANC and WAPA whereby WAPA assumes the compliance obligations and responsibilities of all CIP standards that are currently applicable or in the future become applicable to TANC. The list of CIP standards applicable to the Coordinated Functional Registration (Contract 05-SNR-00869) is generally updated annually.

In accordance with the Delegation Agreement between TANC and WAPA, TANC at least annually, requests and reviews all Reliability Standard Audit Worksheets (RSAWs) or equivalent working papers and associated compliance evidence provided by WAPA to ensure that it satisfies the reliability standards requirements for the currently delegated O&P standards.

TANC then uses the RSAWs, or equivalent working papers and associated compliance evidence received to complete internal compliance reviews for all applicable O&P standards and requirements. These reviews include the preparation of necessary TANC specific RSAWs or equivalent working papers which may be required for applicable WECC audits, WECC required self-certifications or annual internal compliance reviews that are conducted in accordance with the most current version of TANCs Internal Compliance Program. In addition, TANC maintains ongoing coordination with WAPA on currently effective standards and ongoing coordination on potential compliance support arrangements for proposed new and revised reliability standards so those arrangements, if they are needed, are in effect before the standards become subject to mandatory enforcement. The need for further coordination between TANC and WAPA may also arise from NERC's issuance of formal industry alerts, its requests for data or information, or from other NERC/WECC driven initiatives.

TANC is currently on a six-year audit cycle with WECC. TANC's last audit with WECC for certain O&P standards was in April 2024. TANC successfully completed the April 2024 WECC audit with no identified audit findings. WECC did recommend that TANC continue to document processes and procedures for compliance with specific reliability standards. TANC continues to work on drafting process and procedure documents for individual reliability standards.

B) Wildfire

\$175,000

Activities will include support of continued wildfire compliance activities. The Project participated in the completion of the 2020 through 2022 updates, the 2023 comprehensive revision of TANC-COTP Wildfire Mitigation Plan (TANC-COTP WMP) and an updated 2024 revision. The TANC-COTP WMP requires implementation of several wildfire mitigation, prevention, and response strategies (Wildfire Strategies) as ongoing compliance with Senate Bill 901 (STATUTES 2018; CH. 626: SB 901), which required the preparation of the WMP.

Wildfire compliance will also include meeting the statutory requirements mandated through the passage of Assembly Bill (AB) 1054 (STATUTES 2019; CH. 79: AB 1054) and AB 111 (STATUTES 2019; CH. 81: AB 111). The 2019 passage of AB 1054 required that POUs annually submit their WMPs to the California Wildfire Safety Advisory Board, which was created under AB 111.

This budget category will therefore be used for several support tasks, including but not limited to:

- Implementing Wildfire Strategies as appropriate in collaboration with WAPA.
- Creating and maintaining the COTP record for tracking the implementation of wildfire prevention, mitigation, and response strategies required in the TANC-COTP WMP. Those Wildfire Strategies include enhanced maintenance and vegetation management inspections, acquisition of aerial photography and imagery to augment such inspections, expanded collaboration with federal, state, and local agencies, and the integration of current state-of-the art technology and situational awareness tools.
- Submittal of the TANC-COTP WMP to the California Wildfire Safety Advisory Board.
- Assisting in the drafting and development of internal wildfire documents and procedures that support related compliance and communications between TANC, the COTP, WAPA and their contractors.
- Participating in relevant California Municipal Utilities Association wildfire working groups, conference calls, and other forums.
- Tracking State wildfire-related legislation as it introduces new wildfire-related compliance requirements.
- Researching and reporting on ongoing wildfire compliance trends, methods, and best practices being developed and implemented by California utilities and advising TANC and COTP management regarding those most likely to become industry standards applicable to publicly owned utilities.
- Updating the TANC-COTP WMP.
- Assisting as needed in preparing documents, memoranda, and supporting materials to inform COTP Management Committee and TANC Commission deliberations and approvals.

In addition, work activities will support the continued expansion of longstanding COTP wildfire risk reduction activities that have been directed historically at reducing wildfire risks to the COTP right of way (ROW), communication sites, and other assets, as described below.

- Evaluating Communication Sites for their Surrounding “Defensible Space” Regarding Wildfire Hazards. This is particularly important where dense timber and hardwood growth, along with limited ingress and egress roads pose potential wildfire and safety hazards.
- Investigating Fuel Loading Conditions along the COTP ROW for Wildfire Ignition Risks. Direct field visual assessments may include other potential wildfire risks near the COTP ROW such as the identification of debris and burn piles, abandoned

- buildings and wood waste piles, decaying oil drums and chemical waste areas, and other potential fire hazards posing a risk to the Project.
- Characterizing the Existing Fire Response Infrastructure Serving the Areas Crossed by the COTP. This infrastructure will include but not be limited to fire lookout stations and the extent of their visual coverages, fire stations, wildfire air command centers, and support resources, including water tanks and related firefighting resources. Staff will use the most recent information for this effort in coordination with other wildfire-related agencies.
 - Evaluating the Feasibility of Entering into Agreements with State and Regional Entities that can Offer Cost-Effective Fuels Treatments and/or Fire Response Services. These agreements may include but not be limited to annual ongoing funding for fuels reductions on private lands near the COTP ROW, removing fire hazards adjacent to the COTP ROW, or other tasks where local interests can assist in reducing land use-related wildfire risks.
 - Pursuing Grant Funding for Fuels Reduction and Wildfire Risk Reduction Activities that may benefit the COTP. The Project has historically supported grant funding applications by the USFS and may have opportunities to independently pursue such funding depending on the eligibility requirements of the funding opportunity.

SECTION 6

SECURITY/SAFETY

SECURITY/SAFETY

\$536,209

Substation Security

\$ 520,419

The Tracy corridor is a crowded area with numerous transmission lines and includes the California aqueducts, and energy production. Tracy is a shared use facility and local law enforcement response time is considerable. Based on this and sensitive physical security assessment criteria, an enhanced security presence is necessary to fully protect the Tracy Substation; therefore, an on-site armed 24-hour guard is stationed.

Additionally, two 24-hour guards provide real time surveillance from Western Area Power Administration's (WAPA) CAMSOC Centralized Alarm Monitoring Security Operations Center. They provide monitoring of the security cameras at Olinda, Tracy, and Maxwell Substations. The guards report any alarms received to operations staff and relay information to emergency responders when needed.

The FY 2026 budget includes \$520,419 for the security contract and security specialist labor. FY 2026 security contract budget includes anticipated alarm monitoring requirements. WAPA is currently developing the timing of the necessary contract actions, which could result in variable execution (e.g., awarding more than 12 months of service in one budget year). WAPA proposes managing that variability through the use of prior year funds similar to the FY 2022 approach. WAPA will continue to update the E&O as the procurement timeline becomes firmer.

Safety Support

\$15,790

Safety specialists support maintenance workers' activities on the transmission line and at the substations. Specialists review work plans for compliance with Occupational Safety and Health Administration standards and other federal regulations such as National Fire Protection Association 101 (Life Safety Code) to insure employees are provided a safe workplace. Activities include facility inspections, ground patrols, and site visits. FY 2026 communication site facility inspections include Big Valley Microwave Site, Olinda Microwave Site, Sites Microwave Site, Tracy Microwave Site, and Olinda Substations.

SECTION 7

PROJECT SUPPORT

PROJECT SUPPORT **\$5,756,000**

A. INSURANCE PREMIUMS/BROKER FEES **\$4,560,000**

This budget category will fund the annual premiums of the Project's Insurance Program for the period of March 31, 2026, through March 31, 2027.

Recent events related to wildfires will have an effect on the placement of the Program in March 2026 time period related to premium costs as well as possible coverage definitions.

B. PROJECT MANAGEMENT **\$691,000**

Project Direction **\$430,000**

Project Direction activities pertain to the day-to-day functional tasks, procedures, and policies necessary for the overall management of the Project, including performing general administrative duties, budgeting, preparation of monthly Operations and Maintenance Progress Reports, and the preparation of annual budgets and work plans. Additional Project Direction activities include the coordination with the Project's Treasurer/Controller (T/C), Project Counsel and WAPA.

Project Direction activities also consist of the following general management responsibilities:

1. Conducting research, performing analyses, and gathering and preparing materials to support efforts by the Project's T/C, Project Counsel, and other parties performing the O&M work on the COTP.
2. Responding to inquiries/requests for information related to the COTP from Project Participants.
3. Evaluating alternate courses of action and preparing recommendations for action related to change orders, budget augmentations, material and services procurement, vendor qualification, organizational structure, staffing, facilities, equipment costs analysis, productivity, policy and procedure modifications, and updates concerning O&M work on the Project.
4. Coordinating with the T/C for preparation and distribution of monthly cash calls to Participants based on the Fiscal Year approved budget.
5. Preparing and retaining maintenance records, including ongoing documentation control, data acquisition, and retrieval systems.¹
6. Updating and Maintaining the COTP Transmission Information Management System with LIDAR data, parcel data, and facilities and infrastructure information.

¹ Documentation and materials related to the COTP are prepared and disseminated pursuant to policies and procedures adopted by the COTP Management Committee.

In addition, the COTP has a wide variety of work tasks under contract, and issues payments to contractors under various agreements to perform O&M work on the COTP. Payments reviewed and processed for contracted work include those for the T/C, Project Counsel, WAPA, and lease payments. Invoices received for work performed are reviewed, validated, and prepared for approval. The Project utilizes vendors for various items and tasks as deemed necessary, and records/maintains all material related to vendors and contractors, as contracts are opened, closed, and renewed on an as needed basis. Lastly, Staff reviews FERC related matters that concerns the project and its continued operation.

Treasurer/Controller**\$76,000**

SMUD performs T/C functions for the Project. The T/C directly charges the Project for representative labor hours associated with T/C services. The T/C maintains accounting and accounts payable systems and procedures and supports the preparation and distribution of monthly cash calls to Project Participants for O&M work, as well as any future capital improvements. The T/C also receives funds generated from cash calls and rent from microwave communication site subleases and administers all payments for Project contracts and Project landowners. Additionally, the T/C supports the development and maintenance of financial information for the Project and maintains a cost accounting system consistent with guidelines set forth by the COTP Management Committee.

Committee Support**\$185,000**

The COTP is operated under a committee structure. The primary committee that oversees the commercial operation of the Project is the COTP Management Committee, comprised of a selected representative from each of the Project Participants. The COTP Management Committee generally meets quarterly (more frequently when necessary) to receive updates on the status of the Project and to provide direction on issues related to the operation of the COTP. In addition to the COTP Management Committee, the Project supports the COTP Engineering and Operations (E&O) Committee that meets jointly with representatives from the Participants to oversee the direct operation and maintenance activities on the Project. Finally, the Joint COTP/TANC insurance task force reviews and renews the annual placement of the insurance program. This is done in conjunction with the COTP insurance broker.

To support the existing Committees, the Project representative assembles, compiles, and prepares information necessary for the commercial day-to-day operation of the Project. This support also includes preparing draft agendas for Committee meetings and providing a summary or detailed background discussion of items concerning the commercial operation of the COTP. Furthermore, each Committee is supported by an ex-officio member and secretary to whom the Project representative provides information to facilitate discussions and coordination.

C. COTP SYSTEM STUDIES**\$505,000**

COTP staff will provide engineering and related technical support associated with the transfer capability of the COTP and the successful operation and use of the COTP by Project Participants. Areas of activity related to COTP system studies are California Independent System Operator (CAISO) Regional Planning Studies (\$275,000), and Western Electric Coordinating Council (WECC) / California-Oregon Intertie (COI) Protection Operating Studies (\$235,000).

Activities under CAISO Regional Planning Studies will include participation in stakeholder activities related to the CAISO's annual Transmission Planning Process (TPP) to identify potential impacts on the COI which may adversely impact COTP Project Participant interest in the COTP. This review will include operating and planning studies performed by the CAISO that have the potential to limit imports over the COI. Hence, COTP staff will participate in such CASIO studies that could limit COTP transfer capability. Also, under Regional Planning Studies, COTP staff will review documents related to generating projects in the CAISO queue that could impact the COTP and participate in any review groups associated with such projects. To the extent projects are identified that potentially could impact COTP operations, COTP staff will declare the COTP to be an Affected System, in which work associated with this analysis will be charged separately to the developer and not to COTP participants in this Budget.

The activities under WECC / COI Protection Operating Studies will focus on the seasonal operating studies performed by the Operating Studies Subcommittee (OSS) and related activities at WECC that could impact the transfer capability of the COTP (such as changes in available Remedial Action Schemes, the addition of new rated paths, or the potential rerates of existing paths). Work herein will also focus on proposed interconnection requests that could impact the COTP and COI, and other study activities as they relate to transfer capability into or through northern California, that is currently not funded by developers.

SECTION 8

CAPITAL IMPROVEMENTS

CAPITAL TOTAL

\$1,582,146

Transmission Information Subject to FERC Standards of Conduct

Breaker and MOD/Ground Switch Replacements

\$451,555

WAPA developed a multi-year replacement strategy for lifecycle replacement of substation breakers starting with the FX-32 breakers. There are seven (7) FX-32 breakers for replacement: two (2) at Olinda, and five (5) at Tracy. In addition to the breakers, WAPA has included replacement of associated Tracy shunt capacitor bank Motor Operated Disconnects (MODs) and ground switches. This effort also includes the Shunt Reactor Relay Replacement at Tracy.

The FX-32 replacement breakers at TCY 3592, ODA 4492, and ODA 5492 for the shunt reactor breakers at Tracy and Olinda substations have been installed and commissioned along with the associated protective relays.

Replacement of breakers at TCY 1292 and 1392 as well as associated ground switches and motor operated disconnect switches is in progress and scheduled for completion by the beginning of April 2025.

During the installation of TCY CB's 1292 and 1392 one of the bushings was found to have extensive rodent damage. The bushing can be repaired for use, but due to the extensive damage we have chosen to repair the sheds and use the bushing temporarily on the 2292 or 2392 breaker till the replacement bushing arrives. WAPA is working with Siemens to replace this bushing, but it has a lead time of approximately 50-weeks. The cost for this bushing replacement is estimated to be \$150,000 (at this time), which can be absorbed with current project funds.

Detailed design, including construction specifications and drawings for installation of TCY CB's 2292 and 2392, MODs 2291 and 2391, and Ground Switches 2290 and 2390 was completed August 2024. SNR is adding in specification language and revising drawings from lessons learned on TCY 1292 and 1392. SNR estimates award of the construction contract by June 2025. Construction will commence at Tracy in October 2025 and be completed by the end of March 2026.

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
TCY 3592, ODA 4492 & ODA 5492 FX-32 Breaker Replacement and TCY Shunt Reactor Relay Replacement	Design/Specification Development					
		Procurement				
			Construction			
TCY 1292 & 1392 FX-32 Breaker Replacements and associated MODs and Ground Switches		Design/Specification Development				
				Procurement		
					Construction	
TCY 2292 & 2392 FX-32 Breaker Replacements and associated MODs and Ground Switches			Design/Specification Development			
					Procurement	
						Construction

D20 to RTAC SCADA/CAT RTU Upgrade**\$544,044**

The SCADA and Control Area RTU fleet is based on legacy GE D20 products that are approaching 30 years of age. The GE D20 RTU's are at manufacture end of life and becoming more difficult to maintain and support. WAPA is seeking to convert all its facilities to the WAPA Digital Control System (DCS) Design Standard which utilizes the SEL RTAC family of products for digital communication between the substation IEDs and SCADA. Where it is not feasible to deploy a comprehensive DCS upgrade, SNR is proposing to replace the D20 architecture with a SEL 2241 Axion and accompanying I/O modules to accommodate all the substation I/O. This SEL Axion solution will provide the framework for the WAPA DCS standard and can be transitioned to the full DCS standard as substation IEDs are replaced. Design will begin in FY 2025, followed by equipment procurement in FY 2026, and installations in FY 2027, FY 2028, and FY 2029. Equipment will be replaced at Olinda, Tracy, Maxwell, and the Captain Jack communication site.

The table below reflects the amounts budgeted.

Description	FY 2026	FY 2027	FY 2028	FY 2029
D20 to RTAC SCADA/CAT RTU	\$544,044	\$299,718	\$361,355	\$357,471

Series Capacitor Bank System Replacement**\$586,547**

The COTP Series Capacitor Bank equipment is approaching 30 years of service. A reactive study was commissioned to evaluate the current condition of the reactive devices and to make recommendations. The study concluded that the equipment was approaching end of life, with impacts from multi-unit failures expected if replacement were to be delayed. In FY 2021, WAPA completed a System Impact Study (SIS) and began scoping and project planning for the Series Capacitor Bank System Replacements. The current approach for replacement of the series capacitors at Maxwell, Tracy, Olinda South, and Olinda North is to use a Design-Build contract. The Design-Build specification is complete. The procurement utilizes a 2-phase approach. Phase 1 is qualifying bidders and Phase 2 is award to the Design-Build team that has the best approach and best price. Phase 1 is in process with completion scheduled for December 2025. Phase 2 will begin shortly after Phase 1 is completed with an award planned for November 2026. The Design-Build approach will include design, followed by material procurement/fabrication and construction with a prime, turnkey contractor to be sequenced in subsequent years for each facility. The Series Capacitor Bank at Maxwell will be replaced first, followed by Tracy, Olinda South and Olinda North. The schedule below is assumed but utilizing a Design-Build approach we anticipate that the Design/Fabrication phase will be able to be moved up 1 year for each subsequent facility resulting in a 2–3-year reduction in the overall schedule.

Facility	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Maxwell	EPC Procurement (All 4 locations)	Design/ Fabrication Award Inspector	Construction/ Commissioning						
Tracy				Design/ Fabrication Award Inspector	Construction/ Commissioning				
Olinda S						Design/ Fabrication Award Inspector	Construction/ Commissioning		
Olinda N								Design/ Fabrication Award Inspector	Construction/ Commissioning

Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Series Capacitor Bank	\$586,547	\$744,823	\$602,272	\$816,131	\$687,154

TABLE 1-1

Fiscal Year 2026 COTP Operation & Maintenance Budget

Summary	Fiscal Year		POMA	Allocation	Blended
	2025	2026		TWOMA/BA	
Operation					
Operating Agent	1,169,113	1,953,570	-	-	1,953,570
Sub-Balancing Authority	923,511	982,460	-	982,460	-
Balancing Authority	<u>2,834,400</u>	<u>2,834,400</u>	<u>-</u>	<u>2,834,400</u>	<u>-</u>
SUBTOTAL	4,927,024	5,770,430	-	3,816,860	1,953,570
Maintenance					
Transmission Line	4,358,696	3,375,801	900,378	2,475,423	-
Substation	1,974,120	3,557,077	3,557,077	-	-
Communication System	758,891	741,663	-	741,663	-
Vegetation Management	<u>1,423,681</u>	<u>1,538,064</u>	<u>384,961</u>	<u>713,103</u>	<u>440,000</u>
SUBTOTAL	8,515,388	9,212,605	4,842,416	3,930,189	440,000
Natural Resources					
Environmental	638,417	670,615	367,600	218,015	85,000
Land	<u>2,214,061</u>	<u>2,400,627</u>	<u>237,022</u>	<u>28,605</u>	<u>2,135,000</u>
SUBTOTAL	2,852,478	3,071,242	604,622	246,620	2,220,000
Compliance					
NERC/WECC	695,631	744,447	-	-	744,447
Wildfire Compliance	<u>160,000</u>	<u>175,000</u>	<u>-</u>	<u>-</u>	<u>175,000</u>
SUBTOTAL	855,631	919,447	-	-	919,447
Security/Safety					
Substation Security	464,643	520,419	520,419	-	-
Safety	<u>14,604</u>	<u>15,790</u>	<u>4,690</u>	<u>11,100</u>	<u>-</u>
SUBTOTAL	479,247	536,209	525,109	11,100	-
Project Support					
Insurance	4,052,000	4,560,000	-	-	4,560,000
Project Management	667,000	691,000	-	-	691,000
System Studies	<u>480,000</u>	<u>505,000</u>	<u>-</u>	<u>-</u>	<u>505,000</u>
SUBTOTAL	5,199,000	5,756,000	-	-	5,756,000
Total Operation and Maintenance	22,828,767	25,265,933	5,972,147	8,004,769	11,289,017
Capital Improvements	125,984,780	1,582,146	1,582,146	-	-
Total	148,813,547	26,848,079	7,554,293	8,004,769	11,289,017

TABLE 1-2

Fiscal Year 2026 COTP Operation & Maintenance Budget

Operation	Fiscal Year		POMA	Allocation	Blended
	2025	2026		TWOMA/BA	
(A) Operating Agent					
Supervision/Dispatch	908,955	1,074,920	-	-	1,074,920
Computer System Maintenance	31,825	602,520	-	-	602,520
Operation Studies	183,553	229,830	-	-	229,830
Administration/Financial Tracking	44,780	46,300	-	-	46,300
SUBTOTAL	1,169,113	1,953,570	-	-	1,953,570
(B) Sub-Balancing Authority					
Supervision/Dispatch	320,733	356,500	-	356,500	-
Settlements	148,034	170,000	-	170,000	-
Automatic Generation Control	340,268	341,660	-	341,660	-
Network/Computer Infrastructure Support	12,382	5,000	-	5,000	-
Planning Coordinator	99,373	104,400	-	104,400	-
Maintenance of Control Equipment	2,721	4,900	-	4,900	-
SUBTOTAL	923,511	982,460	-	982,460	-
(C) Balancing Authority					
Power System Operations	1,624,800	1,624,800	-	1,624,800	-
Settlements Personnel	300,000	300,000	-	300,000	-
Outage Coordinator	406,800	406,800	-	406,800	-
Operations Engineer	345,600	345,600	-	345,600	-
Reliability/Administration Workload	157,200	157,200	-	157,200	-
SUBTOTAL	2,834,400	2,834,400	-	2,834,400	-
TOTAL	4,927,024	5,770,430	-	3,816,860	1,953,570

TABLE 1-3

Fiscal Year 2026 COTP Operation & Maintenance Budget

Maintenance	Fiscal Year		POMA	Allocation	Blended
	2025	2026		TWOMA/BA	
(A) Transmission Line					
CVP Upgrade	2,292,176	900,378	900,378	-	-
Northern Segment	2,054,164	2,458,165	-	2,458,165	-
Tesla By-Pass	12,356	17,258	-	17,258	-
SUBTOTAL	4,358,696	3,375,801	900,378	2,475,423	-
(B) Substation					
Olinda	578,748	1,133,815	1,133,815	-	-
Tracy	1,215,138	2,179,128	2,179,128	-	-
Maxwell	180,234	244,134	244,134	-	-
SUBTOTAL	1,974,120	3,557,077	3,557,077	-	-
(C) Communication	758,891	741,663	-	741,663	-
(D) Fuels and Vegetation Management					
Transmission Line ROW	983,681	1,098,064	384,961	713,103	-
Management/Forester/Mitigation	440,000	440,000	-	-	440,000
SUBTOTAL	1,423,681	1,538,064	384,961	713,103	440,000
TOTAL	8,515,388	9,212,605	4,842,416	3,930,189	440,000

TABLE 1-4

Fiscal Year 2026 COTP Operation & Maintenance Budget

Natural Resources	Fiscal Year		POMA	Allocation	Blended
	2025	2026		TWOMA/BA	
(A) Environmental					
Facility Work	558,417	585,615	367,600	218,015	-
Environmental Services	80,000	85,000	-	-	85,000
SUBTOTAL	638,417	670,615	367,600	218,015	85,000
(B) Land					
Land Management	264,061	265,627	237,022	28,605	-
Permit Administration	400,000	400,000	-	-	400,000
USFS Easement/Fire Protection	890,000	920,000	-	-	920,000
Communication System Management	400,000	550,000	-	-	550,000
Legal	80,000	80,000	-	-	80,000
Access Road Improvements	180,000	185,000	-	-	185,000
SUBTOTAL	2,214,061	2,400,627	237,022	28,605	2,135,000
TOTAL	2,852,478	3,071,242	604,622	246,620	2,220,000

TABLE 1-5

Fiscal Year 2026 COTP Operation & Maintenance Budget

Compliance	Fiscal Year		POMA	Allocation	
	2025	2026		TWOMA/BA	Blended
(A) NERC/WECC					
Management	4,190	5,000	-	-	5,000
Operation	42,898	65,775	-	-	65,775
Maintenance	395,119	411,430	-	-	411,430
Environmental	35,512	38,189	-	-	38,189
Security	2,912	9,053	-	-	9,053
Reliability Standard Support	215,000	215,000	-	-	215,000
SUBTOTAL	695,631	744,447	-	-	744,447
(B) Wildfire					
	160,000	175,000	-	-	175,000
TOTAL	855,631	919,447	-	-	919,447

TABLE 1-6

Fiscal Year 2026 COTP Operation & Maintenance Budget

	Safety/Security	Fiscal Year		POMA	Allocation	
		2025	2026		TWOMA/BA	Blended
Substation Security		464,643	520,419	520,419	-	-
Safety		<u>14,604</u>	<u>15,790</u>	<u>4,690</u>	<u>11,100</u>	<u>-</u>
	TOTAL	479,247	536,209	525,109	11,100	-

TABLE 1-7

Fiscal Year 2026 COTP Operation & Maintenance Budget

	Fiscal Year		POMA	Allocation		Blended
	2025	2026		TWOMA/BA		
Project Support						
(A) Insurance	4,052,000	4,560,000	-	-		4,560,000
(B) Project Management						
Project Direction	410,000	430,000	-	-		430,000
Treasurer/Controller	72,000	76,000	-	-		76,000
Committee Support	185,000	185,000	-	-		185,000
SUBTOTAL	667,000	691,000	-	-		691,000
(C) System Studies						
WECC Studies/COI Protection	235,000	235,000	-	-		235,000
ISO/Regional Planning Studies	245,000	270,000	-	-		270,000
SUBTOTAL	480,000	505,000	-	-		505,000
TOTAL	5,199,000	5,756,000	-	-		5,756,000

TABLE 1-8

Fiscal Year 2026 COTP Operation & Maintenance Budget

Capital Improvements	Fiscal Year		POMA	Allocation	Blended
	2025	2026		TWOMA/BA	
Breaker/MOD Ground Switch		451,555	451,555	-	-
D20 TO RTU SCADA		544,044	544,044	-	-
Series Cap Bank		586,547	586,547	-	-
TOTAL	125,984,780	1,582,146	1,582,146	-	-

TABLE 2-1
Fiscal Year 2026 COTP Operation & Maintenance Budget
Estimated Monthly Cash Calls

Project Participants	July-25	August-25	September-25	October-25	November-25	December-25	January-26	February-26	March-26	April-26	May-26	June-26	Total
Transmission Agency of Northern California	3,629,088	1,483,421	989,388	937,577	1,344,140	1,274,158	3,323,350	1,271,117	1,504,275	4,882,577	718,725	573,835	21,931,651
Western Area Power Administration	724,096	338,418	184,731	176,369	304,552	272,062	651,993	244,945	313,643	980,642	123,908	90,311	4,405,669
Pacific Gas & Electric	<u>84,516</u>	<u>34,547</u>	<u>23,042</u>	<u>21,835</u>	<u>31,303</u>	<u>29,673</u>	<u>77,396</u>	<u>29,603</u>	<u>35,032</u>	<u>113,710</u>	<u>16,738</u>	<u>13,364</u>	<u>510,759</u>
Total	4,437,700	1,856,385	1,197,161	1,135,781	1,679,995	1,575,893	4,052,739	1,545,665	1,852,950	5,976,929	859,371	677,510	26,848,079

TABLE 3-1

Fiscal Year 2026 COTP Operation & Maintenance Budget

Summary	July-25	August-25	September-25	October-25	November-25	December-25	January-26	February-26	March-26	April-26	May-26	June-26	Total
Operation													
Operating Agent	192,588	157,590	157,589	157,591	157,589	157,590	157,589	202,586	157,588	157,588	140,094	157,584	1,953,570
Sub-Balancing Authority	89,081	88,914	80,385	69,382	78,183	80,335	78,972	78,000	108,445	94,995	68,627	67,141	982,460
Balancing Authority	<u>231,400</u>	<u>231,400</u>	<u>231,400</u>	<u>231,400</u>	<u>231,400</u>	<u>231,400</u>	<u>241,000</u>	<u>241,000</u>	<u>241,000</u>	<u>241,000</u>	<u>241,000</u>	<u>241,000</u>	<u>2,834,400</u>
SUBTOTAL	513,069	477,904	469,374	458,373	467,172	469,325	477,561	521,586	507,033	493,583	449,721	465,725	5,770,430
Maintenance													
Transmission Line	1,514,913	90,000	90,000	20,000	296,481	91,000	1,064,193	107,600	60,614	41,000	-	-	3,375,801
Substation	1,629,734	184,000	168,000	208,806	216,497	189,559	519,314	165,622	193,772	59,773	22,000	-	3,557,077
Communication System	63,000	63,000	63,000	88,000	53,000	68,000	106,646	103,212	68,805	65,000	-	-	741,663
Vegetation Management	<u>29,000</u>	<u>70,000</u>	<u>60,000</u>	<u>67,000</u>	<u>7,000</u>	<u>9,000</u>	<u>932,786</u>	<u>88,000</u>	<u>235,278</u>	<u>7,000</u>	<u>17,000</u>	<u>16,000</u>	<u>1,538,064</u>
SUBTOTAL	3,236,647	407,000	381,000	383,806	572,978	357,559	2,622,939	464,434	558,469	172,773	39,000	16,000	9,212,605
Natural Resources													
Environmental	229,903	100,380	25,624	16,842	11,534	16,053	14,258	42,187	25,713	126,887	44,569	16,669	670,615
Land	<u>246,500</u>	<u>139,500</u>	<u>136,000</u>	<u>86,500</u>	<u>109,500</u>	<u>242,522</u>	<u>255,000</u>	<u>264,700</u>	<u>264,700</u>	<u>407,305</u>	<u>196,700</u>	<u>51,700</u>	<u>2,400,627</u>
SUBTOTAL	476,403	239,880	161,624	103,342	121,034	258,575	269,258	306,887	290,413	534,192	241,269	68,369	3,071,242
Compliance													
NERC/WECC	68,581	68,582	65,581	64,581	65,582	66,835	75,581	77,011	74,635	69,581	24,481	23,416	744,447
Wildfire Compliance	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>15,000</u>	<u>20,000</u>	<u>14,000</u>	<u>12,000</u>	<u>20,000</u>	<u>16,000</u>	<u>14,000</u>	<u>12,000</u>	<u>13,000</u>	<u>175,000</u>
SUBTOTAL	81,581	81,582	78,581	79,581	85,582	80,835	87,581	97,011	90,635	83,581	36,481	36,416	919,447
Security/Safety													
Substation Security	-	520,419	-	-	-	-	-	-	-	-	-	-	520,419
Safety	<u>-</u>	<u>-</u>	<u>2,582</u>	<u>6,779</u>	<u>5,229</u>	<u>-</u>	<u>400</u>	<u>400</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,790</u>
SUBTOTAL	-	520,419	2,582	6,779	5,229	-	400	400	400	-	-	-	536,209
Project Support													
Insurance Premiums/Inspections	-	-	-	-	60,000	-	-	-	-	4,500,000	-	-	4,560,000
Project Management	58,000	57,600	58,000	57,900	54,000	56,000	62,000	59,800	66,000	53,800	54,900	53,000	691,000
System Studies	<u>47,000</u>	<u>47,000</u>	<u>46,000</u>	<u>46,000</u>	<u>44,000</u>	<u>41,000</u>	<u>40,000</u>	<u>39,000</u>	<u>40,000</u>	<u>39,000</u>	<u>38,000</u>	<u>38,000</u>	<u>505,000</u>
SUBTOTAL	105,000	104,600	104,000	103,900	158,000	97,000	102,000	98,800	106,000	4,592,800	92,900	91,000	5,756,000
TOTAL Operation and Maintenance	4,412,700	1,831,385	1,197,161	1,135,781	1,409,995	1,263,294	3,559,739	1,489,118	1,552,950	5,876,929	859,371	677,510	25,265,933
Capital Improvements	25,000	25,000	-	-	270,000	312,599	493,000	56,547	300,000	100,000	-	-	1,582,146
Total	4,437,700	1,856,385	1,197,161	1,135,781	1,679,995	1,575,893	4,052,739	1,545,665	1,852,950	5,976,929	859,371	677,510	26,848,079
POMA	1,825,537	868,137	235,807	237,281	777,335	578,603	1,599,117	323,869	630,923	413,180	57,702	6,802	7,554,293
TWOMA/BA Services	1,957,494	426,976	419,684	396,228	401,989	416,865	1,849,452	471,299	528,104	515,580	311,294	309,808	8,004,769
Blended	<u>654,669</u>	<u>561,272</u>	<u>541,670</u>	<u>502,272</u>	<u>500,671</u>	<u>580,425</u>	<u>604,170</u>	<u>750,497</u>	<u>693,923</u>	<u>5,048,169</u>	<u>490,375</u>	<u>360,900</u>	<u>11,289,017</u>
TOTAL	4,437,700	1,856,385	1,197,161	1,135,781	1,679,995	1,575,893	4,052,739	1,545,665	1,852,950	5,976,929	859,371	677,510	26,848,079

TABLE 3-2

Fiscal Year 2026 COTP Operation & Maintenance Budget

Operations	July-25	August-25	September-25	October-25	November-25	December-25	January-26	February-26	March-26	April-26	May-26	June-26	Total
(A) Operating Agent													
Supervision/Dispatch	89,577	89,577	89,578	89,578	89,576	89,577	89,577	89,576	89,576	89,576	89,576	89,576	1,074,920
Computer System Maintenance	80,000	45,002	45,000	45,002	45,002	45,002	45,002	90,000	45,002	45,002	27,508	44,998	602,520
Operations Studies	19,153	19,153	19,153	19,153	19,153	19,153	19,152	19,152	19,152	19,152	19,152	19,152	229,830
Administration/Financial Tracking	<u>3,858</u>	<u>3,858</u>	<u>3,858</u>	<u>3,858</u>	<u>3,858</u>	<u>3,858</u>	<u>3,858</u>	<u>3,858</u>	<u>3,858</u>	<u>3,858</u>	<u>3,858</u>	<u>3,858</u>	<u>46,300</u>
SUBTOTAL	192,588	157,590	157,589	157,591	157,589	157,590	157,589	202,586	157,588	157,588	140,094	157,584	1,953,570
(B) Sub-Balancing Authority													
Supervision/Dispatch	29,708	29,712	29,708	29,708	29,708	29,708	29,708	29,708	29,708	29,708	29,708	29,708	356,500
Settlements	15,501	10,130	13,505	11,202	11,303	13,455	12,092	11,120	41,565	10,715	10,447	8,965	170,000
Automatic Generation Control	28,472	28,472	28,472	28,472	28,472	28,472	28,472	28,472	28,472	28,472	28,472	28,468	341,660
Network /Computer Infrastructure Support	2,500	2,500	-	-	-	-	-	-	-	-	-	-	5,000
Planning Coordinator	12,900	13,200	8,700	-	8,700	8,700	8,700	8,700	8,700	26,100	-	-	104,400
Maintenance of Control Equipment	<u>-</u>	<u>4,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,900</u>
SUBTOTAL	89,081	88,914	80,385	69,382	78,183	80,335	78,972	78,000	108,445	94,995	68,627	67,141	982,460
(C) Balancing Authority													
Power System Operations	132,700	132,700	132,700	132,700	132,700	132,700	138,100	138,100	138,100	138,100	138,100	138,100	1,624,800
Settlements Personnel	24,500	24,500	24,500	24,500	24,500	24,500	25,500	25,500	25,500	25,500	25,500	25,500	300,000
Outage Coordinator	33,200	33,200	33,200	33,200	33,200	33,200	34,600	34,600	34,600	34,600	34,600	34,600	406,800
Operations Engineering	28,200	28,200	28,200	28,200	28,200	28,200	29,400	29,400	29,400	29,400	29,400	29,400	345,600
Reliability /Administration Workload	<u>12,800</u>	<u>12,800</u>	<u>12,800</u>	<u>12,800</u>	<u>12,800</u>	<u>12,800</u>	<u>13,400</u>	<u>13,400</u>	<u>13,400</u>	<u>13,400</u>	<u>13,400</u>	<u>13,400</u>	<u>157,200</u>
SUBTOTAL	231,400	231,400	231,400	231,400	231,400	231,400	241,000	241,000	241,000	241,000	241,000	241,000	2,834,400
TOTAL	513,069	477,904	469,374	458,373	467,172	469,325	477,561	521,586	507,033	493,583	449,721	465,725	5,770,430
POMA	-	-	-	-	-	-	-	-	-	-	-	-	-
TWOMA/BA Services	320,481	320,314	311,785	300,782	309,583	311,735	319,972	319,000	349,445	335,995	309,627	308,141	3,816,860
Blended	<u>192,588</u>	<u>157,590</u>	<u>157,589</u>	<u>157,591</u>	<u>157,589</u>	<u>157,590</u>	<u>157,589</u>	<u>202,586</u>	<u>157,588</u>	<u>157,588</u>	<u>140,094</u>	<u>157,584</u>	<u>1,953,570</u>
TOTAL	513,069	477,904	469,374	458,373	467,172	469,325	477,561	521,586	507,033	493,583	449,721	465,725	5,770,430

TABLE 3-3

Fiscal Year 2026 COTP Operation & Maintenance Budget

Maintenance	July-25	August-25	September-25	October-25	November-25	December-25	January-26	February-26	March-26	April-26	May-26	June-26	Total
(A) Transmission Line													
CVP Upgrade Segment	82,690	50,000	50,000	20,000	261,481	61,000	264,851	61,000	38,356	11,000	-	-	900,378
Northern Segment	1,427,223	40,000	40,000	-	30,000	30,000	794,342	46,600	20,000	30,000	-	-	2,458,165
Tesla By-Pass Segment	5,000	-	-	-	5,000	-	5,000	-	2,258	-	-	-	17,258
SUBTOTAL	1,514,913	90,000	90,000	20,000	296,481	91,000	1,064,193	107,600	60,614	41,000	-	-	3,375,801
(B) Substation													
Olinda	184,032	93,000	88,000	117,578	92,000	90,000	236,147	92,000	104,363	32,695	4,000	-	1,133,815
Tracy	1,420,702	71,000	66,000	85,000	94,409	73,000	209,908	58,622	75,409	17,078	8,000	-	2,179,128
Maxwell	25,000	20,000	14,000	6,228	30,088	26,559	73,259	15,000	14,000	10,000	10,000	-	244,134
SUBTOTAL	1,629,734	184,000	168,000	208,806	216,497	189,559	519,314	165,622	193,772	59,773	22,000	-	3,557,077
(C) Communication	63,000	63,000	63,000	88,000	53,000	68,000	106,646	103,212	68,805	65,000	-	-	741,663
(D) Fuels and Vegetation Management													
Transmission ROW	6,000	-	-	-	3,000	3,000	925,786	-	157,278	3,000	-	-	1,098,064
Management/Forester/Mitigation	23,000	70,000	60,000	67,000	4,000	6,000	7,000	88,000	78,000	4,000	17,000	16,000	440,000
SUBTOTAL	29,000	70,000	60,000	67,000	7,000	9,000	932,786	88,000	235,278	7,000	17,000	16,000	1,538,064
TOTAL	3,236,647	407,000	381,000	383,806	572,978	357,559	2,622,939	464,434	558,469	172,773	39,000	16,000	9,212,605
POMA	1,715,424	234,000	218,000	228,806	480,978	250,559	1,088,126	226,622	307,128	70,773	22,000	-	4,842,416
TWOMA/BA Services	1,498,223	103,000	103,000	88,000	88,000	101,000	1,527,813	149,812	173,341	98,000	-	-	3,930,189
Blended	23,000	70,000	60,000	67,000	4,000	6,000	7,000	88,000	78,000	4,000	17,000	16,000	440,000
TOTAL	3,236,647	407,000	381,000	383,806	572,978	357,559	2,622,939	464,434	558,469	172,773	39,000	16,000	9,212,605

TABLE 3-4

Fiscal Year 2026 COTP Operation & Maintenance Budget

Natural Resources	July-25	August-25	September-25	October-25	November-25	December-25	January-26	February-26	March-26	April-26	May-26	June-26	Total
(A) Environment													
Facility Specific Work	223,903	92,380	17,624	9,142	5,534	10,053	9,258	32,787	18,713	120,387	37,369	8,469	585,615
Environmental Services	6,000	8,000	8,000	7,700	6,000	6,000	5,000	9,400	7,000	6,500	7,200	8,200	85,000
SUBTOTAL	229,903	100,380	25,624	16,842	11,534	16,053	14,258	42,187	25,713	126,887	44,569	16,669	670,615
(B) Land													
Land Management	-	-	2,500	-	20,000	9,522	10,000	10,000	10,000	203,605	-	-	265,627
Permit/Land Administration	29,500	27,500	32,500	26,500	30,500	33,000	38,000	38,500	41,500	35,500	30,500	36,500	400,000
USFS Easement and Fire Protection	-	-	-	-	-	150,000	160,000	155,000	155,000	150,000	150,000	-	920,000
Communication System Management	200,000	65,000	55,000	45,000	45,000	45,000	40,000	25,000	15,000	5,000	5,000	5,000	550,000
Legal	9,000	9,000	8,000	8,000	7,000	5,000	7,000	6,200	6,200	6,200	4,200	4,200	80,000
Access Road Improvements	8,000	38,000	38,000	7,000	7,000	-	-	30,000	37,000	7,000	7,000	6,000	185,000
SUBTOTAL	246,500	139,500	136,000	86,500	109,500	242,522	255,000	264,700	264,700	407,305	196,700	51,700	2,400,627
TOTAL	476,403	239,880	161,624	103,342	121,034	258,575	269,258	306,887	290,413	534,192	241,269	68,369	3,071,242
POMA	85,113	88,718	17,807	7,475	23,867	15,445	17,591	40,300	23,395	242,407	35,702	6,802	604,622
TWOMA/BA Services	138,790	3,662	2,317	1,667	1,667	4,130	1,667	2,487	5,318	81,585	1,667	1,667	246,620
Blended	252,500	147,500	141,500	94,200	95,500	239,000	250,000	264,100	261,700	210,200	203,900	59,900	2,220,000
TOTAL	476,403	239,880	161,624	103,342	121,034	258,575	269,258	306,887	290,413	534,192	241,269	68,369	3,071,242

TABLE 3-5

Fiscal Year 2026 COTP Operation & Maintenance Budget

Compliance	July-25	August-25	September-25	October-25	November-25	December-25	January-26	February-26	March-26	April-26	May-26	June-26	Total
(A) NERC/WECC													
Management	2,000	2,000	1,000	-	-	-	-	-	-	-	-	-	5,000
Operations	5,481	5,482	5,481	5,481	5,482	5,481	5,481	5,481	5,482	5,481	5,481	5,481	65,775
Maintenance	41,100	41,100	41,100	41,100	41,100	41,100	41,100	41,530	41,100	41,100	-	-	411,430
Environmental	3,000	3,000	3,000	3,000	3,000	3,254	3,000	5,000	3,000	3,000	3,000	2,935	38,189
Security	2,000	2,000	-	-	1,000	1,000	1,000	2,000	53	-	-	-	9,053
Reliability Standard Support	15,000	15,000	15,000	15,000	15,000	16,000	25,000	23,000	25,000	20,000	16,000	15,000	215,000
SUBTOTAL	68,581	68,582	65,581	64,581	65,582	66,835	75,581	77,011	74,635	69,581	24,481	23,416	744,447
(B) Wildfire	13,000	13,000	13,000	15,000	20,000	14,000	12,000	20,000	16,000	14,000	12,000	13,000	175,000
TOTAL	81,581	81,582	78,581	79,581	85,582	80,835	87,581	97,011	90,635	83,581	36,481	36,416	919,447
POMA	-	-	-	-	-	-	-	-	-	-	-	-	-
TWOMA/BA Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Blended	81,581	81,582	78,581	79,581	85,582	80,835	87,581	97,011	90,635	83,581	36,481	36,416	919,447
TOTAL	81,581	81,582	78,581	79,581	85,582	80,835	87,581	97,011	90,635	83,581	36,481	36,416	919,447

TABLE 3-6
Fiscal Year 2026 COTP Operation & Maintenance Budget

Security/Safety	July-25	August-25	September-25	October-25	November-25	December-25	January-26	February-26	March-26	April-26	May-26	June-26	Total
Substation Security	-	520,419	-	-	-	-	-	-	-	-	-	-	520,419
Safety	-	-	2,582	6,779	5,229	-	400	400	400	-	-	-	15,790
TOTAL	-	520,419	2,582	6,779	5,229	-	400	400	400	-	-	-	536,209
POMA	-	520,419	-	1,000	2,490	-	400	400	400	-	-	-	525,109
TWOMA/BA Services	-	-	2,582	5,779	2,739	-	-	-	-	-	-	-	11,100
Blended	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	520,419	2,582	6,779	5,229	-	400	400	400	-	-	-	536,209

TABLE 3-7

Fiscal Year 2026 COTP Operation & Maintenance Budget

Project Support	July-25	August-25	September-25	October-25	November-25	December-25	January-26	February-26	March-26	April-26	May-26	June-26	Total
(A) Insurance	-	-	-	-	60,000	-	-	-	-	4,500,000		-	4,560,000
(B) Project Management													
Project Direction	36,000	36,000	36,000	36,000	34,000	34,000	36,000	38,000	42,000	34,000	34,000	34,000	430,000
Treasurer/Controller	6,000	5,600	7,000	5,900	5,000	7,000	8,000	7,800	6,000	5,800	5,900	6,000	76,000
Committee Support	16,000	16,000	15,000	16,000	15,000	15,000	18,000	14,000	18,000	14,000	15,000	13,000	185,000
SUBTOTAL	58,000	57,600	58,000	57,900	54,000	56,000	62,000	59,800	66,000	53,800	54,900	53,000	691,000
(C) System Studies													
WECC Studies/COI Protection	23,000	23,000	22,000	22,000	22,000	19,000	18,000	17,000	18,000	17,000	17,000	17,000	235,000
ISO/Regional Planning Studies	24,000	24,000	24,000	24,000	22,000	22,000	22,000	22,000	22,000	22,000	21,000	21,000	270,000
SUBTOTAL	47,000	47,000	46,000	46,000	44,000	41,000	40,000	39,000	40,000	39,000	38,000	38,000	505,000
TOTAL	105,000	104,600	104,000	103,900	158,000	97,000	102,000	98,800	106,000	4,592,800	92,900	91,000	5,756,000
POMA	-	-	-	-	-	-	-	-	-	-	-	-	-
TWOMA/BA Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Blended	105,000	104,600	104,000	103,900	158,000	97,000	102,000	98,800	106,000	4,592,800	92,900	91,000	5,756,000
TOTAL	105,000	104,600	104,000	103,900	158,000	97,000	102,000	98,800	106,000	4,592,800	92,900	91,000	5,756,000

TABLE 3-8
Fiscal Year 2026 COTP Operation & Maintenance Budget

Capital Improvements	July-25	August-25	September-25	October-25	November-25	December-25	January-26	February-26	March-26	April-26	May-26	June-26	Total
Breaker/MOD Ground Switch	5,000	5,000	-	-	200,000	241,555	-	-	-	-	-	-	451,555
D20 TO RTU SCADA	10,000	-	-	-	20,000	21,044	443,000	-	50,000	-	-	-	544,044
Series Cap Bank	10,000	20,000	-	-	50,000	50,000	50,000	56,547	250,000	100,000	-	-	586,547
TOTAL	25,000	25,000	-	-	270,000	312,599	493,000	56,547	300,000	100,000	-	-	1,582,146
POMA	25,000	25,000	-	-	270,000	312,599	493,000	56,547	300,000	100,000	-	-	1,582,146
TWOMA	-	-	-	-	-	-	-	-	-	-	-	-	-
Blended	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	25,000	25,000	-	-	270,000	312,599	493,000	56,547	300,000	100,000	-	-	1,582,146

TAB 24

CLOSED SESSION

Closed Session Pursuant to Government Code Section 54957, Public Employee Appointment,
General Manager

TAB 25

REPORT AND POTENTIAL ACTION ON ADMINISTRATIVE ITEMS

The Commission will discuss and may take action as necessary on the following administrative matters.

- a. Approval of an updated Officers List for 2025

Updated Proposed TANC Officers Calendar Year 2025

<u>TANC Officers</u>	
Chair	Nick Zettel
Vice Chair and Secretary	Martin Caballero
Interim Contract Executive/General Manager	John Roukema
Interim Treasurer	<i>Jon Anderson</i>
Assistant Treasurers	Greg Pochy
Controller	Lisa Limcaco
Assistant Controller	Kathy Ketchum
<u>General Manager's Committee Representatives</u>	
Audit/Budget Chair	Sondra Ainsworth
Audit/Budget -Ex Officio Member and Secretary	Larry Riegle
Contracts Chair	Basil Wong
Contracts-Ex Officio Member and Secretary	John Roukema
Finance Chair	Russell Mills
Finance -Ex Officio Member and Secretary	Larry Riegle
Engineering & Operations (E&O) Chair	John Roukema
E&O -Ex Officio Member and Secretary	Amy Cuellar
Open Access Transmission Tariff (OATT) Chair	David Olivares
OATT -Ex Officio Member and Secretary	John Roukema
<u>TANC/COTP Representatives</u>	
COTP Management Committee (MC) Chair	John Roukema
COTP MC Ex Officio Member and Secretary	Amy Cuellar
COTP E&O Committee Chair	Steve Tuggle
COTP E&O Ex Officio Member and Secretary	John Roukema
Administrative Representative (Owners Coordinated Operating Agreement)	John Roukema
E&O Representative (Owners Coordinated Operating Agreement)	Richard Buckingham
Reclamation District 2024 Trustee	Don Wagenet

TAB 26

MEETING CALENDAR

The TANC Commission will confirm the date of its next scheduled meeting is April 23, 2025.