

MEMORANDUM

DATE: March 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
General Manager

SUBJECT: MARCH 20, 2024 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 20, 2024, at 35 Iron Point Circle, Suite 225, Folsom, California, 95630. The meeting is also accessible by telephone at:

Join Meeting: 1 (469) 998-7465; Phone Conference ID: 226 417 333#

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 related regulatory matters, Western Electricity Coordinating Council matters, Open Access Same-Time Information System matters, wildfire activities, TANC's reliability standards compliance, Fiscal Year 2024 Second Quarter Budget Variance Report, a report from the TANC General Manager, a report on TANC strategic planning efforts and a report on California Independent System Operator matters.

The TANC Commission will also receive a report and consider potential action on TANC's Available Cash Balances through December 31, 2023, the possible distribution of TANC's Available Cash Balances through June 30, 2023, 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 2024-2025 COTP Insurance Program, and a resolution adopting the Fiscal Year 2025 COTP Operation and Maintenance Budget and Work Plan.

The TANC Commission will also consider items in Closed Session 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 General Manager will conduct a roll call of the TANC Commission members in attendance.

AGENDA
TANC COMMISSION MEETING
March 20, 2024
10:00 AM

LOCATION
35 Iron Point Circle, Suite 225
Folsom, CA 95630

Remote Meeting Locations:

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

City of Healdsburg
573 Badger St
Healdsburg, CA 95448

Silicon Valley Power
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 lrriegle@tanc.us in advance of the meeting to arrange for such accommodations.

Join Meeting: 1 (469) 998-7465; Phone Conference ID: 226 417 333#

1. Call to Order

The TANC Chair will call the meeting to order.

2. Roll Call

The General Manager 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 21, 2024 TANC Commission Meeting.

Enclosed are the draft minutes from the February 21, 2024 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. Contracts Committee
- c. Engineering and Operations Committee
- d. Open Access Transmission Tariff 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 COTP 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 2024 Second Quarter Budget Variance Report

Enclosed is a report regarding the Fiscal Year 2024 Second Quarter Budget Variance Report.

INFORMATION ITEMS

17. Report from the TANC General Manager

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

18. Report on TANC Strategic Planning Efforts

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

19. Report on CAISO Matters

The Commission will receive an update on California Independent System Operator related matters including the Energy Imbalance Market and the Extended Data-Ahead Market.

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, 2023.

21. Report and Potential Action on Possible Distribution of TANC's Available Cash Balances

The Commission will receive a report and consider an action on the potential distribution of available cash balances through June 30, 2023.

22. 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.

23. Resolution Authorizing the Placement of the 2024-2025 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 2024-2025 California-Oregon Transmission Project Insurance Program.

24. Resolution Adopting the Fiscal Year 2025 COTP O&M Budget and Work Plan

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

CLOSED SESSION

25. Closed Session Pursuant to Government Code Section 54956.9(d)(1), Existing Litigation:

- a. Pacific Gas and Electric Company TO18, TO19, TO20 Offer of Settlement, Docket Nos. ER16-2320, ER17-2154, ER19-13.

END OF CLOSED SESSION

26. Meeting Calendar

The Commission will confirm the date of its next scheduled meeting is April 17, 2024.

TAB 4

PUBLIC COMMENT

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

DRAFT MINUTES
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
COMMISSION MEETING
FEBRUARY 21, 2024

Chair Zettel (City of Redding) called the February 21, 2024 Transmission Agency of Northern California (TANC) Commission meeting to order at 10:00 a.m. Mr. Zimmerman (TANC General Manager) took a roll call of 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 agenda. Ms. Lewis (Sacramento Municipal Utility District (SMUD)) seconded the motion, which was approved by the TANC Commission. The approved agenda for the February 21, 2024 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 and there were no requests. Ms. Lewis (Sacramento Municipal Utility District) 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 January 17, 2024 TANC Commission meeting are included as Attachments 3.

INFORMATION ITEMS

Report from the TANC General Manager

Mr. Zimmerman (TANC) provided an update on the status of the California-Oregon Intertie (COI) Path Rating process which is underway to increase the COI Total Transfer Capability (TTC) to 5,100 megawatts. Mr. Zimmerman noted that reliability coordinator – RC West is currently reviewing the Phase 2 COI Path Rating Study and after their approval the study will be submitted to the Project Review Group for consideration. Mr. Zimmerman also noted that the Owner's Coordinated Operating Agreement and the COI Path Operating Agreement will both need to be updated before the COI TTC is implemented on November 1, 2024-for the Winter operating season. Mr. Zimmerman also provided an update on the resolution to the California-Oregon Transmission Project (COTP) loss payback discussions between TANC, the California Independent System Operator (CAISO) and the Western Area Power Administration (WAPA), whereby the CAISO uses one set of prices to calculate losses and WAPA uses another and reported that WAPA is in the process of providing edits to the existing agreement whereby the CAISO will be providing payments directly to WAPA. Mr. Zimmerman also reported that the Long-Term Layoff Agreement with the City of Palo Alto which was approved by the Commission in November 2023 has been fully executed and there is a plan in place to make the first annual payment to the City of Palo Alto in April.

Report on TANC Strategic Planning Efforts

Mr. Zimmerman provided an overview of the strategic planning tasks that are included in the 2024 TANC Strategic Plan and reported that on task 3 "Update Key TANC Agreements" the applicable parties are meeting regularly to discuss updates to the agreements and that agreements expiring this calendar year between WAPA and SMUD will likely be extended while the agreements between TANC and the Balancing Authority of Northern California will be revised beginning this year. Mr. Zimmerman also provided an update on task 1 "Finance and Implement COTP Capital Replacement Plan" reporting that a Request for Qualifications was

recently issued for bond financing and that a General Manager's Finance Committee was being schedule for later this month. Mr. Zimmerman also reported that additional information on the timing and process for providing funds would be available at the next Commission meeting. Lastly, Mr. Zimmerman provided an update on task 9 "Develop and adopt an Enterprise Risk Plan (ERP)" reporting that regular meetings are being held and an ERP framework should be available for Commission review in April.

Report on CAISO Matters

This agenda item was moved to a future TANC Commission meeting.

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 20, 2024. There being no further business, Chair Zettel adjourned the meeting.

ATTENDANCE LIST

TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
COMMISSION MEETING

February 21, 2024

10:00 AM

NAME

ORGANIZATION

Nick Zettel	City of Redding
Basil Wong	City of Santa Clara
Bill Forsythe	City of Roseville
Manjot Gill	Turlock Irrigation District
Martin Caballero	Modesto Irrigation District
Randy Howard	Northern California Power Agency
Laura Lewis	Sacramento Municipal Utility District
Maria Veloso Koenig	Sacramento Municipal Utility District
Anish Nand	Northern California Power Agency
Bryan Griess	Western Area Power Administration
Jeanne Haas	Western Area Power Administration
Michael Postar	Duncan Weinberg
Sylwia Dakowicz	Duncan Weinberg
Jarom Zimmerman	TANC General Manager
Steve Gross	TANC General Counsel
Amy Cuellar	TANC Staff
Larry Riegle	TANC Staff

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10:00 AM

LOCATION
35 Iron Point Circle, Suite 225
Folsom, CA 95630

Remote Meeting Locations:

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

Modesto Irrigation District
1231 11th Street, Conference Room 2A
Modesto, CA 95354

Roseville Electric
2090 Hilltop Circle
Roseville, CA 95747

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3. Approval of Agenda

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- a. Pacific Gas and Electric Company TO18, TO19, TO20 Offer of Settlement, Docket Nos. ER16-2320, ER17-2154, ER19-13.

END OF CLOSED SESSION

20. Meeting Calendar

The Commission will confirm the date of its next scheduled meeting is March 20, 2024.

Approved March 20, 2024

Attachment 3

MINUTES
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
COMMISSION MEETING
JANUARY 17, 2024

Chair Zettel (City of Redding) called the January 17, 2024 Transmission Agency of Northern California (TANC) Commission meeting to order at 10:00 a.m. Mr. Zimmerman (TANC General Manager) took a roll call of 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 agenda. Mr. Wong (City of Santa Clara) seconded the motion, which was approved by the TANC Commission. The approved agenda for the January 17, 2024 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 and there were no requests. Mr. Wong (City of Santa Clara) made a motion to approve the Consent Calendar. Ms. Lewis (Sacramento Municipal Utility District) seconded the motion, which was approved by the Commission. The approved minutes from the December 20, 2023 TANC Commission meeting are included as Attachments 3.

INFORMATION ITEMS

Report from the TANC General Manager

Mr. Zimmerman (TANC) provided an update on the California-Oregon Transmission Project (COTP) loss payback discussions between TANC, the California Independent System Operator (CAISO) and the Western Area Power Administration (WAPA), whereby the CAISO uses one set of prices to calculate losses and WAPA uses another. Mr. Zimmerman explained that TANC entered into an interim agreement in 2020 and is responsible for paying the difference in those price calculations and that earlier this month, the CAISO and WAPA identified a potential resolution. Mr. Zimmerman noted that WAPA is currently reviewing their agreements and business practices to ensure that the proposed resolution will work. Mr. Zimmerman also noted that final resolution is expected in the next few months. Mr. Zimmerman reported that all TANC and COTP files have been moved to the Egnyte cloud and that any Commissioner wanting access should let him know. Mr. Zimmerman also indicated that a transition meeting with outgoing and incoming COTP Counsels is scheduled for later in the day. Mr. Zimmerman also provided an update on the Member board approvals of the parties to the Long-Term Layoff Agreement with

the City of Palo Alto which was approved by the Commission in November 2023 and noted that once the last approval is secured, TANC will route the agreement for signature.

Report on TANC Strategic Planning Efforts

Mr. Zimmerman provided an overview of the strategic planning tasks that are included in the 2024 TANC Strategic Plan and reported that the focus over the next few months will be on securing financing as part of the “Finance and Implement COTP Capital Replacement Plan” strategic planning task as WAPA needs to have the funding in hand in the summer of 2024. Mr. Zimmerman also reported that TANC is in the process of developing a presentation to RC West as part of their review and consideration of the Phase Two California-Oregon Intertie (COI) Path Rating Study that was completed as part of the “Complete COI Path 66 Rating Process” strategic planning task.

Report on CAISO Matters

This agenda item was moved to a future TANC Commission meeting.

ACTION ITEMS

Resolution Approving a TANC Cash Distribution Policy

Mr. Zimmerman reported that based on feedback provided at the November 15, 2023 TANC Commission meeting, staff worked with Controller staff to update the proposed TANC Cash Distribution Policy to include an option for using a potential cash distribution in lieu of a monthly cash call. Mr. Zimmerman also noted that the General Manager’s Audit Budget Committee, General Manager’s Finance Committee and Treasurer staff have both reviewed the proposed TANC Cash Distribution Policy and recommend that it be approved, and the General Manager be authorized to implement the TANC Cash Distribution Policy in coordination with Controller staff. After discussion by TANC Commission, Ms. Lewis (Sacramento Municipal Utility District) moved to approve the resolution approving the TANC Cash Distribution Policy. This motion was seconded by Mr. Gill (Turlock Irrigation District) and approved by the TANC Commission. Resolution 2024-01 is included as Attachment 4.

Resolution Approving a Legal Services for Al Jahns

Mr. Zimmerman reported that outgoing COTP Counsel, Al Jahns had agreed to provide continuing legal services on a limited basis to assist and otherwise support the transition of COTP Counsel responsibilities to new COTP Counsel - Stoel Rives. Mr. Zimmerman noted that Mr. Jahns has an extensive, longstanding, and irreplaceable institutional knowledge of and experience with the COTP. After discussion by TANC Commission, Mr. Gill (Turlock Irrigation District) moved to approve the resolution approving the Legal Services Agreement for Al Jahns. This motion was seconded by Mr. Forsythe (City of Roseville) and approved by the TANC Commission. Resolution 2024-02 is included as Attachment 5.

Resolution Approving the Transfer of Eleventh Collection Agreement Unspent Funds to the Thirteenth Collection Agreement

Mr. Zimmerman reported that the Eleventh and Thirteenth Collection Agreements with the U.S. Forest Service (USFS) are the two most recent agreements funding the Long Bell Fire Station, fuels reduction treatments, access road maintenance and improvements, and related supporting wildfire risk reduction services for the COTP. Mr. Zimmerman noted that currently the USFS holds \$141,095.03 in unspent funds from the Eleventh Collection Agreement that were paid by TANC and that the USFS proposes to move the unspent funds to the Thirteenth Collection Agreement. After discussion by TANC Commission, Mr. Caballero (Modesto Irrigation District) moved to approve the modification to the Thirteenth Collection Agreement between the USFS and TANC that moves \$141,095.03 of unspent remaining Eleventh Collection Agreement funds to the Thirteenth Collection Agreement. This motion was seconded by Mr. Wong (City of Santa Clara) and approved by the TANC Commission. Resolution 2024-03 is included as Attachment 6.

CLOSED SESSION

Mr. Zimmerman reported that there are no items for discussion during Closed Session.

Meeting Calendar

The next regular TANC Commission meeting is scheduled for February 21, 2024. There being no further business, Chair Zettel adjourned the meeting.

Respectfully Submitted,

DocuSigned by:

Jarom Zimmerman

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Jarom Zimmerman

TANC 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 29, 2024

<u>Settlement Date</u>	<u>Maturity Date</u>	<u>Portfolio</u>	<u>Investment Type</u>	<u>Issuer</u>	<u>Par Value</u>
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No purchases in February 2024

TAB 7

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

Audit/Budget Committee	March 27, 2024
Contracts Committee	April 2, 2024
Engineering and Operations Committee	May 8, 2024
Open Access Transmission Tariff Committee	April 2, 2024

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

Audit/Budget Committee	October 26, 2023
Contracts Committee	December 5, 2023
Engineering and Operations Committee	November 8, 2023
Open Access Transmission Tariff Committee	December 5, 2023

MINUTES OF THE
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
GENERAL MANAGER'S AUDIT/BUDGET COMMITTEE MEETING
October 26, 2023

Mr. Campbell convened the October 26, 2023 meeting of the Transmission Agency of Northern California (TANC or Agency) General Manager's Audit/Budget Committee (Committee) at 10:30 a.m. Mr. Riegle took roll call and participants in the meeting are included as Attachment 1.

Approval of the October 26, 2023 Audit-Budget Committee Agenda

Mr. Campbell inquired if the Committee had any revisions to the proposed October 26, 2023 General Manager's Audit-Budget Committee agenda. Upon hearing of no suggested revisions, the agenda was accepted.

Approval of the August 17, 2023 Draft Minutes

Minutes from the August 17, 2023 Audit-Budget Committee meeting were reviewed and accepted.

FY23 Audit Presentation with Baker Tilly

Mr. Worthman from Baker Tilly was present to discuss the financial statements from the Fiscal Year 2023 TANC audit. Upon conclusion of a PowerPoint presentation and discussion from Committee members, it was determined by the Committee to accept the FY23 TANC audit and financial statements and recommend to the Commission that they be accepted as proposed. This action was taken on a motion by Mr. Campbell with a second from Ms. Limcaco.

August and September '23 Commission Meeting Report

Mr. Riegle provided the Committee with pertinent updates related to Commission activity associated with meetings held in August and September '23.

TANC Cash Distribution Policy / Mechanics Discussion

Mr. Riegle continued discussion from prior Committee meetings related to a new TANC cash Distribution Policy and associated mechanics for implementation of such a program. After review of general background and specific policy implementation mechanics, Committee members held robust discussion including how Non-OATT Contingency funding can be accounted for and included in the Policy, the need for transparency when a member decides to take cash out while others may decide to keep cash in TANC accounts, and if a member wants cash back but it may impede TANC's existing investments how this may be addressed. The Committee concluded that the draft Policy should be reviewed by the Finance Committee one more time before presentation to the Commission.

TANC Audit Contractor Discussion

Mr. Riegle re-iterated again from the prior Committee meeting that the current Baker Tilly contract will be terminating upon conclusion of the FY23 Audit. Mr. Zimmerman mentioned that it might be a good idea to prepare a Request for Proposals but wanted to discuss this with TANC's

General Counsel first. The Committee was generally in favor of an RFP approach. This item will be discussed at the November Commission meeting for further direction.

Next Meeting

The next meeting of the TANC Audit/Budget Committee was scheduled for December 7, 2023 at 10:30 a.m.

Documents from this meeting will be distributed upon request.

Respectfully Submitted,

DocuSigned by:

Larry Riegler
Ex Officio Member and Secretary

Approved February 6, 2024

MINUTES OF THE
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
GENERAL MANAGER'S
CONTRACTS COMMITTEE MEETING
DECEMBER 5, 2023

Chair Wong called the December 5, 2023 Transmission Agency of Northern California (TANC) General Manager's Contracts Committee (Committee) to order at 10:00 a.m. Mr. Riegler performed a roll call and a list of attendees to the meeting is provided as Attachment 1.

Review and Accept December 5, 2023 Contracts Committee Agenda

Mr. Wong inquired if there were any revisions to the agenda. Ms. Mody stated there was a Docket Number to be added to one line item in the agenda. Upon hearing of no other suggested revisions, the December 5, 2023 General Manager's Contracts Committee agenda was accepted.

Review and Approval of Minutes from the November 7, 2023 Contracts Committee Meeting

Minutes from the November 7, 2023 General Manager's Contracts Committee meeting were reviewed, and with no suggested revisions, Chair Wong accepted the minutes.

FY24 Budget Versus Expenditure Report through October 2023

Mr. Riegler reviewed the FY24 Budget Versus Actual Report with the Committee through October 2023.

Monthly Transmission Activities Update

Mr. Persson provided the Committee with an update on transmission activities including a report on California Independent System Operator (CAISO) Interconnection Process Enhancements, the 2022-2023 CAISO Transmission Planning Process (TPP), the 2023-2024 CAISO TPP, and staff activity centered on the COI Path Re-Rate to 5100 MW as well as the PG&E equipment de-rate matter.

Existing and Anticipated Litigation

Ms. Mody and Ms. Dakowicz discussed several matters associated with existing and anticipated litigation with Committee members as indicated on the agenda. Upon conclusion of discussion it was determined no action needed to be taken on topics discussed.

Administration

The Committee discuss the meeting schedule for 2024 and determined no meeting was required for September 3, 2024. Staff will disburse the series of meetings for calendar acceptance. The next

meeting of the General Manager's Contracts Committee was scheduled for February 6, 2024 starting at 10:00 a.m.

Handouts and material from this meeting will be distributed upon request.

Respectfully Submitted,

DocuSigned by:

Jarom Zimmerman

Jarom Zimmerman

TANC General Manager

MINUTES
CALIFORNIA-OREGON TRANSMISSION PROJECT
ENGINEERING AND OPERATIONS COMMITTEE MEETING
NOVEMBER 8, 2023

The California-Oregon Transmission Project (COTP) Engineering and Operations (E&O) Committee met on November 8, 2023. 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 Costalupes (Modesto Irrigation District (MID)). Chair Costalupes asked if there were any changes to the meeting agenda. Mr. Tuggle (Western Area Power Administration (WAPA)) requested that WAPA provide an update on the Olinda-Tracy Right-Of-Way Improvement Project (OTRIP). The item was added after agenda item 4a (Other Operations and Maintenance Issues). Mr. Tuggle (WAPA) then moved to approve the revised agenda. Mr. Buckingham (Sacramento Municipal Utility District (SMUD)) seconded the motion, and the revised agenda was approved by the COTP E&O Committee and is included as Attachment 1.

b. Minutes of the September 13, 2023 E&O Committee Meeting

Chair Costalupes asked if there were any changes to the draft minutes from the September 13, 2023 COTP E&O Committee meeting. With no changes proposed, Chair Costalupes (MID) moved to approve the minutes and Mr. Tuggle (WAPA) seconded the motion. The minutes from the September 13, 2023 COTP E&O Committee meeting were approved minutes and are included as Attachment 3.

c. Next Meeting

The next COTP E&O Committee meeting was scheduled for Wednesday, January 10, 2024.

AGENDA ITEM 4: OPERATIONS AND MAINTENANCE ISSUES

a. COTP Operations Update

Ms. Cuellar reported that information on COTP operations and voltage control events for both September and October 2023 were included with the meeting materials and asked if there were any questions.

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.

c. Update on Environmental and Land Activities

Mr. Wagenet (TANC) provided the COTP E&O Committee with an update on recent environmental and land activities, noting that TANC has executed the bid to compensate the Lassen National Forest (LNF) in the amount of \$1,225 for removal of the trees that are impeding the microwave signal at the Manzanita Lake Communication Site. After the LNF completes the timber sale award process and TANC has paid for the trees, WAPA will procure a contractor to remove the trees. Mr. Wagenet also noted that the procurement is likely expected in the spring of 2024. Mr. Wagenet also reported that WAPA is mobilizing contractors to begin COTP access road maintenance related activities on 47 miles and approximately 105 tower spans from COTP tower 385 (near Grizzly Peak) south to COTP tower 490 located just north of State Highway 299. Lastly, Mr. Wagenet provide the COTP E&O Committee with a comprehensive review of wildfire regulatory activities and rulemakings that have the potential to directly or indirectly impact wildfire mitigation plan implementation activities conducted by publicly owned utilities.

d. Other Operation and Maintenance Issues

Mr. Tuggle (WAPA) provided the E&O Committee 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.

e. Olinda-Tracy Right-of-Way Improvement Project

Ms. Smith (WAPA) previously provided a presentation on the OTRIP at the COTP E&O Committee September 23, 2023 meeting. During that presentation, Ms. Smith was asked if there was an end date identified for OTRIP. As a follow-up, Ms. Smith reported that WAPA does not intend to put an end date on OTRIP. Ms. Smith further reported that about 50 percent of the targeted orchards have been removed and more are in process. Ms. Smith noted that the cost of tree trimming has skyrocketed by about 300 percent and that it is more cost effective to remove rather than trim the trees and therefore it makes the most sense to keep the OTRIP as an option.

f. Transmission Planning and Technical Study Activities Update

Mr. Schiermeyer (TANC) provided an update on the status of the 2023 Annual TANC Annual Planning Assessment and noted that TANC is currently on schedule to release the preliminary study results for comment on November 25, 2023.

AGENDA ITEM 5: OTHER ITEMS FOR DISCUSSION

a. California-Oregon Intertie (COI) Real-Time Operations Update

Mr. Buckingham (Sacramento Municipal Utility District) provided the highlights on recent COI real-time operations updates and provided the COTP E&O Committee with September

and October 2023 Balancing Authority of Northern California reports which included reports of COI flows both South to North and North to South as well as unscheduled flows.

b. Update on Federal Energy Regulatory Commission Order 881

Mr. Riegle (TANC) reminded the E&O Committee that TANC does not believe the Order 881 is applicable to the COTP and that TANC is waiting for WAPA to complete their internal investigation and issue an official position. Mr. Head and Mr. Andrews (WAPA) indicated that the WAPA-wide investigation is still ongoing but that it appears that WAPA still agrees with TANCs assessment that the COTP is exempt.

c. Fiscal Year 2025 COTP Operation and Maintenance Budget Development Schedule

The COTP E&O Committee discussed the proposed schedule for the Fiscal Year 2025 COTP budget development schedule which kicks off in January. After discussion the proposed date for the budget workshop was changed to February 15, 2024.

d. 2024 Proposed COTP E&O Meeting Dates

The COTP E&O Committee discussed and agreed to the proposed 2024 meeting calendar. It was noted that save the date emails would be sent out in December.

AGENDA ITEM 6: APPROVALS AND RECOMMENDATIONS

a. Request by WAPA to Use of Prior Year Funds for Fiscal Year 2024 Revised Budget Estimate

Ms. Mull (WAPA) reported that WAPA is requesting to use \$192,000 of prior year funds to cover a funding shortfall due to an increase in General Schedule Locality Pay Rates and Wage Board Rates resulting from an error in the percentage that was used in the calculations during the Fiscal Year 2024 COTP budget process. Ms. Mull further reported that WAPA has sufficient prior year funds available for the request and there would be no change in cash calls to participants based on this proposal. After discussion by the COTP E&O Committee, Mr. Buckingham (SMUD) moved to recommend approval of the use of prior year funds to both the TANC Commission and the COTP Management Committee. Mr. Costalupes (MID) seconded the recommendation, which was then approved by the COTP E&O Committee.

b. Request by WAPA to Use of Prior Year Funds for LIDAR

Ms. Mull (WAPA) reported that WAPA is requesting to use \$725,000 of prior year funds to move up a request to procure a service contract to perform Light Detection and Ranging (LIDAR) data collection from Fiscal Year 2025 to Fiscal Year 2024. WAPA indicated that it is prudent to conduct the LIDAR sooner, in part to improve the identification of potential off-Right-of-Way hazard trees. WAPA also indicated that based on the results of this LIDAR program – WAPA would be better equipped to reevaluate recommended LIDAR frequency by COTP segment. Ms. Mull further reported that WAPA has sufficient prior year funds available for the request and there would be no change in cash calls to participants based on

COTP E&O Committee Meeting
Minutes for November 8, 2023
Approved January 10, 2024

Attachment 3

this proposal. After discussion by the COTP E&O Committee, Mr. Buckingham (SMUD) moved to recommend approval of the use of prior year funds to both the TANC Commission and the COTP Management Committee. Mr. Costalupes (MID) seconded the recommendation, which was then approved by the COTP E&O Committee.

c. Consideration of the COI Path Rerate Phase Two Report

Mr. Schiermeyer (TANC) provided the COTP E&O Committee with an update on the COI Path Rating Process which has been ongoing since March 2021, reporting that the COI parties had recently completed the Phase 2 COI Path Rating Study. Mr. Schiermeyer also reported that the COI owners are currently obtaining management approval, after which the study will be submitted to the Project Review Group (PRG) for review and comment and then to the Western Electricity Coordinating Council (WECC). After discussion by the COTP E&O Committee, Mr. Buckingham (SMUD) moved to recommend approval of submitting the Phase 2 COI Path Rating Study to the PRG and then to WECC to both the TANC Commission and the COTP Management Committee. Mr. Miller (City of Redding) seconded the recommendation, which was then approved by the COTP E&O Committee.

AGENDA ITEM 7: PROJECT COST

d. Status of Operations & Maintenance Costs – Fiscal Year 2023

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

AGENDA ITEM 8: COTP E&O MEETING ADJOURNMENT

There being no further business, Chair Costalupes adjourned the COTP E&O Committee meeting.

Respectfully Submitted,

DocuSigned by:

Jarom Zimmerman

Jarom Zimmerman^{460DA03E7C8147D...}

TANC General Manager

Approved February 6, 2024

MINUTES OF THE
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
GENERAL MANAGER'S
OATT COMMITTEE MEETING
December 5, 2023

Chair Olivares called the December 5, 2023 Transmission Agency of Northern California (TANC or Agency) General Manager's Open Access Transmission Tariff (OATT) Committee meeting to order at 12:00 p.m. Mr. Riegle took roll call and participants in the meeting are included as Attachment 1.

Approval of the December 5, 2023 Agenda

Chair Olivares inquired if there were any suggested changes to the draft agenda, and upon hearing of no suggested revisions, accepted the December 5, 2023 General Manager's OATT Committee Agenda.

Approval of the Draft Minutes from the November 7, 2023 OATT Committee Meeting

Minutes from the November 7, 2023 OATT Committee meeting were reviewed by the Committee and upon hearing of no suggested revisions Chair Olivares accepted the minutes.

Monthly OASIS Activity Report for October '23

Mr. Persson presented to the Committee the October 2023 Monthly OASIS Activity Report.

Monthly Congestion Revenue Rights Program Update

Mr. Persson updated the Committee on the latest Congestion Revenue Rights program costs and revenue position.

Latest on Approaching the CAISO on Potential Variable TTC Matters

Mr. Riegle and Mr. Persson continued discussion on a potential meeting with the California Independent System Operator related to California-Oregon Intertie rating revisions associated with Total Transfer Capability. These revisions may have a material impact on how members reserve their Native Load shares. Staff will continue to work with Silicon Valley Power staff and identified CAISO staff as calendar year 2024 commences with pertinent updates surrounding FERC Order 881, EDAM, DAME and related matters potentially supporting a variable TTC at COI.

Transmission Service Pricing and Products

Mr. Riegle mentioned that as calendar year 2024 approaches there may be direction requested for comprehensive OATT updates in the form of near-term, mid-term, and long-term revisions including, potentially, a Network Integration Transmission Service option, along with numerous other updates that may be required per FERC Orders such as Order 2023 related to "Cluster" (Affected System Study) evaluations. Mr. Riegle also stated that since the last Committee meeting no revisions to rates have been submitted by SMUD.

Administration

The Committee discussed the meeting schedule for 2024 and determined no meeting was required for September 3, 2024. Staff will disperse the series of meetings for calendar acceptance. The next General Manager's OATT Committee meeting was scheduled for February 6, 2023 at 12:00 p.m.

Documents from this meeting will be distributed upon request.

Respectfully Submitted,

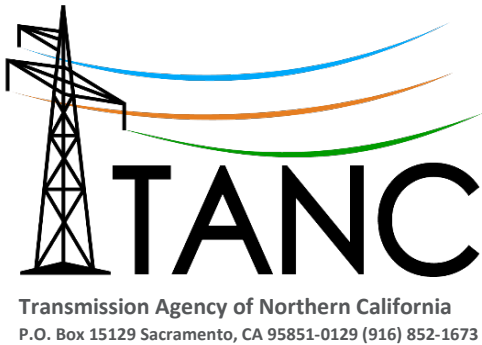
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Jarom Zimmerman

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Jarom Zimmerman

TANC General Manager



MEMORANDUM

DATE: March 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
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 (to comply with the requirements of Federal Energy Regulatory Commission Order 890), which is tasked with coordination of regional and interregional transmission planning. The most recent Planning Subcommittee (PS) meetings were held on and February 8 and 20, 2024. The most recent Planning Management Committee (PMC) meeting was held on February 21, 2024. The next PS and PMC meetings are both scheduled for March 19 and 20, 2024. The WestConnect Stakeholder meeting was also held on February 21, 2024. The Annual Interregional Coordination Meeting will be hosted by NorthernGrid on March 26, 2024.

Planning Subcommittee

The Planning Subcommittee met on both February 8 and 20, 2024. The purpose of the February 8, 2024 meeting was to discuss the specific milestone dates for the 2024-2025 Study Plan development and also to review the second draft of the Study Plan along with the comments received and continue the discussion of the potential study scenarios. The PS also discussed the status of the ongoing Transmission Plan Project List (TPPL) process and reported that the next draft of the Study Plan would include a list of projects that will be part of the Base Transmission Plan, gathered through that process. The TPPL process is to facilitate the collection of and updates to transmission related projects which inform the development of the Base Transmission Plan in each WestConnect biennial regional transmission planning cycle. Since the Study Plan goes through stakeholder review, the plan is to get the document to the point where the PS can agree at the February 20, 2024 PS meeting that the PMC can release a draft for stakeholder review. The PS also discussed the scenarios which were proposed to be studied and determined that the

following studies would be analyzed in the Study Plan: 1) a decreased facility rating study to assess the effects of lower facility ratings due to increased temperatures; 2) an extreme cold weather study to assess resource adequacy during an extreme winter weather event; and 3) a 20-year increased renewable transmission study to assess the transmission effects of higher renewable penetration.

During the February 20, 2024 meeting, the PS addressed comments regarding the 2024-2025 study plan that were submitted by members. The PS went through specific wording and study related comments as well as public policy related comments and updated the study plan where needed. Following this, the PS discussed the information that was submitted for the study and the independent transmission projects which will be included in the study. Finally, the PS again reviewed the study plan schedule and specified that it would be released for stakeholder comment on February 21, 2024 with the goal of having the study plan approved by the PMC on March 20, 2024.

Planning Management Committee

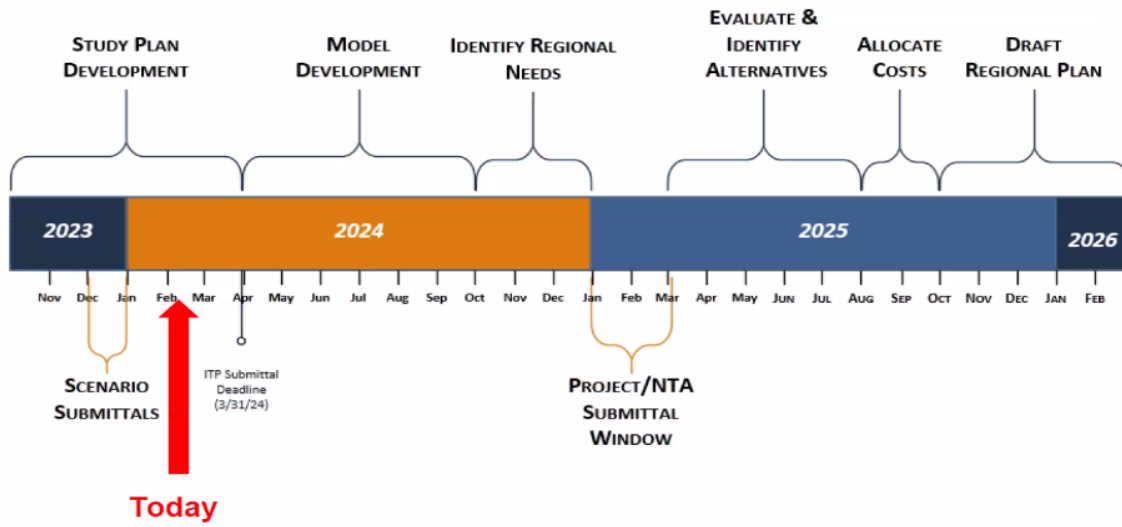
At their meeting on February 21, 2024, the PMC discussed the status of the 2024-2025 Study Plan. It was noted that members submitted changes to the plan and comments were received and addressed. It was also noted that the Sunzia Transmission Project would be included in the study. The PMC also noted that the committee is monitoring attendance of meetings and that there are no members with any issues with attendance. Finally, the PMC noted that there are no updates from the Interregional Transfer Capability Study being performed by the Western Electricity Coordinating Council, that a coordination meeting with WestConnect will be held on March 26, 2024 and projects can be submitted through March 31, 2024.

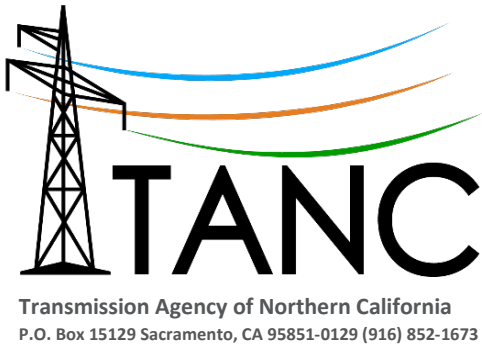
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WestConnect Stakeholder Meeting

On February 21, 2024, WestConnect held the first of at least two stakeholder meetings scheduled for 2024 and presented the 2024-2025 Regional Study Plan. WestConnect Transmission Owner 10-Year Plans for Colorado Coordinated Planning Group, Sierra Subregional Planning Group Members and Southwest Area Transmission Subregional Planning Group Members were reviewed. Independent Developer Project Updates for RioSol Transmission Project, SunZia and Southline Transmission Project were also reviewed. The stakeholder meeting also included an overview of PMC Organization and Activities.

2024-25 Process Timeline





MEMORANDUM

DATE: March 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
General Manager

SUBJECT: REPORT ON COTP MATTERS

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

Environmental and Land Activities

Vegetation Management – Manzanita Lake/Table Mountain Communication Site Tree Removals

TANC has received the executed contract for the removal of approximately 66 trees identified as potentially interfering with the microwave signal at the Manzanita Lake (a.k.a. Table Mountain) Communication Site. Contract documents have been transmitted to the Western Area Power Administration (WAPA), who will be acting as TANC's on-site Designated Timber Sale Representative. WAPA and TANC will continue to coordinate with representatives of the Lassen National Forest regarding field operations planning. Field operations are anticipated to begin in June or July 2024 after snowmelt and ground conditions allow.

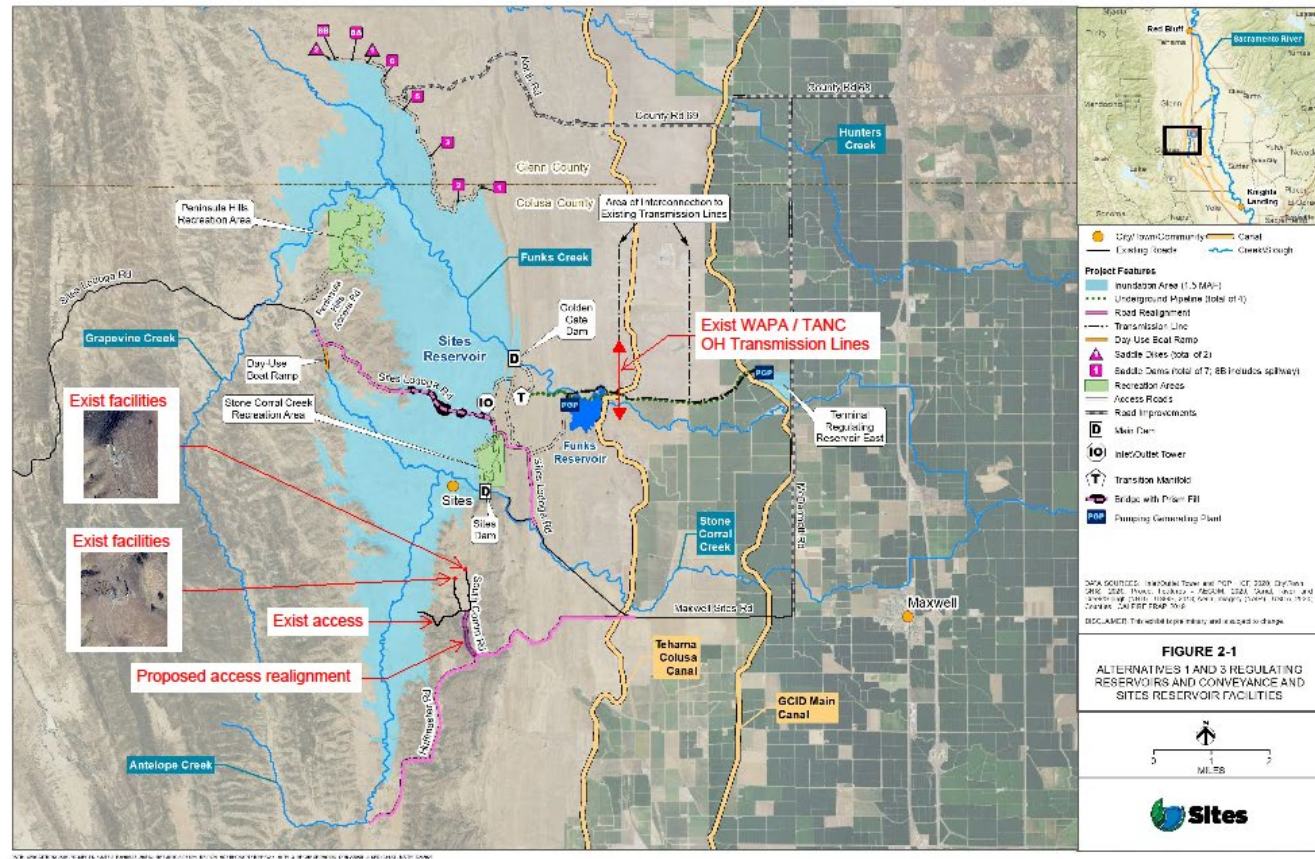
Permit & Land Transmission Line

Sites Reservoir Project Coordination

On November 17, 2023, the Final Environmental Impact Report for the Sites Reservoir Project (Project) was approved by the Sites Project Authority (Authority), the lead agency under the California Environmental Quality Act. On March 13, 2024, TANC and WAPA staff will meet with representatives of the Authority to discuss potential Project impacts on TANC and WAPA assets and responsibilities, including COTP right of way crossings, communications site accessibility during and after Project construction, and other short- and long-term Project development issues. Figure 1 depicts key features of the Project.

A Public Entity whose Members include:

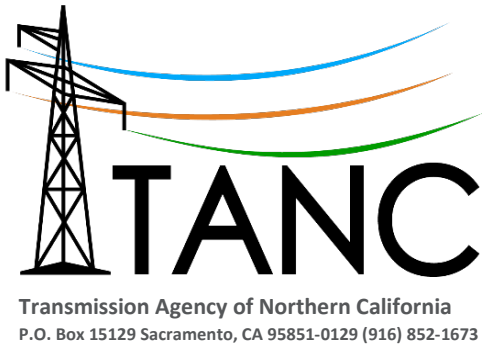
Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,
Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah



Sites Reservoir Project Final EIR/EIS

2-7
2023

Figure 1. Sites Reservoir Project



MEMORANDUM

DATE: March 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
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:

California-Oregon Intertie Path Rating Process

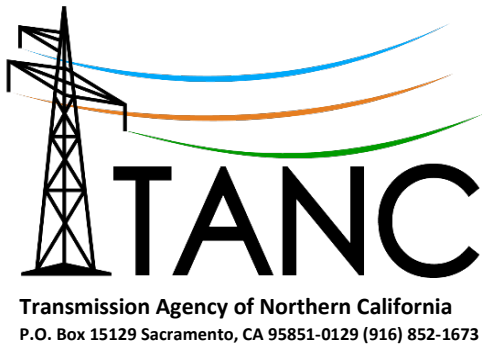
As a follow-up to the January 30, 2024 California-Oregon Intertie (COI) owners meeting with the Reliability Coordinator (RC West) to discuss the Phase Two COI Path Rating Study, an additional meeting was held on February 27, 2024. The purpose of the meeting was to address any additional issues that RC West had on the study. No additional unresolved issues were identified, and RC West approved the Phase Two COI Path Rating Study. Next steps identified at the meeting included developing a plan of service and implementation schedule.

Previous discussions of the parties identified that the new total transfer capability (TTC) rerate would need to be reviewed for next year's operations as part of the Operating Studies Subcommittee (OSS) process. As the COI Summer TTC limit had already been approved at the end of January, RC West reported that a restudy for summer operations would not occur. The earliest a new TTC would be implemented would be Winter 2024/2025 – which would begin on November 1, 2024. As discussed at the February 27, 2024 meeting, while the parties agree with trying to implement the new TTC in Winter 2024/2025; that the implementation of the 5,100 megawatt (MW) TTC limit may need to slip to Summer 2025 to allow more time for operations to implement processes, procedures, and training.

Now that RC West has completed their review and approval of the Phase Two COI Path Rating Study, the COI owners will present it to the Project Review Group (PRG) for their approval. After PRG approval, the study will be submitted to the WECC Study Subcommittee for approval and to move the process into Phase 3. Phase 3 will include getting operations, contracts, and tools in place.

Operating Studies Subcommittee

At their meeting on February 20, 2024, the OSS discussed the implementation of the 5,100 MW TTC limit as part of the Winter 2024/2025 study. One item that is impacted is the test performed for the Reactive Margin review. In current studies with the COI at 4,800 MW it was previously determined that the Reactive Margin would be tested to all modelled contingencies with the COI set to a 10 percent Reactive Margin or with the COI flow 10 percent above the limit. The issue was raised that using this criterion for the new limit of 5,100 MW would produce results with an insufficient Reactive Margin. It was noted that this methodology is extremely conservative and not required by any standard. The OSS decided to change from a Reactive Margin test to determining the Power Flow limit based on real power (P) verse voltage (V) or a PV curve. The OSS determined that making this change would produce results that are more in-line with real-time conditions.



MEMORANDUM

DATE: March 13, 2024

FROM: Jarom Zimmerman
General Manager

SUBJECT: REPORT ON FERC AND OTHER REGULATORY MATTERS

This memorandum provides an update on regulatory issues at the Federal Energy Regulatory Commission (FERC) that are relevant to the Transmission Agency of Northern California (TANC) and its Members.

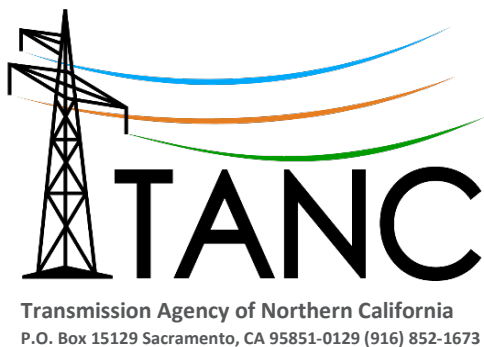
Update on Commissioners

On February 9, 2024, President Joe Biden (D) officially announced that Willie L. Phillips, Jr. (D) will serve as FERC Chair. Chair Phillips has served as Acting Chairman since January 3, 2023 following the departure of the previous Chair Richard Glick (D). Also on February 9, 2024, Commissioner Allison Clements (D) reported that she will not pursue a second term. While Commissioner Clements' term ends in June 2024, she is permitted to remain at FERC until the end of the 2024 Calendar Year. Barring the appointment of additional Commissioners, upon Commissioner Clements departure, FERC, a five-person commission, would have just two members, Chairman Phillips and Commissioner Mark Christie (R), and would be without a quorum.

To prevent this, on February 29, 2024, President Biden announced three nominees for FERC Commissioner: Judy Chang (D), David Rosner (D), and Lindsay See (R). Since FERC cannot comprise more than three Commissioners from the same political party, See was a nominee recommended by the Senate Minority Leader Mitch McConnell (R). The nominees will be considered by the Senate Energy & Natural Resources Committee before being considered by the full Senate. Pending the confirmation of all three nominees, FERC will be a full, five-person commission for the first time since the departure of former Chairman Glick on January 3, 2023.

Tariff Amendment Regarding 2024 Interconnection Request Window

On February 8, 2024, the California Independent System Operator (CAISO) filed a tariff amendment with FERC to forgo a new interconnection request (IR) window (Cluster 16) in 2024. According to the CAISO, forgoing Cluster 16, which is scheduled to open on April 1, 2024, will allow the CAISO, transmission owners and developers to fulfill the overwhelming volume of IRs comprising Clusters 14 and 15. The CAISO currently expects to complete its Cluster 14 interconnection studies in Spring 2024 and begin its Cluster 15 studies in Fall 2024. Before commencing Cluster 15, the CAISO must also implement several reforms as part of its 2023 Interconnection Process Enhancements (IPE) initiative, as well as adopt the regulatory requirements associated with FERC Order 2023. For these reasons, the CAISO cites that adding new IRs in Cluster 16 will exacerbate current challenges and further delay studies. The CAISO requested that FERC approve its tariff amendment by March 31, 2024 to avoid opening Cluster 16 on April 1, 2024. Comments were due on February 29, 2024.



MEMORANDUM

DATE: March 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
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.

Studies Subcommittee

At their meeting on February 1, 2024, the Studies Subcommittee presented findings for the recent long-term capacity expansion study. This study analyzed three portfolios with varying renewable and distributed generation levels. The study used a zonal analysis to analyze transmission flows and the effects of distributed generation. The study found that distributed generation can have significant impacts on transmission flows between the different zones within WECC. The study also found that with moderate levels of distributed generation, certain inter-zonal transmission investments could be delayed or avoided; however, also that high levels of distributed generation would increase the need for inter-zonal transmission.

Member Advisory Committee

At their meeting on February 7, 2024, the Member Advisory Committee (MAC) approved revisions to its charter. The revisions clarify that the MAC shall prioritize discussion about member views on major issues to ensure membership concerns are properly heard and to support its responsibility to advise the WECC Board of Directors. Additionally, during the meeting, the MAC announced its liaisons for the WECC Nominating Committee, Joint Guidance Committee, Reliability Risk Committee (RRC), and Resource Adequacy Advisory Group. The liaisons will participate in their respective committees and recommend relevant agenda items for discussion at subsequent MAC meetings.

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

Reliability Assessment Committee

On February 27 and 28, 2024, the Reliability Assessment Committee (RAC) met for its quarterly meeting. At the meeting on February 27, 2024, the RAC reviewed progress made on the Interregional Transfer Capability Study. The study is in the data collection phase and is scheduled to be completed by December 2024. The Studies Subcommittee and System Review Subcommittee shared updates and the Modeling and Validation Subcommittee also shared a presentation on the status of grid forming inverter models which are emerging in the industry. The Production Cost Data Subcommittee also shared recent findings which showed anticipated changes in regional transfers over the next 10 years. One change that was identified was a lower transfer between Oregon and California resulting from more solar penetration in California. Following this presentation, the Long-Term Planning Task Force (LTPTF) shared updates regarding its findings that WECC's role in long term planning should be maintaining data sets for long term system planning studies. The LTPTF also reported that there is a pending Federal Energy Regulatory Commission (FERC) decision which will shape WECC's role in the space. Finally, the Short Circuit Modeling Subcommittee shared updates regarding its efforts to work with vendors to identify differences on modeling software used within WECC.

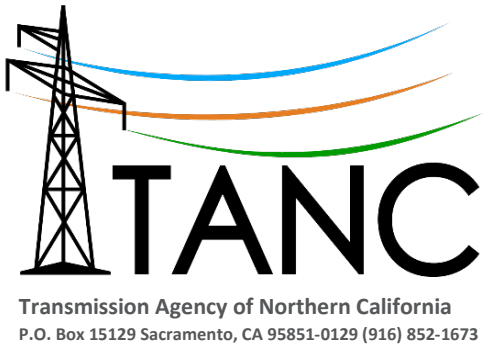
At the meeting on February 28, 2024, the RAC discussed the establishment of the Western Transmission Expansion Coalition. This is a new organization managed by the Western Power Pool meant to advocate for additional transmission projects in the West. Next, the RAC discussed the new TPL-008 standard and FERC Order 896. These both pertain to new standards to test a system based on extreme weather events like a cold snap or extended heat wave which will result in stress on the Bulk Electric System. The RAC also received a presentation on the importance of improved weather data sets for use in a current and future electric system which relies on both solar and wind energy. Finally, the RAC shared results from its engagement survey and discussed the possibility of holding in-person meetings in the coming year.

Reliability Risk Committee

On February 28, 2024 and February 29, 2024, the RRC convened for a two-day meeting. On Day 1, the RRC approved its guidelines for the design of critical communication circuits. The guidelines provide communications system designers with basic design requirements for communication circuits that carry protective relaying, Remedial Action Schemes, or other critical communications traffic, and include communication facility design requirements to ensure the proper performance of communication circuits. The RRC also discussed and weighed the magnitude of various risks related to extreme natural events, provided an update on its next steps regarding the Interregional Transfer Capability Study and shared a draft of its Western Interconnection risk report.

On Day 2, the RRC reviewed its risk register, which currently contains 31 identified risks and 12 potential risks under review. The RRC indicated that it is currently assessing the following treatment options for each risk: 1) accept – retain or increase the likelihood of the risk to pursue

an opportunity, or proceed with any ongoing activities intended to address the risk; 2) reduce – take action to remove the source of the risk, change the likelihood of the risk, or alter the consequences of the risk; 3) transfer – share the risk with other entities via insurance or collaboration; and 4) avoid – avoid the risk by deciding not to proceed with or continue the activity that gives rise to the risk. By July 2024, the RRC will decide on treatment options for each risk. The RRC will also begin forming initial treatment plans for each risk.



MEMORANDUM

DATE: March 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
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.

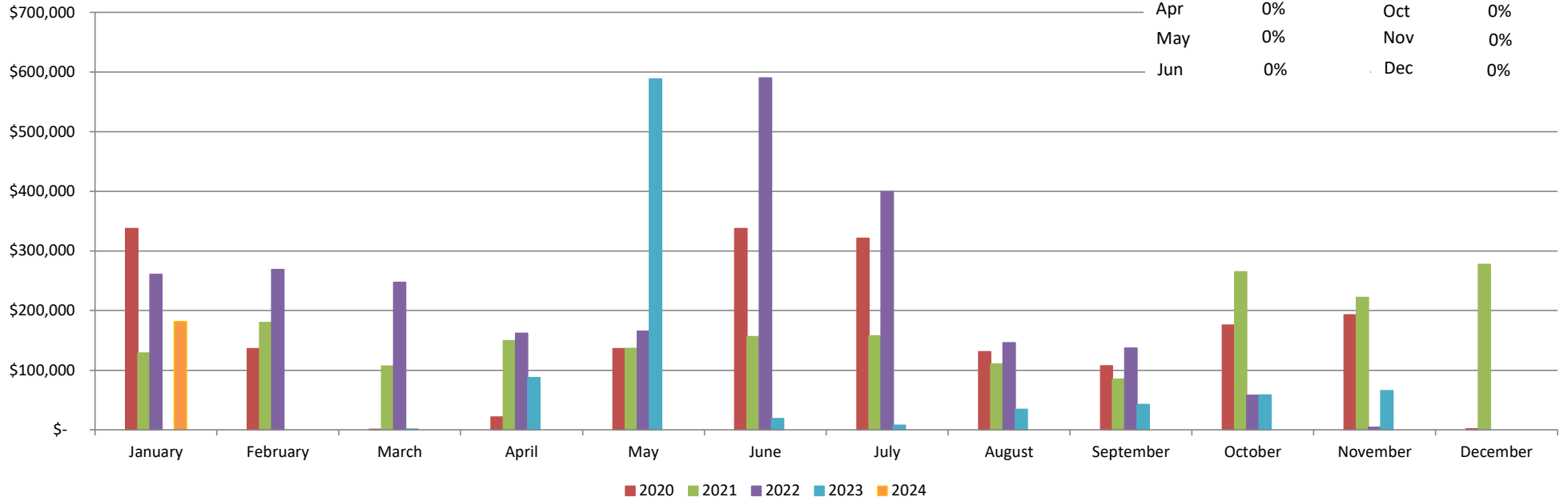
Enclosed is a bar graph indicating PA-5 Member third party OASIS sales on a monthly basis since 2020, in addition there are pie charts indicating monthly sales through January 2024 as well as year-to-date 2024 sales. A second bar graph includes calendar year sales from 2020 through January 2024. Additionally, 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 \$181,846. The 2024 Year-to-Date sales through January are \$181,846.

Enclosures

2024 TANC OASIS (PA-5) Annual Revenue Third Party Sales*

Historical OASIS Sales & Percentages for January 2024 2020-2024

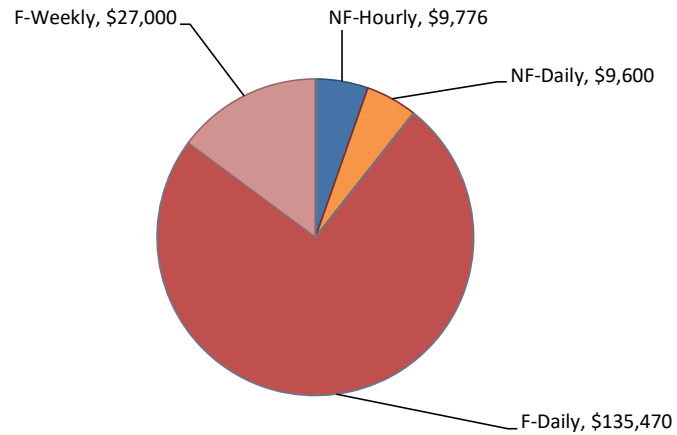


Monthly percentage of the YTD Total Revenue

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

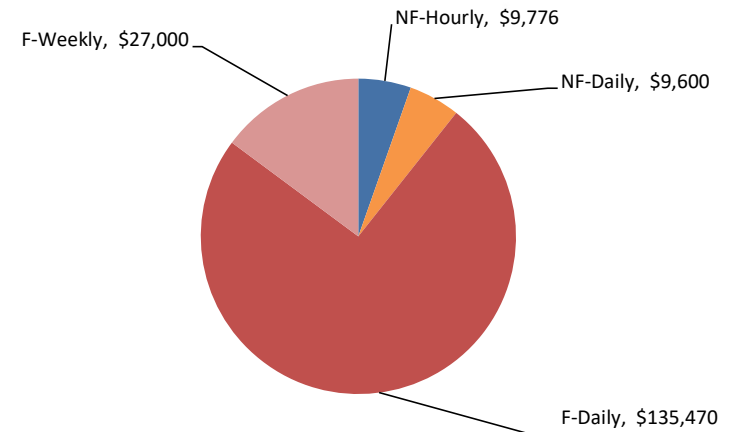
2024 Product Sales

Total January Sales \$181,846



2024 YTD Product Sales

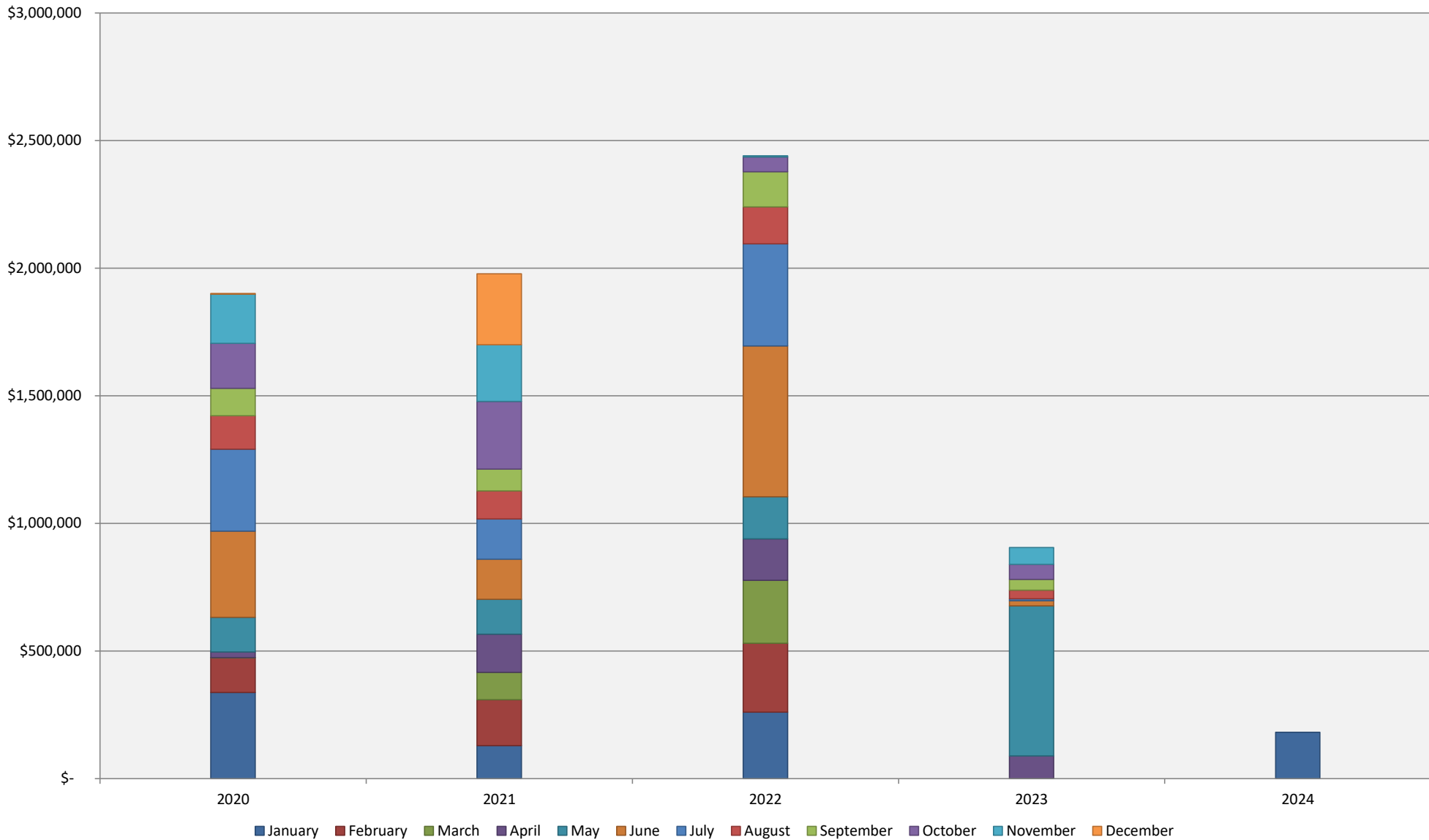
Total 2024 Sales \$0.18M



* Includes OASIS sales data through January 2024. Does not include buy-backs or excess capacity purchases by TANC OASIS participants

2024 TANC OASIS (PA-5) Annual Revenue from Third Party Sales*

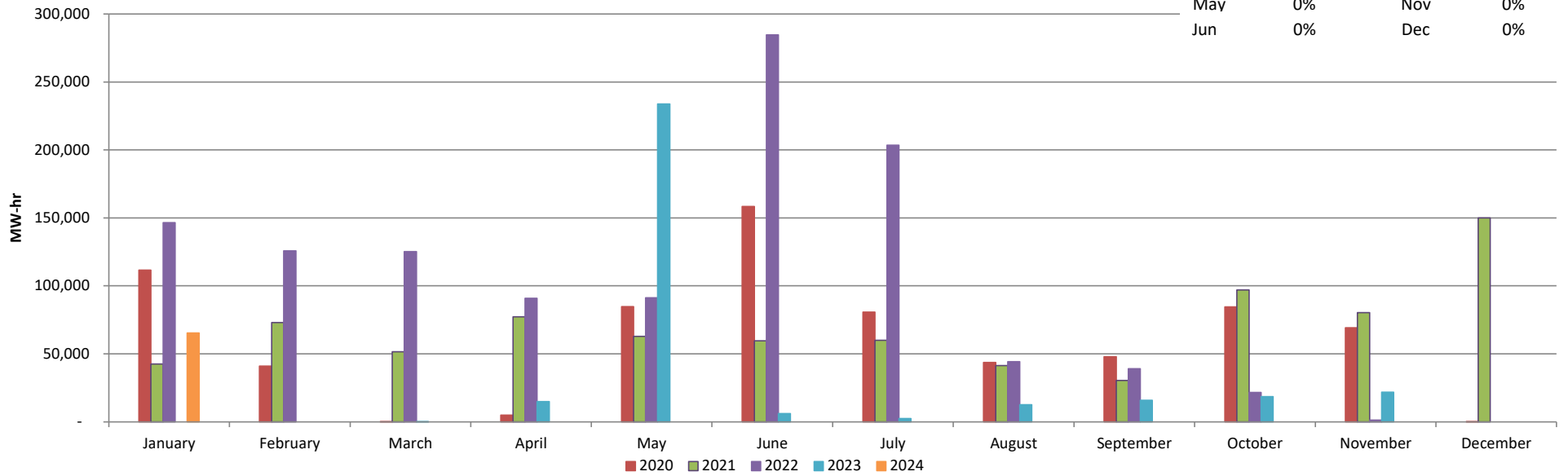
Monthly Historical OASIS Sales
January 2020 - January 2024



* Includes OASIS sales data through January 2024. Does not include buy-backs or excess capacity purchases by TANC OASIS participants

2024 TANC OASIS (PA-5) Annual MWh Third Party Sales*

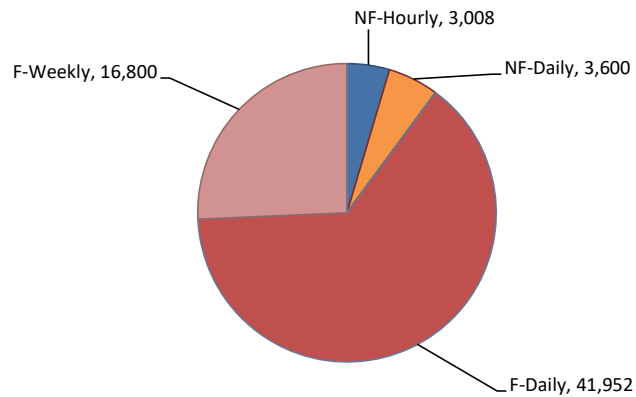
Historical OASIS Sales & Percentages for January 2024 2020-2024



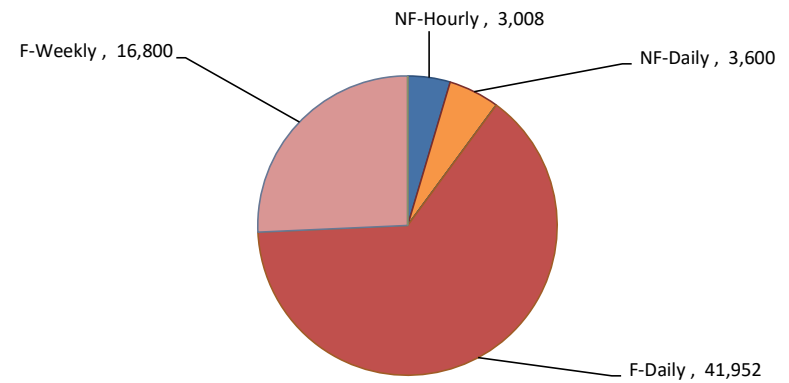
Monthly percentage of the YTD Total MWhr

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

2024 MWh Sales Total January Sales 65,360 MWh



2024 YTD MWh Product Sales Total 2024 Sales 65.36 GWh

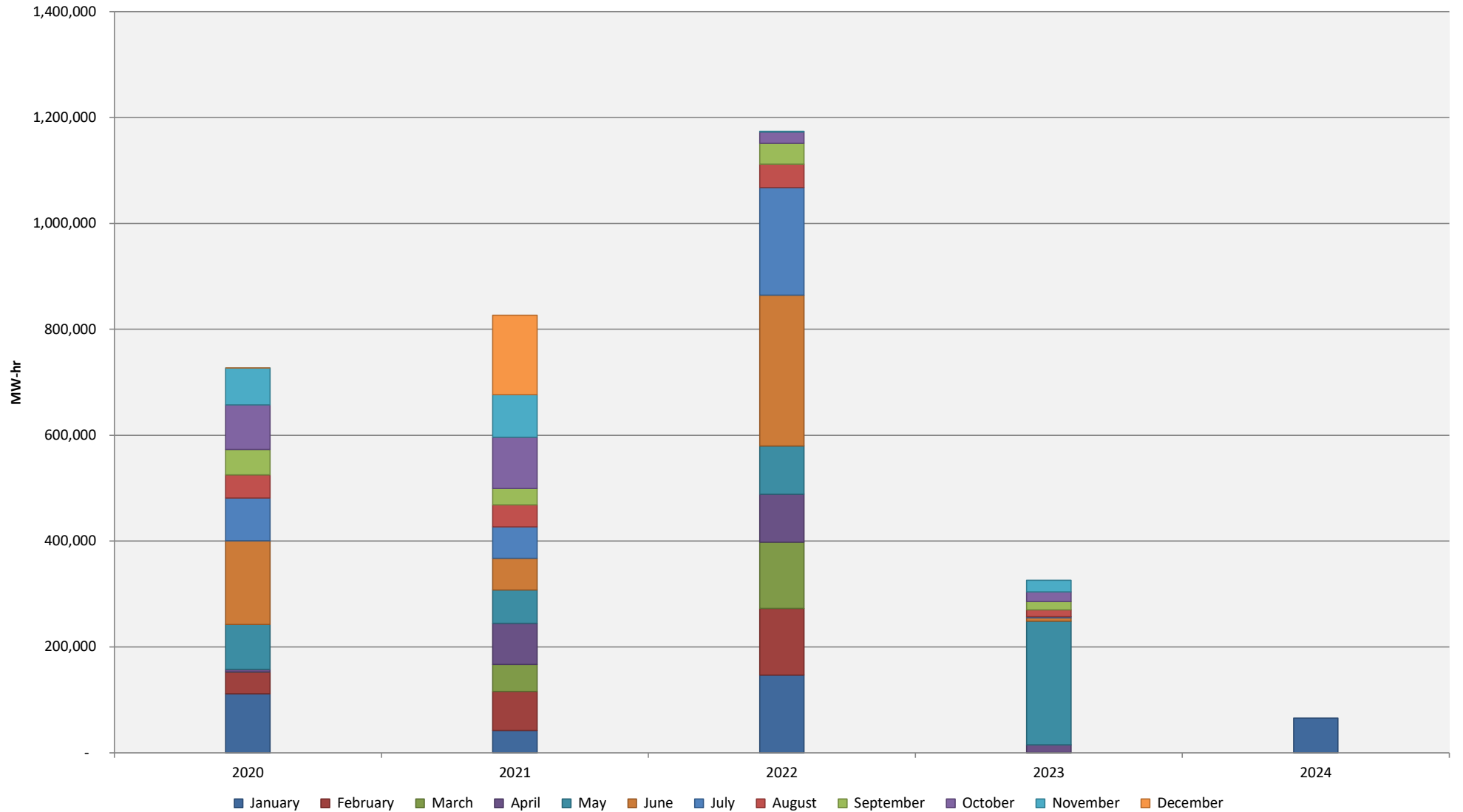


* Includes OASIS sales data through January 2024. Does not include buy-backs or excess capacity purchases by TANC OASIS participants
Includes sales only, does not include actual scheduled energy.

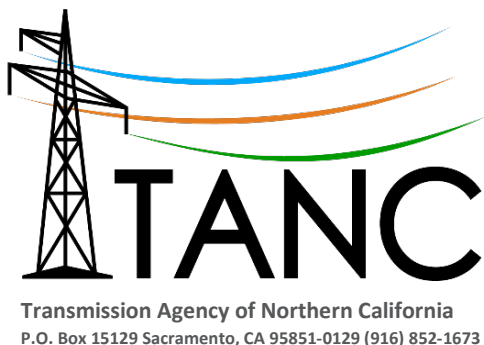
2024 TANC OASIS (PA-5) Annual MWh Third Party Sales*

Monthly Historical OASIS Sales

January 2020 - January 2024



* Includes OASIS sales data through January 2024. 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 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
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.

Wildfire Mitigation Plan Update

The active version of the Transmission Agency of Northern California (TANC) Wildfire Mitigation Plan for the California-Oregon Transmission Project (COTP) (WMP) was submitted to the WSAB in June 2023. The WMP includes six Enhanced Wildfire Prevention, Mitigation, and Response Strategies (Wildfire Strategies) that TANC and Western Area Power Administration (WAPA) are actively implementing. One of those strategies has the objective of enhancing the visual coverage of the COTP for improving situational awareness with respect to wildfire detection. Specifically, this Wildfire Strategy is directed towards compiling information on viewsheds from existing fire lookout stations, remote camera networks, and other sources with the intent of: 1) mapping the extent of existing visual coverage of the COTP right of way (ROW); and 2) identifying COTP segments where visual wildfire detection gaps exist.

TANC has been working with its Registered Professional Forester (RPF) to develop maps that depict these viewsheds and the extent of visual coverage of the COTP ROW. TANC's RPF identified 34 separate camera and/or lookout stations that provide this coverage. All but one of the cameras are within the AlertCalifornia network¹. AlertCalifornia's high-definition cameras are able to pan, tilt, zoom and perform 360-degree sweeps approximately every two minutes with 12 high-definition frames per sweep. The cameras also provide 24-hour monitoring with near-

¹ One of the cameras is within the AlertWildfire network that essentially has the same capabilities as an AlertCalifornia camera.

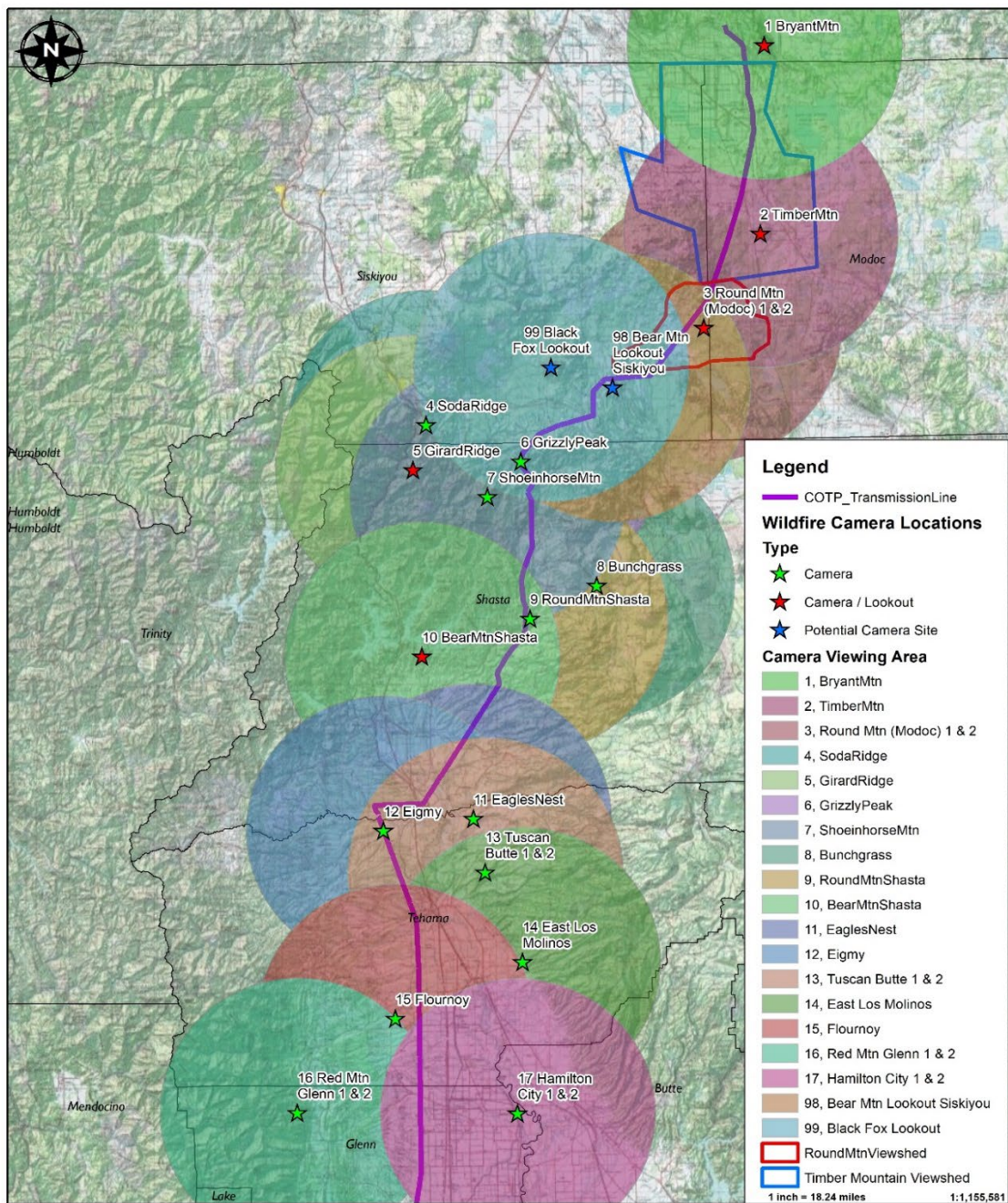
infrared night vision capabilities. Each can view as far as 60 miles on a clear day, and 120 miles on a clear night. Using the cameras and associated tools, first responders with the California Department of Forestry and Fire Protection can rapidly confirm fire ignition, quickly scale fire resources, support evacuations through enhanced situational awareness and monitor fires through containment.

AlertCalifornia's camera network is monitored by trained fire professionals at regional command and control centers across the state. Most fires within view of the cameras have already been reported, and some may be prescribed burns. Also:

- Most fires that are centered in the field of view and zoomed into are already confirmed.
- A fire start that is not zoomed into and/or centered in the frame has a good chance of being a new start.
- Check the time lapse feature². If you see the camera move to and zoom toward the fire, you know fire authorities are watching.

Figures 1 and 2, below, indicate the existing visual coverage of the COTP ROW for wildfire detection purposes for arbitrarily identified Northern and Southern ROW segments. There are no gaps in visual coverage, and many of the cameras provide coverage that overlaps the coverage provided by one or more neighboring cameras.

² Links to these cameras are available from TANC staff upon written (email) request.

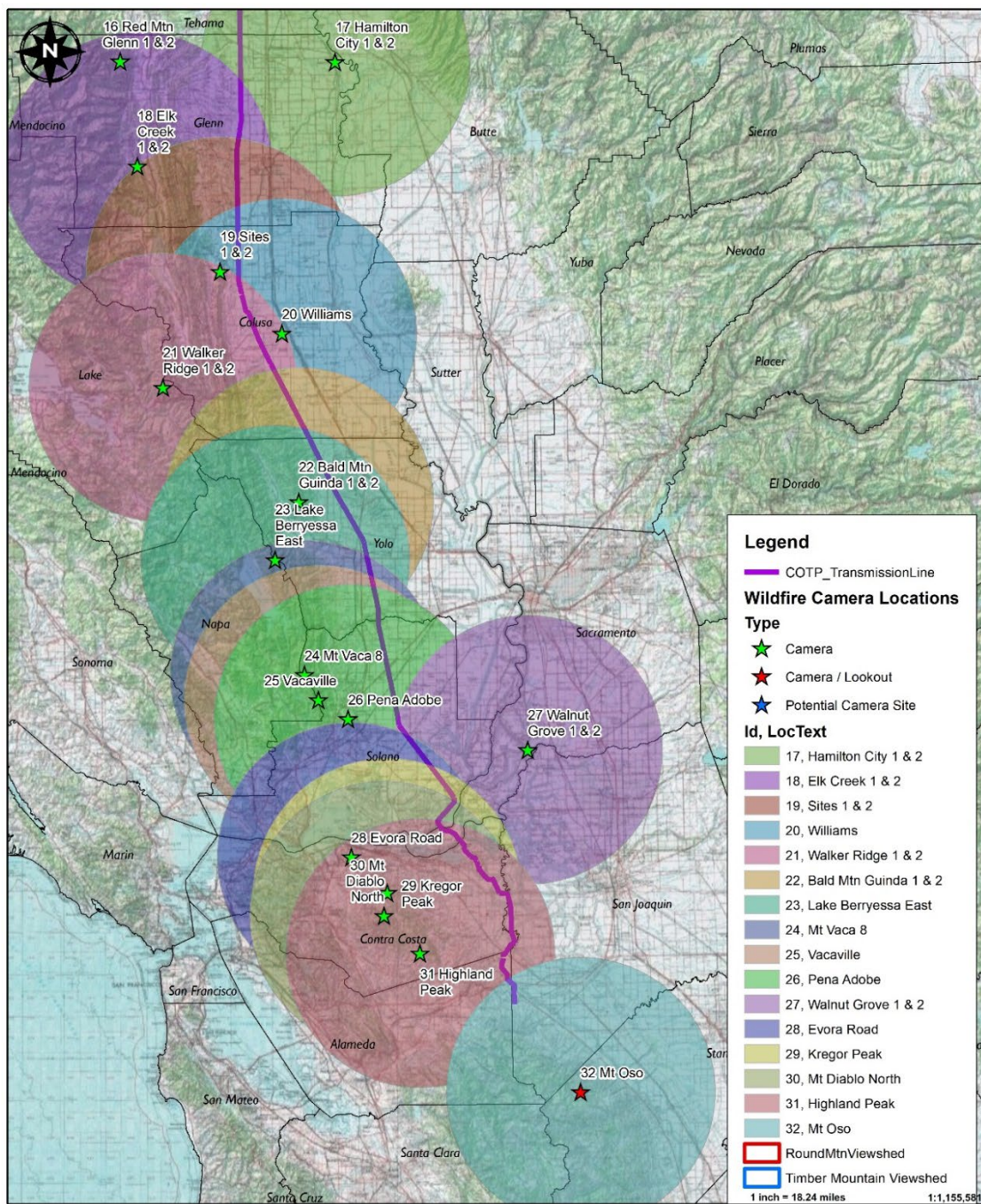


COTP Wildfire Cameras and Lookouts Visual Coverage - Northern Segment

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Circles represent 20-mile view radius from camera centerpoint location
 Polygons represent lookout locations viewshed
 Date: 11/30/2023

Figure 1. COTP Wildfire Cameras and Lookouts Visual Coverage – Northern Segment

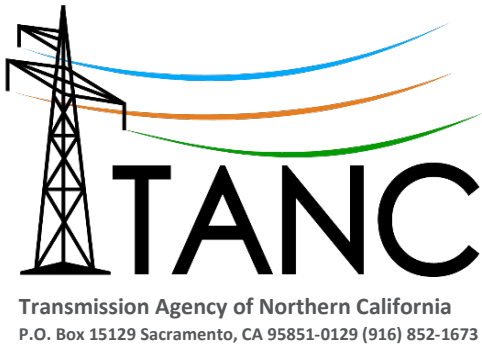


COTP Wildfire Cameras and Lookouts Visual Coverage - Southern Segment

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Circles represent 20-mile view radius from camera centerpoint location
 Polygons represent lookout locations viewshed
 Date: 11/30/2023

Figure 2. COTP Wildfire Cameras and Lookouts Visual Coverage – Southern Segment.



MEMORANDUM

DATE: March 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
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 being conducted in support of TANC's Reliability Standards Compliance Program.

Notice of Upcoming WECC Audit

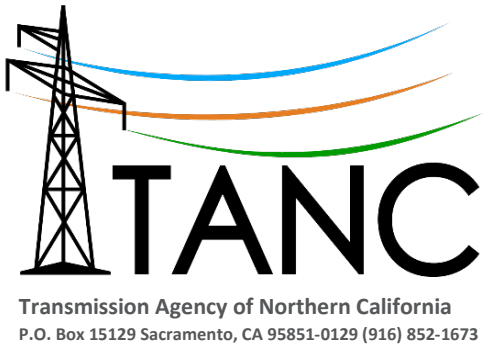
TANC continues to prepare for the April 1, 2024 – April 12, 2024 Western Electricity Coordinating Council compliance audit of the following Operations and Planning standards requirements (R):

- MOD-026-1, R1: – Verification of Models and Data for Generator Excitation Control System or Plant Volt/Var Control Functions
- MOD-027-1, R1: Verification of Models and Data for Turbine/Governor and Load Control or Active Power/Frequency Control Functions
- MOD-032 R1: Data for Power System Modeling and Analysis
- TPL-001-5.1 R2 (2.1): Transmission System Planning Performance Requirements

On January 30, 2024, TANC submitted the required information, reports and evidence for the six-year audit period for the applicable standards and requirements. On January 30, 2024, TANC submitted the required information, reports and evidence for the six-year audit period for the applicable standards and requirements. TANC is now scheduling audit training for the Subject Matter Experts which will occur in late March. WECC has also scheduled the opening audit presentation for April 1 (the first day of the audit) and the closing audit presentation for April 12 (the last day of the audit).

Order Approving Extreme Cold Weather Reliability Standards

On February 15, 2024, the Federal Energy Regulatory Commission (FERC) issued an order approving the North American Electric Reliability Corporation's (NERC) proposed Reliability Standards EOP-011-4 (Emergency Operations) and TOP-002-5 (Operations Planning), to reduce reliability risks posed by extreme cold weather to the Bulk-Power System. According to NERC, the purpose of EOP-011-4 is to ensure that transmission operators and balancing authorities (BAs) implements plans to mitigate operating emergencies, and that such plans are coordinated within the reliability coordinator area. Specifically, EOP-011-4 requires that these entities consider the impacts of load shedding during emergency conditions on natural gas infrastructure. TOP-002-5 requires BAs to maintain an operating process for extreme cold weather events. Neither of these standards is applicable to TANC.



MEMORANDUM

DATE: March 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
General Manager

SUBJECT: REPORT ON FY 2024 SECOND QUARTER BUDGET VARIANCE REPORT

Enclosed for Transmission Agency of Northern California (TANC) Commission review is the Fiscal Year 2024 second quarter budget variance report for the period July 1, 2023, through December 31, 2023. The report details TANC's budgeted line items compared to actual expenditures.

TANC hits the half-way point of Fiscal Year 2024 with expenses of \$14.6 million compared to a budget of \$19.6 million, for an under-budget variance of \$5.0 million, or 25.6 percent. The components that comprise this total variance are described below:

1. California-Oregon Transmission Project (COTP)

COTP expenses are under-budget by approximately \$4.7 million or 45.2 percent. The Western Area Power Administration's (WAPA) Maintenance line item has an under budget variance of \$1.675 million in the second quarter or 45.8 percent. Similar to prior discussion surrounding WAPA's under budget performance, WAPA needs funding in place before work can be performed, contracts signed, and equipment procured. Due to this funding requirement, there is usually a lag between budget and when costs are fully realized. Typically, this under budget variance is made up later in the fiscal year. Also, with a large under budget variance is Capital Improvements. Similar to Maintenance it is anticipated this large variance will normalize as the year progresses.

2. Debt Service

Debt service payments are under budget by \$494.

3. TANC Agency

The TANC Agency budget is under budget by \$85,660 or 12.4 percent. Currently, the only two items trending over budget are Audit Services and Staff Support.

4. TANC Operations

TANC Operations is under budget by \$76,359 or 11.0 percent. Items currently over budget are General Consultant-Independent System Operator and California Municipal Utilities Association Legislation/Regulation, Special Counsel-Committee Support, and TANC Regional Planning-Technical Support.

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

TANC OASIS is under budget by \$16,923 or 5.9 percent.

6. Participating Transmission Owner (PTO) Engagement

PTO Engagement is under budget by \$63,313 or 18.4 percent.

7. South of Tesla (SOT)

SOT expenses are under budget by \$58,637 or 23.3 percent.

Enclosures



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
First Quarter Budget vs. Expenditure
Fiscal Year 2024

FY'24 Budget		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/23-9/23	10/23-12/23	01/24-03/24	04/24-06/24	07/23-12/23	Variance	07/22-06/24	Variance
California-Oregon Transmission Project	Budget	\$ 4,125,900	\$ 6,358,200	\$ 7,120,100	\$ 3,975,100	\$ 10,484,100	\$ (4,734,795)	\$ 21,579,300	\$ (15,829,995)
	Expenditure	2,842,836	2,906,469	-	-	5,749,305	-45.2%	5,749,305	-73.4%
Debt Service		3,459,852	3,440,148	3,440,148	3,639,354	6,900,000	(494)	13,979,502	(7,079,996)
		3,459,359	3,440,148	-	-	6,899,506	0.0%	6,899,506	-50.6%
TANC Agency		377,300	315,700	318,500	317,100	693,000	(85,660)	1,328,600	(721,260)
		283,201	324,139	-	-	607,340	-12.4%	607,340	-54.3%
TANC Operations		307,230	385,430	304,230	312,530	692,660	(76,359)	1,309,420	(693,119)
		314,848	301,452	-	-	616,301	-11.0%	616,301	-52.9%
TANC OASIS		145,500	143,500	151,500	534,800	289,000	(16,923)	975,300	(703,223)
		118,684	153,392	-	-	272,077	-5.9%	272,077	-72.1%
PTO Engagement		172,800	171,400	-	-	344,200	(63,313)	344,200	(63,313)
		132,580	148,307	-	-	280,887	-18.4%	280,887	-18.4%
South of Tesla		126,130	125,234	130,234	133,008	251,364	(58,637)	514,606	(321,879)
		96,054	96,674	-	-	192,727	-23.3%	192,727	-62.5%
Total Fiscal Year	Budget	8,714,712	10,939,612	11,464,712	8,911,892	19,654,324	(5,036,182)	40,030,928	(25,412,786)
	Expenditure	7,247,562	7,370,580	-	-	14,618,142	-25.6%	14,618,142	-63.5%



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
First Quarter Budget vs. Expenditure
Fiscal Year 2024

COTP Operations		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/23-9/23	10/23-12/23	01/24-03/24	04/24-06/24	07/23-12/23	Variance	07/22-06/24	Variance
<u>COTP Operations</u>									
Operations	Budget	\$ 316,400	\$ 214,600	\$ 215,200	\$ 214,800	\$ 531,000	\$ (31,140)	\$ 961,000	\$ (461,140)
	Expenditure	251,915	247,944	-	-	499,860	-5.9%	499,860	-48.0%
Maintenance		1,783,300	1,876,300	2,926,500	431,500	3,659,600	(1,675,891)	7,017,600	(5,033,891)
		702,773	1,280,936	-	-	1,983,709	-45.8%	1,983,709	-71.7%
Natural Resources		335,100	585,600	904,100	390,900	920,700	(488,064)	2,215,700	(1,783,064)
		245,134	187,502	-	-	432,636	-53.0%	432,636	-80.5%
Project Support		216,700	256,400	223,900	1,961,300	473,100	(47,814)	2,658,300	(2,233,014)
		183,591	241,695	-	-	425,286	-10.1%	425,286	-84.0%
Compliance		147,900	177,600	232,600	157,000	325,500	(71,900)	715,100	(461,500)
		129,784	123,816	-	-	253,600	-22.1%	253,600	-64.5%
Security/Safety		12,500	29,800	356,700	2,400	42,300	(30,887)	401,400	(389,987)
		-	11,413	-	-	11,413	-73.0%	11,413	-97.2%
Subtotal COTP Operations		2,811,900	3,140,300	4,859,000	3,157,900	5,952,200	(2,345,697)	13,969,100	(10,362,597)
		1,513,197	2,093,307	-	-	3,606,503	-39.4%	3,606,503	-74.2%
<u>Transmission Balancing</u>									
Sub-Balancing Authority		144,800	142,100	237,500	146,900	286,900	41,173	671,300	(343,227)
		192,301	135,772	-	-	328,073	14.4%	328,073	-51.1%
Balancing Authority		585,300	585,300	606,600	606,600	1,170,600	(410)	2,383,800	(1,213,610)
		585,095	585,095	-	-	1,170,190	0.0%	1,170,190	-50.9%
Subtotal Transmission		730,100	727,400	844,100	753,500	1,457,500	40,763	3,055,100	(1,556,837)
		777,397	720,867	-	-	1,498,263	2.8%	1,498,263	-51.0%
Subtotal COTP Operations and Maintenance		3,542,000	3,867,700	5,703,100	3,911,400	7,409,700	(2,304,933)	17,024,200	(11,919,433)
		2,290,593	2,814,174	-	-	5,104,767	-31.1%	5,104,767	-70.0%
Capital Improvements		583,900	2,490,500	1,417,000	63,700	3,074,400	(2,429,862)	4,555,100	(3,910,562)
		552,242	92,295	-	-	644,538	-79.0%	644,538	-85.9%
Total COTP Operations	Budget	4,125,900	6,358,200	7,120,100	3,975,100	10,484,100	(4,734,795)	21,579,300	(15,829,995)
	Expenditure	2,842,836	2,906,469	-	-	5,749,305	-45.2%	5,749,305	-73.4%



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
First Quarter Budget vs. Expenditure
Fiscal Year 2024

Debt Service		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/23-9/23	10/23-12/23	01/24-03/24	04/24-06/24	07/23-12/23	Variance	07/22-06/24	Variance
<u>Bond Program</u>									
Principal									
2016 Series A Bonds	Budget	\$ 1,461,771	\$ 1,461,771	\$ 1,461,771	\$ 1,709,706	2,923,542	-	6,095,019	(3,171,477)
	Expenditure	1,461,771	1,461,771			2,923,542	0.0%	2,923,542	-52.0%
Interest/Fees									
2016 Series A Bonds		1,998,081	1,978,377	1,978,377	1,929,648	3,976,458	(494)	7,884,483	(3,908,519)
		1,997,588	1,978,377			3,975,964	0.0%	3,975,964	-49.6%
Total Debt Service	Budget	3,459,852	3,440,148	3,440,148	3,639,354	6,900,000	(494)	13,979,502	(7,079,996)
	Expenditure	3,459,359	3,440,148	-	-	6,899,506	0.0%	6,899,506	-50.6%



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
First Quarter Budget vs. Expenditure
Fiscal Year 2024

TANC Agency		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/23-9/23	10/23-12/23	01/24-03/24	04/24-06/24	07/23-12/23	Variance	07/22-06/24	Variance
<u>TANC Management</u>									
General Manager	Budget	\$ 67,200	\$ 67,200	\$ 67,200	\$ 67,200	134,400	-	268,800	(134,400)
	Expenditure	67,200	67,200			134,400	0.0%	134,400	-50.0%
Agency Representation		9,000	9,000	9,000	9,000	18,000	(16,500)	36,000	(34,500)
		1,500	-			1,500	-91.7%	1,500	-95.8%
Agency Dues		33,000	18,000	18,000	18,000	51,000	(26,282)	87,000	(62,282)
		4,450	20,268			24,718	-51.5%	24,718	-71.6%
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	(9,002)	50,000	(33,802)
		358	15,839			16,198	-35.7%	16,198	-67.6%
Subtotal TANC Management		126,800	109,800	109,800	107,400	236,600	(56,785)	453,800	(273,985)
		76,508	103,307	-	-	179,815	-24.0%	179,815	-60.4%
Audit Services		41,000	-	-	-	41,000	1,725	41,000	1,725
		2,475	40,250			42,725	4.2%	42,725	4.2%
General Counsel		20,100	19,700	20,100	20,100	39,800	(18,480)	80,000	(58,680)
		6,780	14,540			21,320	-46.4%	21,320	-73.4%
Treasurer/Controller		78,400	78,200	78,600	78,600	156,600	(37,979)	313,800	(195,179)
		67,099	51,522			118,621	-24.3%	118,621	-62.2%
Staff Support		111,000	108,000	110,000	111,000	219,000	25,859	440,000	(195,141)
		130,339	114,520			244,859	11.8%	244,859	-44.4%
Total TANC Agency	Budget	377,300	315,700	318,500	317,100	693,000	(85,660)	1,328,600	(721,260)
	Expenditure	283,201	324,139	-	-	607,340	-12.4%	607,340	-54.3%



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
First Quarter Budget vs. Expenditure
Fiscal Year 2024

TANC Operations		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/23-9/23	10/23-12/23	01/24-03/24	04/24-06/24	07/23-12/23	Variance	07/22-06/24	Variance
<u>General Consultant</u>									
WECC	Budget	\$ 14,000	\$ 13,000	\$ 14,000	\$ 14,000	\$ 27,000	\$ (9,648)	\$ 55,000	\$ (37,648)
	Expenditure	11,603	5,750			17,353	-35.7%	17,353	-68.5%
CMUA/Legislative/Regulatory		8,100	7,700	8,100	8,100	15,800	5,323	32,000	(10,878)
		12,410	8,713			21,123	33.7%	21,123	-34.0%
Independent System Operator		43,800	43,600	43,800	43,800	87,400	12,098	175,000	(75,503)
		50,153	49,345			99,498	13.8%	99,498	-43.1%
Transmission Reliability Standards		21,300	21,300	21,300	21,100	42,600	(5,470)	85,000	(47,870)
		14,303	22,828			37,130	-12.8%	37,130	-56.3%
Subtotal General Consultant		87,200	85,600	87,200	87,000	172,800	2,303	347,000	(171,898)
		88,468	86,635	-	-	175,103	1.3%	175,103	-49.5%
<u>Special Counsel</u>									
Committee Support		12,600	12,200	12,600	12,600	24,800	12,322	50,000	(12,879)
		18,938	18,184			37,122	49.7%	37,122	-25.8%
Independent System Operator		5,100	4,700	5,100	5,100	9,800	(9,800)	20,000	(20,000)
		-	-			-	-100.0%	-	-100.0%
Reliability Standards		10,200	9,400	10,200	10,200	19,600	(16,972)	40,000	(37,372)
		1,785	843			2,628	-86.6%	2,628	-93.4%
COTP FERC Matters		25,200	24,400	25,200	25,200	49,600	(22,223)	100,000	(72,623)
		15,309	12,069			27,377	-44.8%	27,377	-72.6%
Subtotal Special Counsel		53,100	50,700	53,100	53,100	103,800	(36,674)	210,000	(142,874)
		36,031	31,096	-	-	67,127	-35.3%	67,127	-68.0%
<u>Financing/Advice</u>									
Financial Advisor Support	Budget	-	35,000	-	-	35,000	(31,250)	35,000	(31,250)
	Expenditure	3,750	-			3,750	-89.3%	3,750	-89.3%
Bond Trustee Fees		875	875	875	875	1,750	(1,750)	3,500	(3,500)
		-	-			-	-100.0%	-	-100.0%
Subtotal Financing Advice		875	35,875	875	875	36,750	(33,000)	38,500	(34,750)
		3,750	-	-	-	3,750	-89.8%	3,750	-90.3%
<u>Bond Counsel</u>									
Bond Counsel Support		-	50,000	-	-	-	-	50,000	(50,000)
		-	-			-	-	-	-100.0%
Arbitrage Rebate Calculations		-	2,500	-	-	2,500	(1,240)	2,500	(1,240)
		630	630			1,260	-49.6%	1,260	-49.6%
Subtotal Bond Counsel		-	52,500	-	-	52,500	(51,240)	52,500	(51,240)
		630	630	-	-	1,260	-97.6%	1,260	-97.6%



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
First Quarter Budget vs. Expenditure
Fiscal Year 2024

TANC Operations		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/23-9/23	10/23-12/23	01/24-03/24	04/24-06/24	07/23-12/23	Variance	07/22-06/24	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	1,379	40,000	(18,621)
		2,280	19,099			21,379	6.9%	21,379	-46.6%
Subtotal Transmission Agreements		104,855	102,355	99,855	107,355	207,210	1,338	414,420	(205,872)
		95,865	112,683	-	-	208,548	0.6%	208,548	-49.7%
<u>TANC Regional Planning</u>									
Technical Support		43,200	42,400	43,200	43,200	85,600	44,624	172,000	(41,776)
		70,605	59,619			130,224	52.1%	130,224	-24.3%
COI Rating		18,000	16,000	20,000	21,000	34,000	(3,710)	75,000	(44,710)
		19,500	10,790			30,290	-10.9%	30,290	-59.6%
Subtotal Regional Planning		61,200	58,400	63,200	64,200	119,600	40,914	247,000	(86,486)
		90,105	70,409	-	-	160,514	34.2%	160,514	-35.0%
Subtotal TANC Operations		307,230	385,430	304,230	312,530	692,660	(76,359)	1,309,420	(693,119)
Budget									
Expenditure		314,848	301,452	-	-	616,301	-11.0%	616,301	-52.9%



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA

First Quarter Budget vs. Expenditure

Fiscal Year 2024

TANC OASIS		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/23-9/23	10/23-12/23	01/24-03/24	04/24-06/24	07/23-12/23	Variance	07/22-06/24	Variance
General Manager	Budget	\$ 9,600	\$ 9,600	\$ 14,400	\$ 14,400	\$ 19,200	\$ -	\$ 48,000	\$ (28,800)
	Expenditure	9,600	9,600			19,200	0.0%	19,200	-60.0%
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		36,900	36,900	38,100	38,100	73,800	1,343	150,000	(74,857)
		37,571	37,571			75,143	1.8%	75,143	-49.9%
<u>General Consultant</u>									
OASIS Coordinator/Committee Support		43,200	42,400	43,200	43,200	85,600	(4,473)	172,000	(90,873)
		44,190	36,938			81,128	-5.2%	81,128	-52.8%
WestConnect		8,100	7,700	8,100	8,100	15,800	(2,260)	32,000	(18,460)
		9,400	4,140			13,540	-14.3%	13,540	-57.7%
Subtotal General Consultant		51,300	50,100	51,300	51,300	101,400	(6,733)	204,000	(109,333)
		53,590	41,078	-	-	94,668	-6.6%	94,668	-53.6%
<u>Special Counsel</u>									
OASIS Legal/Committee Support		40,200	39,400	40,200	40,200	79,600	(13,149)	160,000	(93,549)
		11,117	55,334			66,451	-16.5%	66,451	-58.5%
WestConnect		7,500	7,500	7,500	7,500	15,000	1,616	30,000	(13,385)
		6,806	9,810			16,616	10.8%	16,616	-44.6%
Subtotal Special Counsel		47,700	46,900	47,700	47,700	94,600	(11,534)	190,000	(106,934)
		17,923	65,144	-	-	83,067	-12.2%	83,067	-56.3%
Total TANC OASIS	Budget	145,500	143,500	151,500	534,800	289,000	(16,923)	975,300	(703,223)
	Expenditure	118,684	153,392	-	-	272,077	-5.9%	272,077	-72.1%



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
First Quarter Budget vs. Expenditure
Fiscal Year 2024

PTO Engagement		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/23-9/23	10/23-12/23	01/24-03/24	04/24-06/24	07/23-12/23	Variance	07/22-06/24	Variance
General Manager	Budget	\$ 9,600	\$ 9,600	\$ -	\$ -	\$ 19,200	\$ -	\$ 19,200	\$ -
	Expenditure	9,600	9,600			19,200	0.0%	19,200	0.0%
Special Consel		138,000	137,000	-	-	275,000	(26,233)	275,000	(26,233)
		116,350	132,417			248,767	-9.5%	248,767	-9.5%
General Consultant		25,200	24,800	-	-	50,000	(37,080)	50,000	(37,080)
		6,630	6,290			12,920	-74.2%	12,920	-74.2%
Total PTO Engagement	Budget	172,800	171,400	-	-	344,200	(63,313)	344,200	(63,313)
	Expenditure	132,580	148,307	-	-	280,887	-18.4%	280,887	-18.4%



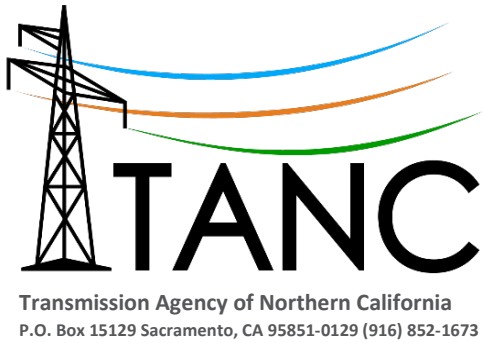
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
First Quarter Budget vs. Expenditure
Fiscal Year 2024

South of Tesla		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date	Year to Date	Annual Budget	Annual Budget
Category		07/23-9/23	10/23-12/23	01/24-03/24	04/24-06/24	07/23-12/23	Variance	07/22-06/24	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		9,600	9,600	14,400	14,400	19,200	-	48,000	(28,800)
		9,600	9,600			19,200	0.0%	19,200	-60.0%
Treasurer and Controller		5,400	4,800	5,100	5,100	10,200	(7,792)	20,400	(17,992)
		860	1,548			2,408	-76.4%	2,408	-88.2%
General Consultant									
Administration		7,500	7,500	7,500	7,500	15,000	(1,320)	30,000	(16,320)
		7,920	5,760			13,680	-8.8%	13,680	-54.4%
FERC Matters		5,100	5,100	5,000	4,800	10,200	(2,720)	20,000	(12,520)
		2,550	4,930			7,480	-26.7%	7,480	-62.6%
Subtotal General Consultant		12,600	12,600	12,500	12,300	25,200	(4,040)	50,000	(28,840)
		10,470	10,690	-	-	21,160	-16.0%	21,160	-57.7%
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		74,105	73,505	78,505	78,285	147,610	(14,668)	304,400	(171,458)
		66,017	66,925	-	-	132,942	-9.9%	132,942	-56.3%
Debt Service		52,025	51,729	51,729	54,723	103,754	(43,968)	210,206	(150,420)
		30,037	29,748			59,786	-42.4%	59,786	-71.6%
Total South of Tesla	Budget	126,130	125,234	130,234	133,008	251,364	(58,637)	514,606	(321,879)
	Expenditure	96,054	96,674	-	-	192,727	-23.3%	192,727	-62.5%

TAB 17

REPORT FROM THE TANC GENERAL MANAGER

The TANC Commission will receive a report from the General Manager



MEMORANDUM

DATE: March 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
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 progress made since the last TANC Commission meeting on the tasks that comprise the 2024 work plan is described in Table 1 below. **Changes from the last update are included in *italics text*.** The current Gantt Chart is also provided in Figure 1.

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

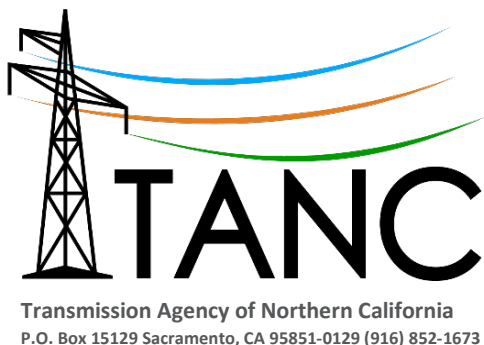
Task No.	<u>Task Name/Progress</u>
1	<p><u>Finance and Implement California-Oregon Transmission Project (COTP) Series Capacitor Project</u></p> <p>TANC's Treasurer/Controller is working with bond counsel to determine a date for the next General Manager's Finance Committee meeting. The Western Area Power Administration (WAPA) will need to have funding in place by Summer 2024 to stay on track with scheduled Series Capacitor replacements.</p> <p><i>It is expected that the General Manager's Finance Committee will meet in late March or early April 2024. WAPA has confirmed that funding for the series capacitors needs to be in place by October 1, 2024, which implies a cash call to members in August 2024. Working backwards, from the WAPA deadline, it is expected that a financing for the Series Capacitor replacements will be conducted in the June/July 2024 timeframe.</i></p>

Task No.	Task Name/Progress
2	<p><u>Complete California-Oregon Intertie (COI) Path 66 Rating Process</u></p> <p>On January 30, 2024, COI owners discussed the Phase Two Study with RC West and addressed their operating concerns. RC West will review the report and a meeting will be scheduled for the end of February 2024 to address any outstanding concerns or issues.</p> <p><i>At a meeting on February 26, 2024, the Draft Phase 2 Study was approved by RC West, COI owners will now present Phase 2 Study to the Project Review Group for consideration. While the parties agree with trying to implement the new COI rating in Winter 2024/2025; there has been discussion that the implementation may need to slip to Summer 2025 to allow more time for operations to implement processes, procedures, and training.</i></p>
3	<p><u>Update Key TANC Agreements</u></p> <p>Regular meetings are being scheduled between TANC, the Balancing Authority of Northern California, the Sacramento Municipal Utility District (SMUD) and WAPA to discuss revisions to the operating agreements. SMUD has proposed a new rate schedule for WAPA and TANC for Balancing Authority services which is planned to be reviewed at a meeting on February 20, 2024.</p> <p><i>The next meeting is scheduled for March 21, 2024 to discuss the timeline for the rearrangement and updating of the operating agreements.</i></p>
4	<p><u>Prepare for and Complete 2024 WECC Audit</u></p> <p>TANC prepared and submitted the required pre-audit survey and audit information for applicable standards and requirements on January 30, 2024.</p> <p><i>Audit training for Subject Matter Experts will occur in late March. The Western Electricity Coordinating Council has scheduled the opening audit presentation for April 1 (the first day of the audit) and the closing audit presentation for April 12 (the last day of the audit).</i></p>
5	<p><u>Continued Evaluation of Wildfire Risk Reduction Activities</u></p> <p>TANC, WAPA and other contractors will advance efforts to assess visual/lookout coverage of the COTP, assess fuels for their risk potential, and reduce fuels on COTP access roads.</p> <p><i>TANC and WAPA are advancing efforts to assess visual/lookout coverage of the COTP, assess fuels for their risk potential, reduce fuels on COTP access roads, and document updates to the other Wildfire Prevention, Mitigation, and Response Strategies presented in the 2023 update to the TANC-COTP Wildfire Mitigation Plan.</i></p>
6	<p><u>Consider Potential New Transmission Development</u></p> <p>Staff provided the requested information and held a review meeting with the General Manager to discuss past planning efforts, planned renewable generation in Northern California, and interconnection requests and affected systems that could potentially benefit TANC members.</p>

Task No.	<u>Task Name/Progress</u>
	<i>The next step is to review the planned transmission development projects and new generations projects to better understand where new development could potentially benefit TANC members.</i>
7	<p><u>Explore Options to Increase the Value of the COTP</u></p> <p>The General Manager's Open Access Transmission Tariff Committee (OATT) had an introductory discussion of potential new network options to consider at their meeting on February 6, 2024.</p> <p><i>The TANC General Manager and staff will be discussing optimization options for the COTP beginning mid-summer 2024 on viable options for TANC Commission consideration associated with enhanced COTP value. This will be conducted in concert with enhancements associated with TANC's South of Tesla rights noted below in Task No. 8.</i></p>
8	<p><u>Explore Enhancements to South of Tesla Asset</u></p> <p>Initiative will begin in second quarter of 2024.</p>
9	<p><u>Develop and Adopt Enterprise Risk Plan</u></p> <p>Working sessions are being held to develop the framework for the TANC Enterprise Risk Plan.</p> <p><i>An updated framework document and the attachments are being prepared based on the feedback from the last working session.</i></p>
10	<p><u>Explore Impacts of Changing Markets on TANC and the COTP</u></p> <p><i>A preliminary Market Report was presented to the General Manager's OATT Committee at the March 5, 2024 meeting. It included material on Open Access Same-Time Information System sales, Congestion Revenue Requirement program results, COI flow trends and the competing day-ahead energy markets, and information on changes to the California Independent System Operator interconnection procedures that may result in interconnection requests with TANC. Members were supportive of providing a similar report in the fall and will continue to explore additional information or analyses to include.</i></p>
11	<p><u>Consider Revisions to TANC's Open Access Transmission Tariff</u></p> <p>TANC and Special Counsel held a meeting to discuss proposed OATT updates.</p> <p><i>The General Manager's OATT Committee will have a meeting on April 2, 2024 to explore "near-term" products and pricing enhancements for the TANC OATT with consideration by the TANC Commission at their May 22, 2024 meeting. Additional "mid-term" and "long-term" OATT revisions will be addressed later in the calendar year.</i></p>

Date: 3/13/2024
Project Lead: Jarom Zimmerman

[illegible][illegible]



MEMORANDUM

DATE: March 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
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) and its Members.

Cluster 16 Interconnection Request Application Window

On January 24, 2024, the CAISO reported that it will postpone its application window for Cluster 16 interconnection requests (IRs) beyond 2024 due to currently overwhelming queue volumes and ongoing reform efforts. Any objections were due by January 29, 2024.

2023 Interconnection Process Enhancements

On February 15, 2024, the CAISO hosted a meeting to discuss its 2023 Interconnection Process Enhancements (IPE) Track 2 draft final proposal, which was posted to the CAISO's website on February 8, 2024. The draft final proposal contains the following changes relative to the revised straw proposal, which was posted on December 12, 2023: 1) development of a standard interconnection process to align with Federal Energy Regulatory Commission (FERC) Order 2023 requirements; 2) additional information regarding the CAISO's proposed zonal approach; 3) elimination of the CAISO's proposed limitation on IRs allowable per parent company; 4) additional information on the 150 percent zonal limitation and how to identify and fulfill 150 percent of each zone; 5) minor modifications to auction administration; 6) elimination of the Off-Peak and Operational Deliverability Assessments; 7) removal of the CAISO's proposed one-time withdrawal opportunity with refund; 8) elimination of the proposal to remove suspension rights from Large Generator Interconnection Agreements; 9) modification of the commercial viability proposal to require units to downsize if they do not have a Power Purchase Agreement after

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

seven years in the queue; 10) updates to viability criteria and time-in-queue requirements; and 11) introduction of an implementation deposit for queue management.

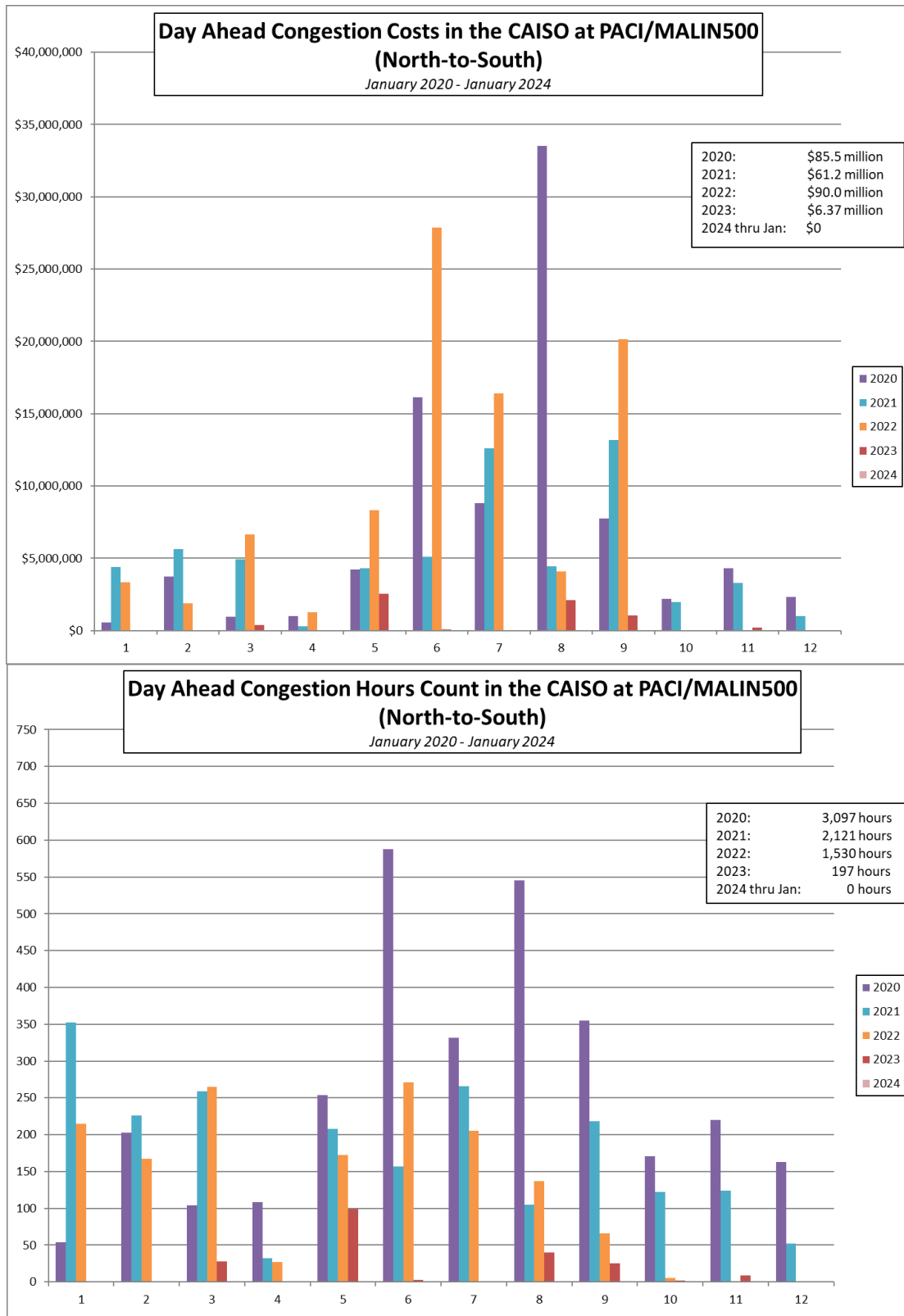
Comments on the draft final proposal were due on February 29, 2024. The CAISO will post its final proposal on March 29, 2024, with a subsequent meeting to be held on April 4, 2024. It is the CAISO's intention that the interconnection reforms associated with the 2023 IPE final proposal will be applied to Cluster 15 and all subsequent clusters. During the meeting, CAISO additionally noted that in accordance with FERC Order 2023, its compliance filing must be submitted by April 3, 2024.

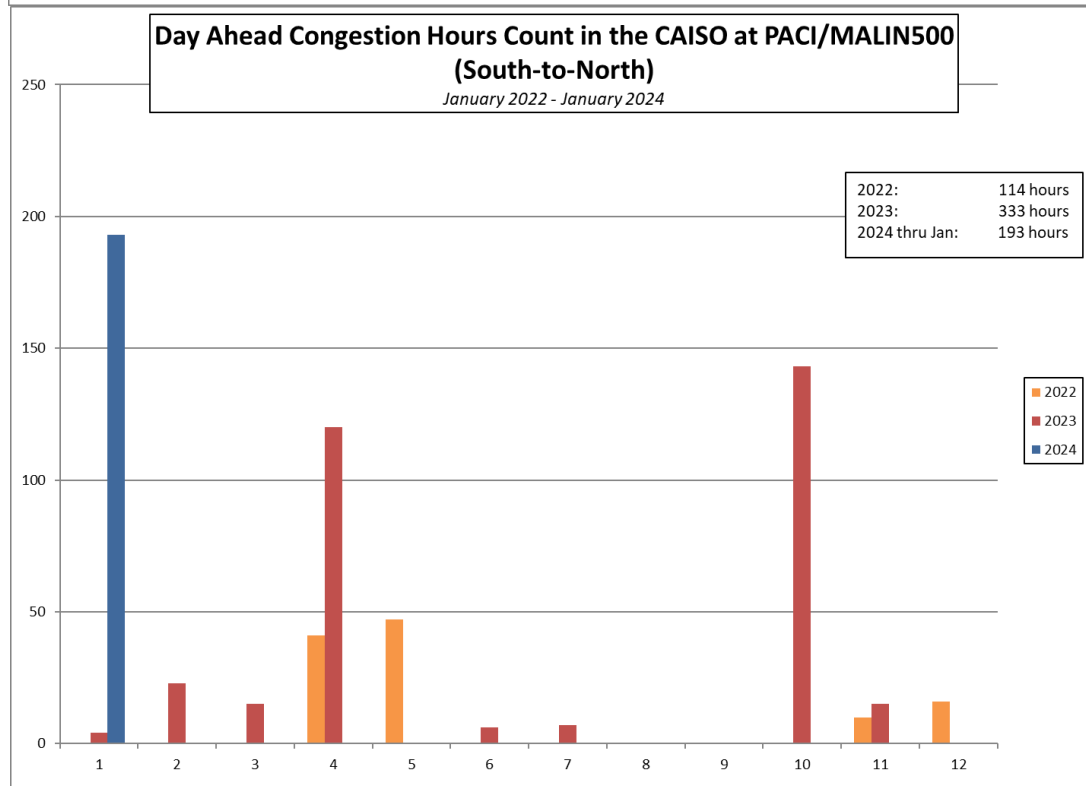
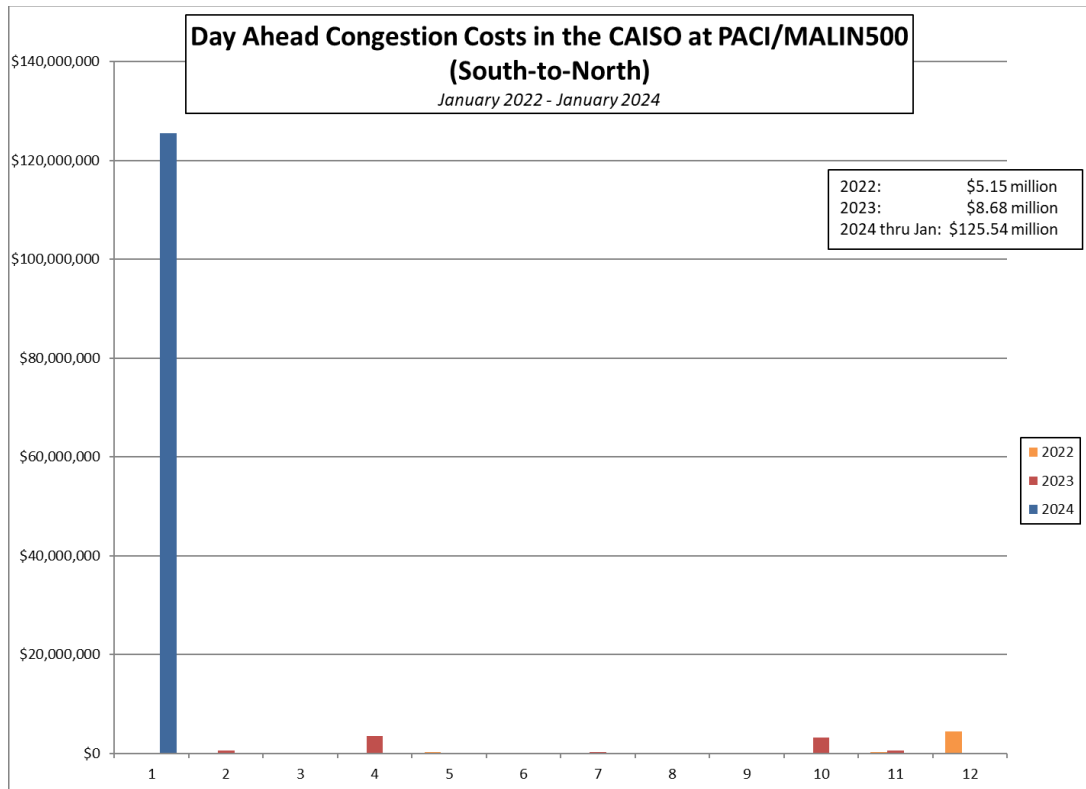
2024-2025 Transmission Planning Process

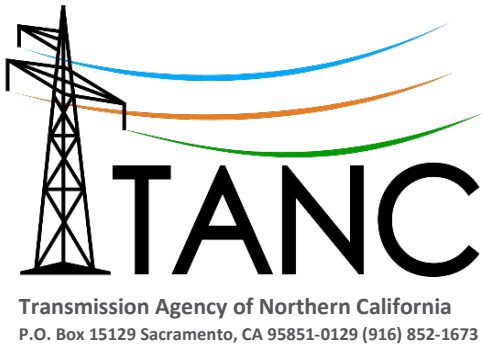
On February 28, 2024, the CAISO hosted a meeting to discuss its 2024-2025 Transmission Planning Process (TPP) draft study plan, which was posted to the CAISO's website on February 21, 2024. The purpose of the study plan is to articulate the goals and unified planning assumptions to be employed by the CAISO as it performs its reliability, policy, and economic planning assessments, as well as other technical studies, during Phase 2 of the 2024-2025 TPP. During the meeting, the CAISO reported that, for the 2024-2025 TPP, it will consider: 1) base and sensitivity portfolios for 2034 and 2039, which were adopted by the California Public Utilities Commission (CPUC) on February 15, 2024; and 2) the 2023 IEPR California Energy Demand Update forecast 2023-2040, which was adopted by the California Energy Commission on February 14, 2024. Comments, including economic study requests, maximum important capability expansions requests, and non-CPUC jurisdictional approved integrated resource plan portfolios, were due on March 13, 2024. The CAISO will post its final study plan on March 29, 2024. Additionally, during the meeting, the CAISO stated that it will post its draft 2023-2024 TPP transmission plan on April 1, 2024.

Congestion

In mid-January 2024, there was a planned outage of the Pacific Direct Current Intertie transmission line at the same time a severe winter storm caused outages on the Bonneville Power Administration system. The storm also induced a rapid demand surge for power imported from California and the Desert Southwest. This confluence of factors led to a five to six day period where South-to-North congestion costs through Malin totaled over \$125,000,000, far exceeding recent *annual* totals of approximately \$90,000,000.







MEMORANDUM

DATE: March 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
General Manager

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

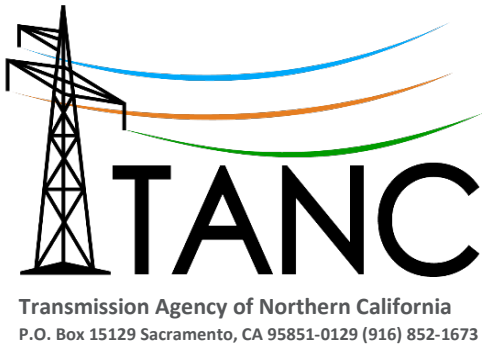
The Transmission Agency of Northern California (TANC) Commission will receive a report from TANC's Controller staff and may take action TANC's available cash balances through December 31, 2023.

Enclosure

Summary of Restricted & Unrestricted TANC Cash
As of December 31, 2023
Dollars in Thousands (000)

	<u>12/31/2023</u>	<u>6/30/2023</u>
Total TANC Cash	<u>\$ 86,184 (1)</u>	<u>\$ 81,961 (1)</u>
Restricted Cash:		
Less: Non Discretionary Funds:		
Debt Service Reserve Requirement - required by bond indenture as a reserve	3,874	3,878
Debt Service Fund - required by bond indenture to cover bond interest & principal	5,296	2,328
Total Non Discretionary Funds	<u>9,170</u>	<u>6,206</u>
Less: Discretionary Funds:		
Original 15 Members Equity (plus interest)	526	512
Contingency (Non-OATT)	7,805	6,511
Total Discretionary Funds	<u>8,331</u>	<u>7,023</u>
Unrestricted Cash (Working Capital & OATT Contingency)	<u>68,683</u>	<u>68,732</u>
Less: 90 to 120 days Working Capital Per Resolution 2016-03	11,181	11,181
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>\$ 52,502</u>	<u>\$ 52,551</u>

(1) Excludes COTP cash accounts held for COTP use of \$14,088 and \$14,701 for 12/31/2023 and 06/30/2023, respectively.



MEMORANDUM

DATE: March 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
General Manager

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

The Transmission Agency of Northern California (TANC) Commission will discuss the possible distribution of available cash balances through June 30, 2023.

Enclosure

TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
 RESTRICTED & UNRESTRICTED CASH
 AS OF JUNE 30, 2023
 DOLLARS IN THOUSANDS (000)

Total TANC Cash	6/30/2023	6/30/2022
Restricted Cash	\$81,961	\$65,260
Less: Non Discretionary Funds		
Debt Service Reserve Requirement - required by bond indenture as a	3,878	3,797
Debt Service Fund - required by bond indenture to cover P&I	2,328	1,741
Total Non Discretionary Funds	6,206	5,538
Less: Discretionary Funds		
Original 15 Members' Equity (Plus Inte City of Redding	512	494
Contingency Non-OATT	6,511	5,659
Total Discretionary Funds	7,023	6,153
Unrestricted Cash	68,732	53,569
Less: 90 to 120 Days Working Capital Per f	11,181	9,307
Less: Regulatory Matters (not cash called)	1,000	1,000
Less: Floor Balance Per Reso 2012-05	4,000	4,000
Unrestricted Cash for Potention Distribution	<u>52,551</u>	<u>39,262</u>



**TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
TOTAL AVAILABLE CASH FOR POTENTIAL DISTRIBUTION
AS OF JUNE 30, 2023**

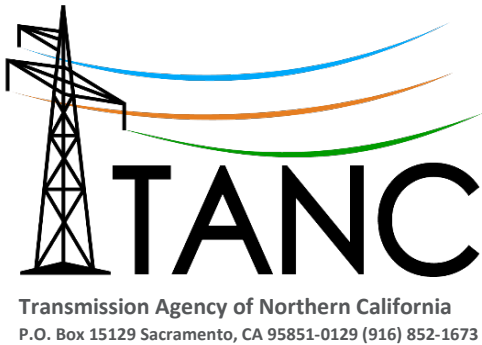
Total Unrestricted Cash Available as of 6/30/2023	\$ 52,551,000
Amount required for Series Capacitors (WAPA upfront funding)	(34,420,583)
Total Available Cash for Distribution	<u>\$18,130,417</u>

4/1/24 Group Cash Distribution 18,000,000

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

BEGINNING CASH ALLOCATION %	MEMBER BEGINNING BALANCE	MEMBER AVAILABLE CASH DISBTIBUTION BALANCE	DISTRIBUTIONS 4/1/24		MEMBER ENDING BALANCE AFTER DISTRIBUTIONS	ENDING CASH ALLOCATION %
			GROUP	INDIVIDUAL		
21.49%	\$ 11,290,738	\$ 3,895,374	\$ 3,867,353		\$ 7,423,385	21.49%
7.85%	4,126,323	1,423,607	1,413,366		2,712,957	7.85%
1.65%	864,631	298,303	296,157		568,474	1.65%
39.30%	20,654,944	7,126,082	7,074,822		13,580,122	39.30%
9.58%	5,031,924	1,736,045	1,723,557		3,308,367	9.58%
20.14%	10,582,440	3,651,007	3,624,744		6,957,696	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%
TOTAL	\$ 52,551,000	\$ 18,130,418	\$ 18,000,000	\$ -	\$ 34,551,000	100.00%



MEMORANDUM

DATE: March 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
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. COTP Counsel has reviewed the list and confirmed that it accurately identifies the CEQA exemptions that could apply to O&M activities for the COTP.

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. There were no substantive amendments to CEQA and the CEQA guidelines impacting categorical exemptions that may apply to O&M operations of the COTP.

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 Office of Planning and Research (OPR). Under the newly 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 OPR SCH. Additionally, if a NOE is filed with the county clerk, it must also be filed at the

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

SCH. The SCH will promptly post any notice filed under this section, along with any subsequent or amended notices, on its internet website within 24 hours of receipt.

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.

There were no changes to the list of the categorically exempt O&M activities since the review for Fiscal Year 2024 (which was approved by the TANC Commission in March 2023). 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.

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 2024-__

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 2025

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 20th day of March 2024, 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.

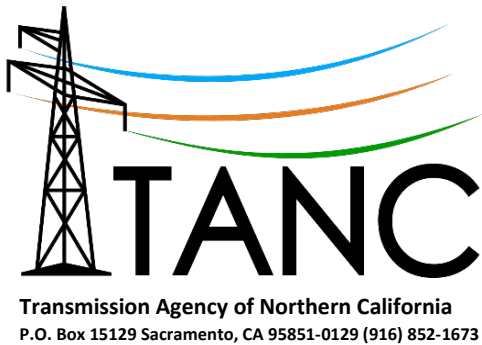
Table 1. List of Specific Routine Operation and Maintenance Activities Determined to be Ordinarily Categorically Exempt from the Provisions of CEQA	
CEQA-Exempt Activities Class	Specific Routine Operation and Maintenance Activities
	<ul style="list-style-type: none"> g. propane tanks h. existing equipment (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. 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, Installation 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, Water or Vegetation</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.
15305. Minor Alterations in Land Use Limitations 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.	<ol style="list-style-type: none"> 1. Issuance of minor licenses or agreements.
15306. Information Collection 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.	<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
<p>15309. Inspections</p> <p>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.</p>	<ol style="list-style-type: none"> 1. Routine ground inspections, tower climbing inspections and air patrols.
<p>15311. Accessory Structures</p> <p>Class 11 consists of construction or placement of minor structures accessory to (appurtenant to) existing commercial, industrial, or institutional facilities.</p>	<ol style="list-style-type: none"> 1. On-premise signs. 2. Small parking lots less than one acre in size.
<p>15330. Minor Actions to Prevent, Minimize, Stabilize, Mitigate, or Eliminate the Release or Threat of Release of Hazardous Waste or Hazardous Substances.</p> <p>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.</p>	<ol style="list-style-type: none"> 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 13, 2024

FROM: Jarom Zimmerman
General Manager

SUBJECT: RESOLUTION AUTHORIZING THE PLACEMENT OF THE 2024-2025 COTP
INSURANCE PROGRAM

The current Insurance Program for the California-Oregon Transmission Project (COTP) expires on March 31, 2024. 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 2024-2025 COTP Insurance Program. The Task Force met in November 2023 to discuss the guidelines of the new program. At their November 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 also met again on March 13, 2024.

Attached is a table identifying the components, coverages, and deductibles associated with the current 2023-2024 Insurance Program and the Task Force recommended renewals for the 2024-2025 Insurance Program. The COTP budget will not have enough money to cover the recommended program due to the changes approved last year for liability coverage. It is recommended that third-party funds held at Treasurer/Controller be used to fund the difference in the budget and the total amount of premiums. Approval of the enclosed resolution will authorize the General Manager to vote for approval of the 2024-2025 COTP Insurance Program at the COTP Management Committee's meeting on March 20, 2024. In addition, approval of the enclosed resolution will approve the use of third-party funds held at Treasurer/Controller to fund the difference in the budget and the total amount of premiums. Approval of the enclosed resolution will also authorize the General Manager to bind the 2024-2025 COTP Insurance Program, subject to the approval of the COTP Management Committee.

Enclosure

RESOLUTION 2024-__

A RESOLUTION OF THE
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
APPROVING THE PLACEMENT OF THE 2024-2025
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 or Project); 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 Project; and

WHEREAS, the COTP Insurance Broker, Aon Risk Insurance Services (Aon), has obtained quotes for 2024-2025 Insurance Program; and

WHEREAS, TANC and the Task Force are continuing to work with Aon to finalize the Insurance Program for 2024-2025; and

WHEREAS, the current Insurance Program expires March 31, 2024; and

WHEREAS, Aon will need authorization from TANC to bind the 2024-2025 Insurance Program by March 30, 2024; and

WHEREAS, due to changes made in liability coverage made last year, the current COTP budget does not have enough money to cover the recommended premiums; and

WHEREAS, it is recommended that third-party funds held at Treasurer/Controller be used to fund the difference in the budget and the total amount of premiums; and

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the TANC Commission authorizes the TANC General Manager to vote for approval of 2024-2025 COTP Insurance Program at the COTP Management Committee meeting which will be held on March 20, 2024 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.

FURTHER BE IT RESOLVED that the TANC Commission authorizes the TANC General Manager to enter into agreement(s) with Aon as deemed appropriate to execute the COTP Insurance Program for 2024-2025, 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 2024-2025.

PASSED AND ADOPTED this 20th day of March 2024, 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

COTP Insurance Program

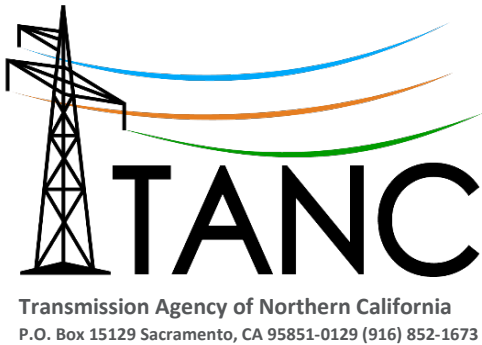
Type of Coverage	2023-2024 Annual Premiums	2024-2025 Annual Premiums	Limits	Retention/ Deductible
Property, Incl Boiler and Machinery All Risk includes Earthquake (EQ) and Flood excludes Transmission Towers & Lines	474,800 Swiss Re	516,800 Swiss Re	Combined \$32,500,000 7.5 million EQ limit	\$1,500,000 EQ Minimum or 5% of affected location \$1,500,000 Flood \$100,000 All Other Property \$1.5/KVA Transformers \$100,000 All Other Boilers/Mach.
Excess Earthquake	66,851 Evanston	73,945 Evanston	\$5,000,000	in excess of 7.5 million
Excess Liability	2,127,100 AEGIS	2,578,104 AEGIS	\$50,000,000 \$5,000,000 EMF 37.5M Wildfire	\$250,000/Occurrence, \$500,000 Pollution Liability. Includes Non-Owned Auto Coverage
Director's and Officer's Liability	72,921 AEGIS	75,249 AEGIS	\$10,000,000	\$250,000
Non-Owned Aircraft Liability	5,414 Inter-Aero	5,414 Inter-Aero	\$10,000,000	

Total Premium

2,747,086

3,249,512

1) does not include surplus line taxes, stamping fees, broker fees or continuity credits



MEMORANDUM

DATE: March 13, 2024

TO: TANC Commission

FROM: Jarom Zimmerman
General Manager

SUBJECT: RESOLUTION ADOPTING THE FISCAL YEAR 2025 COTP O&M BUDGET AND
WORKPLAN

Attached is the proposed Fiscal Year 2025 (FY25) California-Oregon Transmission Project (COTP) Operation and Maintenance (O&M) Budget. The FY25 Budget was prepared with direction received at the COTP Budget Workshop held on February 15, 2024 and was reviewed by the COTP Engineering and Operations Committee (E&O) at their meeting on March 13, 2024.

The proposed FY25 Budget is approximately \$148.8 million and represents an increase of approximately \$121.6 million over the current Fiscal Year 2024 (FY24) 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 FY25 budget categories compared to the FY24 Budget.

Operations

Operations funding is proposed at \$4,927,024 which is an increase of \$209,587 or 4.4 percent. Operations include the following budget subcategories:

- COTP Agent Services – a decrease of \$31,607 or 2.6 percent.
- Sub-Balancing Authority Services – an increase of \$151,194 or 19.6 percent. This larger increase is the result of an increase in After the Fact Settlements
- Balancing Authority Services – an increase of \$90,000 or 3.3 percent.

Maintenance

Total Maintenance funding is proposed at \$8,515,388 which reflects a decrease of approximately \$469,696 or 5.2 percent. Maintenance includes the following budget subcategories:

- Transmission Line Maintenance – decreased by \$417,572 or 8.7 percent.
- Substation Maintenance – a decrease of \$455,291 or 18.4 percent.
- Communication System Maintenance – an increase of \$334,982 or 79.0 percent. This is the result of needed building repairs at several sites.
- Vegetation Management – an increase of \$58,843 or 4.3 percent.

Natural Resources

Funding requirements for Natural Resources is \$2,852,362 which equates to an increase of \$39,116 or 1.4 percent.

- The Environmental budget has been decreased by \$8,156 or 1.3 percent.
- The Land budget has an increase of \$47,272 or 1.4 percent.

Compliance

Funding requirements for Compliance is \$855,631 which equates to a decrease of \$37,550 or 4.2 percent.

- The Western Electricity Coordinating Council/North American Electric Reliability Corporation budget has been decreased by \$37,550 or 5.1 percent.
- The Wildfire budget remained flat at \$160,000.

Security/Safety

Funding in for Security and Safety is budgeted at \$479,247 reflecting a decrease of \$65,805 or 12.1 percent.

Project Support

Total Project Support funding is budgeted at \$5,199,000 an increase of \$1.9 million or 29.4 percent and includes the below categories:

- Insurance – increased by \$1.8 million or 40.0 percent. This comes from change in the level of liability coverage for the COTP.
- Project Management - increased by \$17,000 or 2.6 percent.
- System Studies – increased by \$60,000 or 14.3 percent. This comes from moving costs related to California-Oregon Intertie upgrade and protection to COTP.

Capital Improvements

The FY24 Capital Improvement Budget is \$125,984,780 which is an increase of \$119.7 million and includes funding for:

- Breaker/ MOD Ground Switch Replacement.
- D20 TO RTU SCADA.
- Series Capacitor Bank Replacement.
- SONET Network.

At their meeting on March 13, 2024, the COTP E&O Committee reviewed the draft FY25 COTP O&M Budget and recommend that the TANC Commission approve the FY25 COTP O&M Budget at the funding levels provided herein.

Approval of the enclosed resolution will authorize the General Manager to vote for approval of the FY25 COTP O&M Budget at the funding levels provided herein at the COTP Management Committee meeting on March 20, 2024.

Approval of the enclosed resolution will also authorize the General Manager to execute the FY25 COTP O&M Budget at the funding levels provided herein; authorize the TANC General Manager to execute implementing agreements, contract renewals, or amendments with COTP contractors, if required, pursuant to the funding levels provided in the FY25 COTP O&M Budget; and authorize the TANC Treasurer/Controller to make payments up to the FY25 COTP O&M Budget amounts, subject to the approval of the COTP Management Committee.

Enclosure

RESOLUTION 2024-__

A RESOLUTION OF THE
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA
APPROVING THE
FISCAL YEAR 2025 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 2025 (FY25) COTP Operation and Maintenance (O&M) Budget has been developed and attached hereto by reference; and

WHEREAS, the FY25 COTP O&M Budget was developed under the direction of the COTP Engineering and Operations Committee; and

WHEREAS, a workshop to discuss the FY24 COTP O&M Budget with COTP Participants was held on February 15, 2024; and

WHEREAS, at their March 13, 2024, meeting, the COTP Engineering and Operations Committee recommended that the TANC Commission approve the FY25 COTP O&M Budget; and

WHEREAS, the FY25 COTP O&M Budget is \$148,813,547 of which TANC's share is \$110,524,154; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Commission of the Transmission Agency of Northern California that the FY25 COTP O&M Budget is approved and adopted for a total of \$148,813,547 of which TANC's share is \$110,524,154.

BE IT FURTHER RESOLVED that: 1) the TANC General Manager is authorized to vote for approval of the FY24 COTP O&M Budget at the COTP Management Committee which will be held March 20, 2024; 2) the TANC 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 FY25 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 FY24 COTP O&M Budget amounts, subject to the approval of the COTP Management Committee.

PASSED AND ADOPTED this 20th day of March 2024, 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



Operation and Maintenance Budget

Fiscal Year 2025

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SECTION 1

INTRODUCTION

OVERVIEW

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), the Carmichael Water District, the San Juan Water District, the City of Redding, 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) as provided under the Amended COTP Operations Agreement (ACOA) between TANC and 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. BANC has the BA related compliance obligations and WAPA and TANC have a delegation agreement which sets forth each party's compliance obligations for transmission owner and transmission operator compliance requirements. Payment of the BANC operator services is set forth in the TANC-SMUD ACOA, Exhibit 3 which SMUD updates on a calendar year basis.

KEY ASSUMPTIONS

The FY 2025 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, 2024 and ends on June 30th 2025.
- Project Manager as conditions warrant during the fiscal year may adjust monthly cash calls reflected in Table 2-1.
- SMUD's charges for COTP operations services performed as the BANC Operator are based on the estimated workload and the costs are adjusted annually based on SMUD's labor cost increase as provided under the ACOA. The parties are in discussion for a successor agreement which will revise various terms and the charges once it goes into effect which is expected before the end of 2025.
- 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 government fiscal year (October 1 every 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. WAPA's Headquarters' and Folsom office's AGE rate is approximately 62.67 percent (20.95 percent attributed to Folsom and 41.72 percent to headquarters); the ADE rate for O&M is approximately 40.21 percent (26.14 percent attributed to Folsom and 14.07 percent to headquarters); the ADE rate for construction is approximately 20.78 percent (5.53 percent attributed to Folsom and 15.25 percent to headquarters) for federal FY 2024 (10/2023 through 9/2024). Beginning in federal FY 2023 (10/2022 through 9/2023), WAPA's ADE category breaks out O&M into Maintenance, Operations, and Power Marketing. Currently, the ADE rate for Power Marketing is not applicable for COTP. The ADE category for construction and maintenance will remain the same. The ADE rate for Operations is approximately 14.698 percent (1.30 percent attributed to Folsom and 13.40 percent to headquarters) for federal FY 2024 (10/2023 through 9/2024).

- 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 2025 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 2025 with Four Year Forecast

CATEGORY	Budget Year		Forecast		
	2025	2026	2027	2028	2029
Operation					
Operating Agent	1,169,113	1,204,000	1,330,000	1,370,000	1,411,000
Sub-Balancing Authority	923,511	951,000	980,000	1,009,000	1,039,420
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	4,927,024	5,083,200	5,311,500	5,455,600	5,604,020
Maintenance					
Transmission Line	4,358,696	2,559,000	2,392,000	2,514,000	2,643,000
Substation	1,974,120	1,643,000	1,509,000	1,555,000	1,601,000
Communication System	758,891	570,009	588,000	605,000	624,000
Vegetation Management	<u>1,423,681</u>	<u>1,424,000</u>	<u>1,454,000</u>	<u>1,484,000</u>	<u>1,516,000</u>
Subtotal Maintenance	8,515,388	6,196,009	5,943,000	6,158,000	6,384,000
Natural Resources					
Environmental	638,417	655,000	672,000	691,000	709,000
Land	<u>2,214,061</u>	<u>2,300,000</u>	<u>2,350,000</u>	<u>2,380,000</u>	<u>2,410,000</u>
Subtotal Natural Resources	2,852,478	2,955,000	3,022,000	3,071,000	3,119,000
Compliance					
NERC/WECC	695,631	724,000	739,000	766,000	783,000
Wildfire	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>170,000</u>	<u>170,000</u>
Subtotal Compliance	855,631	884,000	899,000	936,000	953,000
Security/Safety					
Substation Security	464,643	479,000	493,000	508,000	523,000
Safety	<u>14,604</u>	<u>15,000</u>	<u>155,000</u>	<u>16,000</u>	<u>16,500</u>
Subtotal Security/Safety	479,247	494,000	648,000	524,000	539,500
Project Support					
Insurance	4,052,000	4,700,000	5,170,000	5,687,000	6,255,700
Project Management	667,000	650,000	650,000	670,000	670,000
System Studies	<u>480,000</u>	<u>420,000</u>	<u>420,000</u>	<u>435,000</u>	<u>435,000</u>
Subtotal Project Support	5,199,000	5,770,000	6,240,000	6,792,000	7,360,700
Total Operations and Maintenance	22,828,767	21,382,209	22,063,500	22,936,600	23,960,220
Capital Improvements					
Breaker/MOD Ground Switch	3,820,183	451,556			
D20 TO RTU SCADA	128,003	544,044	299,718	361,355	357,471
Series Cap Bank	121,108,813	586,547	744,823	602,272	816,131
SONET Network	<u>927,781</u>	<u>863,377</u>	<u>1,209,187</u>	<u>442,009</u>	<u>251,102</u>
Subtotal Capital	125,984,780	2,445,524	2,253,728	1,405,636	1,424,704
Total COTP	148,813,547	23,827,733	24,317,228	24,342,236	25,384,924

Figure 2
California-Oregon Transmission Project
Budget Comparison

CATEGORY	Fiscal Year		Variance	
	2024	2025	Dollars	Percentage
Operation				
Operating Agent	1,200,720	1,169,113	(31,607)	-2.6%
Sub-Balancing Authority	772,317	923,511	151,194	19.6%
Balancing Authority	<u>2,744,400</u>	<u>2,834,400</u>	<u>90,000</u>	<u>3.3%</u>
Subtotal Operations	4,717,437	4,927,024	209,587	4.4%
Maintenance				
Transmission Line	4,776,268	4,358,696	(417,572)	-8.7%
Substation	2,419,411	1,974,120	(445,291)	-18.4%
Communication System	423,909	758,891	334,982	79.0%
Vegetation Management	<u>1,364,838</u>	<u>1,423,681</u>	<u>58,843</u>	<u>4.3%</u>
Subtotal Maintenance	8,984,426	8,515,388	(469,038)	-5.2%
Natural Resources				
Environmental	646,573	638,417	(8,156)	-1.3%
Land	<u>2,166,789</u>	<u>2,214,061</u>	<u>47,272</u>	<u>2.2%</u>
Subtotal Natural Resources	2,813,362	2,852,478	39,116	1.4%
Compliance				
NERC/WECC	733,181	695,631	(37,550)	-5.1%
Wildfire Compliance	<u>160,000</u>	<u>160,000</u>	<u>-</u>	<u>0.0%</u>
Subtotal Compliance	893,181	855,631	(37,550)	-4.2%
Security/Safety				
Substation Security	523,174	464,643	(58,531)	-11.2%
Safety	<u>21,878</u>	<u>14,604</u>	<u>(7,274)</u>	<u>-33.2%</u>
Subtotal Security/Safety	545,052	479,247	(65,805)	-12.1%
Project Support				
Insurance	2,252,000	4,052,000	1,800,000	79.9%
Project Management	650,000	667,000	17,000	2.6%
System Studies	<u>420,000</u>	<u>480,000</u>	<u>60,000</u>	<u>14.3%</u>
Subtotal Project Support	3,322,000	5,199,000	1,877,000	56.5%
Total Operations and Maintenance	21,275,458	22,828,767	1,553,310	7.3%
Capital Improvements	6,227,193	125,984,780	119,757,587	1923.1%
Total California-Oregon Transmission Project	27,502,651	148,813,547	121,310,897	441.1%

Figure 3
California-Oregon Transmission Project
Breakdown by Participant

COTP Participant	POMA		TWOMA/BA		Blended ¹		Fiscal Year 2025
Transmission Agency of Northern California	73.1384%	96,312,013	86.8519%	6,457,611	79.9952%	7,754,530	110,524,154
Western Area Power Administration	23.6843%	31,188,577	9.3750%	697,050	16.5297%	1,602,347	33,487,974
Pacific Gas and Electric	1.7368%	2,287,098	2.0625%	153,351	1.8997%	184,152	2,624,601
City of Redding	1.3353%	1,758,385	1.5856%	117,892	1.4604%	141,567	2,017,844
Carmichael Water District	0.0526%	69,266	0.0625%	4,647	0.0575%	5,574	79,487
San Juan Water District	<u>0.0526%</u>	<u>69,266</u>	<u>0.0625%</u>	<u>4,647</u>	<u>0.0575%</u>	<u>5,574</u>	<u>79,487</u>
Total	100.0000%	131,684,605	100.0000%	7,435,198	100.0000%	9,693,744	148,813,547

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	1,169,113	-	-	1,169,113
Sub-Balancing Authority	923,511	-	-	923,511
Balancing Authority	-	2,834,400	-	2,834,400
Subtotal Operations	2,092,624	2,834,400	-	4,927,024
Maintenance				
Transmission Line	4,358,696	-	-	4,358,696
Substation	1,974,120	-	-	1,974,120
Communication System	758,891	-	-	758,891
Vegetation Management	983,681	-	440,000	1,423,681
Subtotal Maintenance	8,075,388	-	440,000	8,515,388
Natural Resources				
Environmental	558,417	-	80,000	638,417
Land	264,061	-	1,950,000	2,214,061
Subtotal Natural Resources	822,478	-	2,030,000	2,852,478
Compliance				
NERC/WECC	480,631	-	215,000	695,631
Wildfire Compliance	-	-	160,000	160,000
Subtotal Compliance	480,631	-	375,000	855,631
Security/Safety				
Substation Security	464,643	-	-	464,643
Safety	14,604	-	-	14,604
Subtotal Security/Safety	479,247	-	-	479,247
Project Support				
Insurance	-	-	4,052,000	4,052,000
Project Management	-	72,000	595,000	667,000
System Studies	-	-	480,000	480,000
Subtotal Project Support	-	72,000	5,127,000	5,199,000
Total Operations and Maintenance	11,950,367	2,906,400	7,972,000	22,828,767
Capital Improvements	125,984,780	-	-	125,984,780
Total California-Oregon Transmission Project	137,935,147	2,906,400	7,972,000	148,813,547

SECTION 2

OPERATION

OPERATION **\$4,927,024**

A. AGENT SERVICES **\$1,169,113**

Supervision and Dispatch Support **\$908,955**

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.

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 **\$31,825**

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 includes \$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.

Operations Studies**\$183,553**

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 **\$44,780**

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**\$923,511****Scheduling****\$320,733**

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.

Settlements**\$148,034**

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**\$340,268**

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**\$12,382**

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**\$99,373**

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**\$2,721**

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
4. Coordination and monitoring of switching and restoration activities with neighboring BAs and TOPs
5. Coordination of the operation of the COTP facilities
6. 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 COL.
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

\$8,515,388

A. TRANSMISSION LINE MAINTENANCE

\$4,358,696

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 \$331,421.

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 \$10,649.

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. The phased program is over a 9-year period ending in FY 2031. WAPA is in progress of replacing the current spacers with a newer style spacer which has a longer life span. WAPA is budgeting \$1,418,619 in FY 2025 to continue this effort.

Description	FY 2025	FY 2026	FY 2027
CPJ-ODA Spacers	\$1,418,619	\$1,609,874	\$782,717

Description	FY2027	FY 2028	FY 2029	FY 2030	FY 2031
ODA-TCY Spacers	\$630,175	\$1,503,051	\$1,600,579	\$1,706,150	\$860,732

COTP 500kV Composite Insulator Replacement Project

WAPA has implemented a comprehensive insulator replacement program to address manufacturing problems with an older and specific wedge-style design and material. The composite insulators in use now are 30 years old and will be replaced with newer composite insulators (polymer-fiberglass) that have a better design and industry acceptance. The current design is a crimp style fitting that is much more dependable. WAPA is budgeting \$718,603 in FY 2025 to complete this effort.

Description	FY 2025
ODA-TCY Insulators	\$718,603

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.

An anodic, self-priming paint application to protect the existing galvanized coat will be specified. The service life of the paint for rural environments is about 18-20 years and consists of 6 mils minimum dry film thickness. Planning and procurement for the tower painting is in progress but recent market research indicates the contract cost will exceed the \$2 million

budgeted in FY24. WAPA has budgeted an additional \$1,288,166 for FY 2025 which includes additional funding for the construction procurement and planned federal labor cost.

Description	FY 2025
ODA-TCY Tower Painting	\$1,288,166

B. SUBSTATION MAINTENANCE

\$1,974,120

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 pro-rated 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.

Outside normal maintenance activities, WAPA budgeted the following substation projects for FY 2025:

Olinda KT7A and KT8A Reactor Refurbishment

The refurbishment of the ODA KT7A Reactor has been completed. During this work it was discovered that the neutral bushing and other ancillary equipment also needed to be replaced. This additional work will be added to the KT8A Reactor Refurbishment planned for procurement in FY 2024. The additional work at ODA KT7A and the KT8A refurbishment is scheduled for July 2024 and will take approximately 30 days to complete. WAPA has budgeted \$86,471 in FY 2025 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.

Description	FY 2025
ODA KT7A and KT8A Reactor Refurbishment	\$86,471

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 budgeting \$404,950 in FY 2025 for engineering design and procurement of the HMB mechanisms. An additional \$177,244 is estimated for FY 2026 to complete the replacements at TCY 1192 and ODA 1096.

Description	FY 2025	FY 2026
TCY 1192 HMB Breaker Mechanism Replacement	\$202,475	\$88,662
ODA 1096 HMB Breaker Mechanism Replacement	\$202,475	\$88,662
TOTAL	\$404,950	\$177,244

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). WAPA is recommending to contract with EPRI to use their contaminated insulator leakage current monitoring system. The monitors would be installed on selected insulators in the Tracy substation yard and would 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.

This project would include a one-year (with the option for additional years) contract with EPRI for monitoring and technical support. EPRI would 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 would also include the cost of replacement in the event of equipment failure.

WAPA is budgeting \$60,000 for this effort in FY 2025. Annual costs thereafter are estimated at \$13,000 per year.

Description	FY 2025
TCY Insulator Leakage Current Monitoring	\$60,000

C. COMMUNICATION SYSTEM MAINTENANCE

\$758,891

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

Communication Site Facility Repairs

In FY 2023, WAPA budgeted for a contract to make facility repairs at Mount Oso, Big Valley, Happy Camp, Timber Mountain, and Sites communication sites. The procurement was not awarded because the proposal pricing received was not fair and reasonable. WAPA is proposing to reschedule this work for FY 2025 and is budgeting \$205,000 for this effort.

Description	FY 2025
Communication Site Facility Repairs	\$205,000

D. VEGETATION MANAGEMENT

\$1,423,681

WAPA

\$983,681

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 2025 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 \$215,000 to facilitate Vegetation Management for the COTP. FY2025 contract support position budget will increase by \$60,000 for an additional forester to add to our capacity for off-ROW hazard tree inspections, culvert monitoring, and vegetation and roads contractor oversight. This increase will be offset by a reduction in the tree removal and roads budget. In FY 2026, the tree removal and roads budgets will likely be returned back to typical or slightly higher.

WAPA is also adding an additional support services contractor 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 has budgeted \$26,000 for the additional support services contractor in FY2026.

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.

APPROVAL DRAFT

SECTION 4

NATURAL RESOURCES

NATURAL RESOURCES

\$2,852,477

A. ENVIRONMENTAL

\$638,417

WAPA

\$558,417

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 2025 funding for this effort in labor, on-call biological services, supplies, support services, work products, and permits is \$168,097. Increased by 6% 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 2025, 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 2025. Environment staff will continue to maintain and refill machines and monitor activity as needed. The FY 2025 funding for this routine effort in labor, travel, and materials is \$30,490, including an increase of 6% for inflation.

In FY25, 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 14057, 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 2025 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 2025 funding for this effort in labor, training, supplies, work products, and permits is \$12,503, include an increase of 6% 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 FY25 in order to support wildfire mitigation. Therefore, biological and cultural resource surveys and monitoring to support these activities will also increase. The FY 2025 funding for this effort in labor, training, supplies, support services, work products and permits is \$57,370, including an increase of 6% to account for inflation.

Environment Services

\$80,000

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

\$2,214,061

WAPA

\$264,061

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 2025 based on technical support services and labor projections for Lands support including an additional Federal Lands Specialist.

Project Manager **\$1,950,000**

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 2024 reporting obligations include an Irrigation Nitrogen Management Plan Summary Report of 2023 nitrogen applications, and an Irrigation Nitrogen Management Plan for 2024 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 sego 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

\$890,000

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

\$400,000

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.

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 of TANC's 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.

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. 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 COTP Counsel. A minimal administrative fee is also included to offset a portion of the Staff and COTP Counsel 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 COTP 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 COTP Counsel costs to review and process each request.

In FY 2025, it is estimated that approximately \$85,000 will be received from existing third-party subleases i. These revenues are routinely retained in a COTP Reserve Account

Negotiation of New Lease Agreements

There are 12 communication sites that are needed for continued COTP operations. Landowners at the communication sites vary from the federal government (United States Forest Service (USFS) and Bureau of Land Management (BLM)) to businesses to individual private landowners. Many of the communication sites had leases executed in the early 1990s and which were expiring over the past few years. Since these sites are needed for operations for the foreseeable future, Staff worked with COTP Counsel to negotiate either an extension

of the existing lease agreement or to development a new long-term lease agreement. As part of the process, updates to the terms of the original agreements were also considered in coordination with the needs of WAPA.

Between FY 2021 and FY 2023 new long-term leases were negotiated and executed at seven communication sites that are located on private land and new Communication Use Leases were secured at three communication sites located on USFS land. In 2021, TANC also applied for a new Right-of-Way Grant for the communication site located on BLM-land. the application with the BLM is still pending. TANC was informed that operation of the communication site would continue as usual until the BLM processes the application, which is anticipated to occur before the end of FY 2023. Staff will also negotiate a new long-term lease for the remaining communication site in FY2024.

Consistent with the process outlined above, draft leases 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 will then be presented to both the TANC Commission and the COTP Management Committee for consideration.

Repeater Site/Fiber Lease Payments **\$300,000**

The COTP's communication system includes 12 active sites that require payments for land use (rent) and access road easements, utilities, and other fees typically paid on an annual 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**\$180,000**Access Road Administration

\$60,000

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.

APPROVAL DRAFT

SECTION 5

COMPLIANCE

COMPLIANCE

\$855,631

A) NERC/WECC

\$695,631

WAPA

\$480,631

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 2025 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.

NERC RS Support

\$215,000

TANC is registered with NERC for the functions of Transmission Owner (TO), Transmission Service Provider (TSP) and Transmission Planner (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. For applicable Critical Infrastructure Protections (CIP) Standards, there is an existing Coordinated Functional Registration (Contract 05-SNR-00869) in place between TANC and WAPA whereby WAPA assumes the compliance responsibility of all CIP standards that are currently applicable or in the future become applicable to TANC.

In accordance with the current 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 standards.

TANC uses the RSAWs or equivalent working papers and associated compliance evidence received to complete internal compliance reviews for all applicable 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 TANC's 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 applicable O&P standards was in April 2018 and TANC's next O&P audit with WECC will begin April 1, 2024. While the audit process has changed significantly in recent years, currently, WECC is initiating the audit process six months prior to the actual audit. TANC has been preparing for the April 2024 audit since the fall of 2023. The pre-audit materials that have been prepared include the completion of the Internal Controls Data Collection Template as well as completion of the RSAWs or equivalent working papers and associated compliance evidence of the audited standards and requirements for the six-audit audit period and the completion of additional requests for information received from WECC.

B) Wildfire

\$160,000

Activities will include support of continued wildfire compliance activities. The Project participated in the completion of the 2020 through 2022 updates and the 2023 comprehensive revision of TANC-COTP Wildfire Mitigation Plan (TANC-COTP WMP). 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 in Areas where Distribution Lines Cross the COTP ROW for Wildfire Ignition Risks. Direct field visual assessments will 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 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

\$479,247

Substation Security

\$ 464,643

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) Folsom facility. 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 2025 budget includes \$460,278 for the security contract and \$4,365 for security specialist labor. FY 2025 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

\$14,604

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 2025 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

\$5,199,000

A. INSURANCE PREMIUMS/BROKER FEES

\$4,052,000

This budget category will fund the annual premiums of the Project's Insurance Program for the period of March 31, 2025, through March 31, 2026.

A new disclaimer was added to the Projects' liability coverage during the last placement of the insurance program in March 2023 and later was expanded to individual Project Participants coverages during their renewals. This disclaimer prevents Participants from activating their individual policies to cover losses related to a COTP.

Concerned by this stipulation, the Insurance Task Force held discussions after the placement of the program on the new liability language and the risk to individual Participants. After this meeting, the Task Force recommended increasing liability coverage to max offered by our liability provider. This recommendation was reviewed and approved by the Management Committee in June and additional coverage was purchased.

B. PROJECT MANAGEMENT

\$667,000

Project Direction

\$410,000

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.

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

\$72,000

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.

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

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

\$480,000

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 (\$245,000), 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 and 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. Finally, 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. In FY25 it is proposed that funding historically found in the TANC Power System Studies budget line item for COI protection be moved into and combined within this COTP WECC / COI Protection line item.

SECTION 8

CAPITAL IMPROVEMENTS

CAPITAL TOTAL

\$125,984,780

Transmission Information Subject to FERC Standards of Conduct

Breaker and MOD/Ground Switch Replacements

\$3,820,183

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.

Four (4) of the FX-32 replacement breakers (TCY 1292, 1392, 2292, and 2392) were procured in FY 2019 as Siemens Point on Wave (PoW) dead tank breakers. These breakers will be used to replace the breakers on the shunt capacitor banks at Tracy. Post award, WAPA discovered the existing breaker foundation pads were not quite large enough to meet the mounting flange requirements for the new breakers. To solve this problem, Siemens provided custom designed adapters so that the circuit breakers can be mounted on the existing foundations. These four (4) Siemens circuit breakers have been delivered and are being stored at Tracy.

Ground Switches: In FY 2019, WAPA recommended the replacement of four (4) ground switches (TCY 1290, TCY 1390, TCY 2290, and TCY 2390) with twelve (12) poles at Tracy because they were provided with a faulty gear box that frequently breaks after use. The ground switches have been procured, have been delivered on site, and will be replaced in conjunction with the Tracy breaker replacements.

Breakers: The remaining three FX-32 replacement breakers (TCY 3592, ODA 4492, and ODA 5492) are for the shunt reactor banks at Tracy and Olinda substations. WAPA determined that Metal Oxide Varistor (MOV) dead tank breakers were more suitable than the PoW dead tank breakers for shunt reactor bank switching. In FY 2021 WAPA completed the breaker technical specification and awarded the three (3) MOV breakers to ABB, which were delivered in summer 2022 to ODA and TCY. WAPA completed construction specifications and drawings to include in a solicitation for a construction contractor to install the three (3) breakers. The design package was completed in October 2022 and provided to SNR procurement. Bid walks were completed in March 2023, and SNR procurement awarded the construction contract in April 2023. Construction commenced at Olinda in June 2023 with both circuit breaker installations installed sequentially, commissioned, and turned over to operations in July and October 2023. Work at Tracy commenced in July 2023 with commissioning completed for the circuit breaker installation at the end of August 2023. The associated protective relay project was completed in mid-September, with turnover to operations at that time.

Motor Operated Disconnects (MODs): A specification for MODs 1291,1391, 2291 and 2391 associated with the TCY Shunt Capacitor FX-32 circuit breakers was completed by WAPA in June 2022. SNR procurement awarded the contract to GRK Environmental Consulting for MOD's manufactured by GE. The switches were delivered to the Tracy Substation in November 2023. Installation of the MODs will be included in the construction specifications and drawings with their associated Shunt Capacitor Circuit Breakers and installed along with the circuit breakers.

Detailed design, including construction specifications and drawings for the installation of TCY 1292 and 1392, was completed by WAPA in December 2023. The scope of work for this design phase includes the installation of TCY CB's 1292 and 1392, MODs 1291 and 1391, and Ground Switches 1290 and 1390. SNR will award the construction contract by June 2024. Construction will commence at Tracy in October 2024 and is scheduled for completion in January 2025.

Detailed design, including construction specifications and drawings for installation of TCY 2292 and 2392, will be performed by WAPA and commenced in November 2023. The scope of work for this design phase will include the installation of TCY CB's 2292 and 2392, MODs 2291 and 2391, and Ground Switches 2290 and 2390. The construction package including specifications and drawings will be completed early June 2024. SNR estimates award of the construction contract by May 2025. Construction will commence at Tracy in October 2025 and be completed by January 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

The table below reflects work specifically associated with the FX-32 breaker replacement.

Description	FY 2025	FY 2026
Tracy	\$3,820,183	\$451,556

D20 to RTAC SCADA/CAT RTU Upgrade

\$128,003

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 for the COTP D20 to RTAC SCADA/CAT RTU.

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
D20 to RTAC SCADA/CAT RTU	\$128,003	\$544,044	\$299,718	\$361,355	\$357,471

Series Capacitor Bank System Replacement

\$121,108,813

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 an EPC (Engineering, Procurement, and Construction) contract as follows: a) EPC specification development performed by WAPA HQ design in FY 2022 and FY 2023, b) EPC procurement development in FY 2024, and c) EPC procurement in starting in FY 2025. The EPC 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.

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 2025	FY 2026	FY 2027	FY 2028	FY 2029
Series Capacitor Bank	\$121,108,813	\$586,547	\$744,823	\$602,272	\$816,131

SONET Network Replacement

\$927,781

In FY 2021, WAPA began scoping and project planning for the COTP SONET Network Replacement (previously called Communications Technology Network Upgrade). The current equipment is end of life and no longer supported. The current approach involves a redesign of the network topology for both COTP and SNR to accommodate the transition from SONET/TDM rings to a MPLS/Packet Mesh Network Topology; and removal and replacement of Alcatel Lucent OC-12 SONET equipment with Nokia MPLS equipment. The facilities in scope include SPO, FOL, RSC, WIC, CW (PG&E), ODA, MXL, RAH(SMUD), HEG (SMUD), TCY. In FY 2024, WAPA will procure engineering design, specification, and technical support services that will persist through commissioning. During each of FY 2025, FY 2026, FY 2027, and FY2028 WAPA will procure Nokia MPLS Network equipment, while the first installations will occur in FY 2026 with network upgrades iterating yearly through FY 2027, FY 2028, and FY 2029.

The table below reflects the amounts budgeted for the SONET Network.

Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
SONET Network	\$927,781	\$863,377	\$1,209,187	\$442,009	\$251,102

APPROVAL DRAFT

TABLE 1-1

Fiscal Year 2025 COTP Operation & Maintenance Budget

Summary	Fiscal Year		POMA	Allocation	Blended
	2024	2025		TWOMA/BA	
Operation					
Operating Agent	1,200,720	1,169,113	-	-	1,169,113
Sub-Balancing Authority	772,317	923,511	-	923,511	-
Balancing Authority	<u>2,744,400</u>	<u>2,834,400</u>	<u>-</u>	<u>2,834,400</u>	<u>-</u>
SUBTOTAL	4,717,437	4,927,024	-	3,757,911	1,169,113
Maintenance					
Transmission Line	4,776,268	4,358,696	2,292,176	2,066,520	-
Substation	2,419,411	1,974,120	1,974,120	-	-
Communication System	423,909	758,891	-	758,891	-
Vegetation Management	<u>1,364,838</u>	<u>1,423,681</u>	<u>384,741</u>	<u>598,940</u>	<u>440,000</u>
SUBTOTAL	8,984,426	8,515,388	4,651,037	3,424,351	440,000
Natural Resources					
Environmental	646,573	638,417	350,000	208,417	80,000
Land	<u>2,166,789</u>	<u>2,214,061</u>	<u>231,207</u>	<u>32,854</u>	<u>1,950,000</u>
SUBTOTAL	2,813,362	2,852,478	581,207	241,271	2,030,000
Compliance					
NERC/WECC	733,181	695,631	-	-	695,631
Wildfire Compliance	<u>160,000</u>	<u>160,000</u>	<u>-</u>	<u>-</u>	<u>160,000</u>
SUBTOTAL	893,181	855,631	-	-	855,631
Security/Safety					
Substation Security	523,174	464,643	464,643	-	-
Safety	<u>21,878</u>	<u>14,604</u>	<u>2,939</u>	<u>11,665</u>	<u>-</u>
SUBTOTAL	545,052	479,247	467,582	11,665	-
Project Support					
Insurance	2,252,000	4,052,000	-	-	4,052,000
Project Management	650,000	667,000	-	-	667,000
System Studies	<u>420,000</u>	<u>480,000</u>	<u>-</u>	<u>-</u>	<u>480,000</u>
SUBTOTAL	3,322,000	5,199,000	-	-	5,199,000
Total Operation and Maintenance	21,275,458	22,828,767	5,699,825	7,435,198	9,693,744
Capital Improvements	6,227,193	125,984,780	125,984,780	-	-
Total	27,502,651	148,813,547	131,684,605	7,435,198	9,693,744

TABLE 1-2

Fiscal Year 2025 COTP Operation & Maintenance Budget

Operation	Fiscal Year		POMA	Allocation	
	2024	2025		TWOMA/BA	Blended
(A) Operating Agent					
Supervision/Dispatch	931,023	908,955	-	-	908,955
Computer System Maintenance	-	31,825	-	-	31,825
Operation Studies	192,357	183,553	-	-	183,553
Administration/Financial Tracking	77,340	44,780	-	-	44,780
SUBTOTAL	1,200,720	1,169,113	-	-	1,169,113
(B) Sub-Balancing Authority					
Supervision/Dispatch	285,262	320,733	-	320,733	-
Settlements	81,795	148,034	-	148,034	-
Automatic Generation Control	283,469	340,268	-	340,268	-
Network/Computer Infrastructure Support	20,088	12,382	-	12,382	-
Planning Coordinator	98,533	99,373	-	99,373	-
Maintenance of Control Equipment	3,170	2,721	-	2,721	-
SUBTOTAL	772,317	923,511	-	923,511	-
(C) Balancing Authority					
Power System Operations	1,573,200	1,624,800	-	1,624,800	-
Settlements Personnel	291,000	300,000	-	300,000	-
Outage Coordinator	393,600	406,800	-	406,800	-
Operations Engineer	334,800	345,600	-	345,600	-
Reliability/Administration Workload	151,800	157,200	-	157,200	-
SUBTOTAL	2,744,400	2,834,400	-	2,834,400	-
TOTAL	4,717,437	4,927,024	-	3,757,911	1,169,113

TABLE 1-3

Fiscal Year 2025 COTP Operation & Maintenance Budget

Maintenance	Fiscal Year		POMA	Allocation	Blended
	2024	2025		TWOMA/BA	
(A) Transmission Line					
CVP Upgrade	2,960,943	2,292,176	2,292,176	-	-
Northern Segment	1,799,289	2,054,164	-	2,054,164	-
Tesla By-Pass	16,036	12,356	-	12,356	-
SUBTOTAL	4,776,268	4,358,696	2,292,176	2,066,520	-
(B) Substation					
Olinda	1,135,375	578,748	578,748	-	-
Tracy	1,090,993	1,215,138	1,215,138	-	-
Maxwell	193,043	180,234	180,234	-	-
SUBTOTAL	2,419,411	1,974,120	1,974,120	-	-
(C) Communication	423,909	758,891	-	758,891	-
(D) Fuels and Vegetation Management					
Transmission Line ROW	924,838	983,681	384,741	598,940	-
Management/Forester/Mitigation	440,000	440,000	-	-	440,000
SUBTOTAL	1,364,838	1,423,681	384,741	598,940	440,000
TOTAL	8,984,426	8,515,388	4,651,037	3,424,351	440,000

TABLE 1-4

Fiscal Year 2025 COTP Operation & Maintenance Budget

Natural Resources	Fiscal Year		POMA	Allocation	Blended
	2024	2025		TWOMA/BA	
(A) Environmental					
Facility Work	566,573	558,417	350,000	208,417	-
Environmeal Services	80,000	80,000	-	-	80,000
SUBTOTAL	646,573	638,417	350,000	208,417	80,000
(B) Land					
Land Management	246,789	264,061	231,207	32,854	-
Permit Administration	400,000	400,000	-	-	400,000
USFS Easement/Fire Protection	860,000	890,000	-	-	890,000
Communication System Management	400,000	400,000	-	-	400,000
Legal	80,000	80,000	-	-	80,000
Access Road Improvements	180,000	180,000	-	-	180,000
SUBTOTAL	2,166,789	2,214,061	231,207	32,854	1,950,000
TOTAL	2,813,362	2,852,478	581,207	241,271	2,030,000

TABLE 1-5

Fiscal Year 2025 COTP Operation & Maintenance Budget

Compliance	Fiscal Year		POMA	Allocation	
	2024	2025		TWOMA/BA	Blended
(A) NERC/WECC					
Management	21,283	4,190	-	-	4,190
Operation	97,722	42,898	-	-	42,898
Maintenance	347,915	395,119	-	-	395,119
Environmental	36,703	35,512	-	-	35,512
Security	14,558	2,912	-	-	2,912
NERC RS	215,000	215,000	-	-	215,000
SUBTOTAL	733,181	695,631	-	-	695,631
(B) Wildfire					
	160,000	160,000	-	-	160,000
TOTAL	893,181	855,631	-	-	855,631

TABLE 1-6

Fiscal Year 2025 COTP Operation & Maintenance Budget

	Fiscal Year		POMA	Allocation	Blended
	2024	2025		TWOMA/BA	
Safety/Security					
Substation Security	523,174	464,643	464,643	-	-
Safety	<u>21,878</u>	<u>14,604</u>	<u>2,939</u>	<u>11,665</u>	<u>-</u>
TOTAL	545,052	479,247	467,582	11,665	-

TABLE 1-7

Fiscal Year 2025 COTP Operation & Maintenance Budget

Project Support	Fiscal Year		POMA	Allocation	
	2024	2025		TWOMA/BA	Blended
(A) Insurance	2,252,000	4,052,000	-	-	4,052,000
(B) Project Management					
Project Direction	395,000	410,000	-	-	410,000
Treasurer/Controller	70,000	72,000	-	-	72,000
Committee Support	185,000	185,000	-	-	185,000
SUBTOTAL	650,000	667,000	-	-	667,000
(C) System Studies					
WECC Studies/COI Protection	175,000	235,000	-	-	235,000
ISO/Regional Planning Studies	245,000	245,000	-	-	245,000
SUBTOTAL	420,000	480,000	-	-	480,000
TOTAL	3,322,000	5,199,000	-	-	5,199,000

TABLE 1-8

Fiscal Year 2025 COTP Operation & Maintenance Budget

Capital Improvements	Fiscal Year		POMA	Allocation	Blended
	2024	2025		TWOMA/BA	
Breaker/MOD Ground Switch		3,820,183	3,820,183	-	-
D20 TO RTU SCADA		128,003	128,003	-	-
Series Cap Bank		121,108,813	121,108,813	-	-
SONET Network		927,781	927,781	-	-
TOTAL	6,227,193	125,984,780	125,984,780	-	-

TABLE 2-1
Fiscal Year 2025 COTP Operation & Maintenance Budget
Estimated Monthly Cash Calls

Project Participants	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25	May-25	June-25	Total
Transmission Agency of Northern California	2,390,055	1,453,969	902,472	1,420,661	91,030,707	1,498,044	2,711,959	1,772,511	916,203	4,989,295	778,677	659,602	110,524,154
Western Area Power Administration	604,998	234,237	171,489	359,355	29,373,572	321,475	471,598	413,954	173,925	1,110,989	144,440	107,941	33,487,974
Pacific Gas & Electric	56,757	34,528	21,431	33,737	2,161,685	35,574	64,402	42,092	21,757	118,483	18,492	15,664	2,624,601
City of Redding	43,635	26,544	16,476	25,937	1,661,962	27,349	49,511	32,360	16,727	91,086	14,216	12,042	2,017,844
Carmichael Water District	1,719	1,046	649	1,022	65,468	1,077	1,951	1,275	659	3,587	560	474	79,487
San Juan Water District	<u>1,719</u>	<u>1,046</u>	<u>649</u>	<u>1,022</u>	<u>65,468</u>	<u>1,077</u>	<u>1,951</u>	<u>1,275</u>	<u>659</u>	<u>3,587</u>	<u>560</u>	<u>474</u>	<u>79,487</u>
Total	3,098,882	1,751,370	1,113,166	1,841,733	124,358,861	1,884,598	3,301,371	2,263,467	1,129,930	6,317,027	956,945	796,197	148,813,547

TABLE 3-1

Fiscal Year 2025 COTP Operation & Maintenance Budget

Summary	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25	May-25	June-25	Total
Operation													
Operating Agent	170,433	93,745	133,517	48,435	91,755	122,465	86,395	92,829	83,747	78,673	83,090	84,032	1,169,113
Sub-Balancing Authority	103,063	49,137	119,653	29,949	54,622	175,096	60,375	61,580	58,692	59,598	59,718	92,033	923,511
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	504,895	374,281	484,569	309,783	377,776	528,960	387,769	395,408	383,438	379,270	383,807	417,064	4,927,024
Maintenance													
Transmission Line	1,083,684	743,316	24,166	1,073,408	41,475	51,947	1,093,831	25,898	8,510	90,369	68,899	53,193	4,358,696
Substation	253,089	116,813	183,709	84,908	99,899	479,834	50,687	144,284	156,428	265,381	106,047	33,041	1,974,120
Communication System	62,631	23,939	39,313	28,269	49,498	45,476	244,304	39,215	62,913	76,226	32,440	54,667	758,891
Vegetation Management	<u>58,000</u>	<u>70,000</u>	<u>60,000</u>	<u>67,000</u>	<u>14,500</u>	<u>6,000</u>	<u>642,740</u>	<u>303,600</u>	<u>78,000</u>	<u>90,841</u>	<u>17,000</u>	<u>16,000</u>	<u>1,423,681</u>
SUBTOTAL	1,457,404	954,068	307,188	1,253,585	205,372	583,257	2,031,562	512,997	305,851	522,817	224,386	156,901	8,515,388
Natural Resources													
Environmental	57,810	46,954	45,175	44,289	29,189	199,582	27,289	33,118	41,569	32,993	30,953	49,498	638,417
Land	<u>154,907</u>	<u>128,500</u>	<u>134,916</u>	<u>86,500</u>	<u>108,442</u>	<u>223,000</u>	<u>245,139</u>	<u>249,700</u>	<u>248,700</u>	<u>386,857</u>	<u>195,700</u>	<u>51,700</u>	<u>2,214,061</u>
SUBTOTAL	212,717	175,454	180,091	130,789	137,631	422,582	272,428	282,818	290,269	419,850	226,653	101,198	2,852,478
Compliance													
NERC/WECC	413,897	20,663	28,707	19,659	17,047	17,319	19,066	23,694	32,372	59,976	22,199	21,034	695,631
Wildfire Compliance	<u>10,000</u>	<u>11,000</u>	<u>10,000</u>	<u>15,000</u>	<u>20,000</u>	<u>10,000</u>	<u>10,000</u>	<u>20,000</u>	<u>16,000</u>	<u>14,000</u>	<u>11,000</u>	<u>13,000</u>	<u>160,000</u>
SUBTOTAL	423,897	31,663	38,707	34,659	37,047	27,319	29,066	43,694	48,372	73,976	33,199	34,034	855,631
Security/Safety													
Substation Security	-	373	1,608	2,355	2,010	201,500	238,046	18,750	-	-	-	-	464,643
Safety	<u>1,847</u>	<u>1,092</u>	<u>1,003</u>	<u>10,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,604</u>
SUBTOTAL	1,847	1,465	2,611	13,017	2,010	201,500	238,046	18,750	-	-	-	-	479,247
Project Support													
Insurance Premiums/Inspections	-	-	-	-	52,000	-	-	-	-	4,000,000	-	-	4,052,000
Project Management	55,000	55,600	56,000	55,900	51,000	53,000	60,000	57,800	64,000	52,800	53,900	52,000	667,000
System Studies	<u>45,000</u>	<u>45,000</u>	<u>44,000</u>	<u>44,000</u>	<u>42,000</u>	<u>39,000</u>	<u>39,000</u>	<u>37,000</u>	<u>38,000</u>	<u>37,000</u>	<u>35,000</u>	<u>35,000</u>	<u>480,000</u>
SUBTOTAL	100,000	100,600	100,000	99,900	145,000	92,000	99,000	94,800	102,000	4,089,800	88,900	87,000	5,199,000
TOTAL Operation and Maintenance	2,700,760	1,637,531	1,113,166	1,841,733	904,836	1,855,618	3,057,871	1,348,467	1,129,930	5,485,713	956,945	796,197	22,828,767
Capital Improvements	398,122	113,839	-	-	123,454,025	28,980	243,500	915,000	-	831,314	-	-	125,984,780
Total	3,098,882	1,751,370	1,113,166	1,841,733	124,358,861	1,884,598	3,301,371	2,263,467	1,129,930	6,317,027	956,945	796,197	148,813,547
POMA	1,783,000	273,459	233,219	1,132,595	123,613,653	774,246	902,711	1,120,739	191,266	1,397,596	169,909	92,212	131,684,605
TWOMA/BA Services	486,452	1,045,803	408,123	364,944	372,306	635,068	1,938,499	564,305	370,845	463,882	361,947	423,019	7,435,198
Blended	<u>829,430</u>	<u>432,108</u>	<u>471,824</u>	<u>344,194</u>	<u>372,902</u>	<u>475,284</u>	<u>460,161</u>	<u>578,423</u>	<u>567,819</u>	<u>4,455,549</u>	<u>425,089</u>	<u>280,966</u>	<u>9,693,744</u>
TOTAL	3,098,882	1,751,370	1,113,166	1,841,733	124,358,861	1,884,598	3,301,371	2,263,467	1,129,930	6,317,027	956,945	796,197	148,813,547

TABLE 3-2

Fiscal Year 2025 COTP Operation & Maintenance Budget

Operations	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25	May-25	June-25	Total
(A) Operating Agent													
Supervision/Dispatch	148,753	72,065	111,837	26,755	70,075	100,785	64,715	71,149	62,067	56,993	61,410	62,351	908,955
Computer System Maintenance	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,653	31,825
Operations Studies	15,296	15,296	15,296	15,296	15,296	15,296	15,296	15,296	15,296	15,296	15,296	15,296	183,553
Administration/Financial Tracking	<u>3,732</u>	<u>3,732</u>	<u>3,732</u>	<u>3,732</u>	<u>3,732</u>	<u>3,732</u>	<u>3,732</u>	<u>3,732</u>	<u>3,732</u>	<u>3,732</u>	<u>3,732</u>	<u>3,732</u>	<u>44,780</u>
SUBTOTAL	170,433	93,745	133,517	48,435	91,755	122,465	86,395	92,829	83,747	78,673	83,090	84,032	1,169,113
(B) Sub-Balancing Authority													
Supervision/Dispatch	45,526	16,846	69,356	9,491	18,881	26,052	22,747	22,808	23,119	23,610	21,335	20,962	320,733
Settlements	8,822	7,238	12,392	5,885	8,834	13,772	10,893	9,836	8,186	10,033	10,436	41,707	148,034
Automatic Generation Control	47,456	23,794	36,646	13,314	25,648	34,640	25,476	27,677	26,128	24,696	26,688	28,105	340,268
Network /Computer Infrastructure Support	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	12,382
Planning Coordinator	-	-	-	-	-	99,373	-	-	-	-	-	-	99,373
Maintenance of Control Equipment	<u>227</u>	<u>227</u>	<u>227</u>	<u>227</u>	<u>227</u>	<u>227</u>	<u>227</u>	<u>227</u>	<u>227</u>	<u>227</u>	<u>227</u>	<u>227</u>	<u>2,721</u>
SUBTOTAL	103,063	49,137	119,653	29,949	54,622	175,096	60,375	61,580	58,692	59,598	59,718	92,033	923,511
(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	504,895	374,281	484,569	309,783	377,776	528,960	387,769	395,408	383,438	379,270	383,807	417,064	4,927,024
POMA	-	-	-	-	-	-	-	-	-	-	-	-	-
TWOMA/BA Services	334,463	280,537	351,053	261,349	286,022	406,496	301,375	302,580	299,692	300,598	300,718	333,033	3,757,911
Blended	<u>170,433</u>	<u>93,745</u>	<u>133,517</u>	<u>48,435</u>	<u>91,755</u>	<u>122,465</u>	<u>86,395</u>	<u>92,829</u>	<u>83,747</u>	<u>78,673</u>	<u>83,090</u>	<u>84,032</u>	<u>1,169,113</u>
TOTAL	504,895	374,281	484,569	309,783	377,776	528,960	387,769	395,408	383,438	379,270	383,807	417,064	4,927,024

TABLE 3-3

Fiscal Year 2025 COTP Operation & Maintenance Budget

Maintenance	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25	May-25	June-25	Total
(A) Transmission Line													
CVP Upgrade Segment	1,034,164	6,827	12,250	1,013,582	9,527	24,040	12,356	23,826	5,108	82,836	44,948	22,712	2,292,176
Northern Segment	49,520	736,489	11,620	57,754	29,484	27,907	1,081,109	-	3,402	6,559	23,951	26,369	2,054,164
Tesla By-Pass Segment	-	-	296	2,072	2,464	-	366	2,072	-	974	-	4,112	12,356
SUBTOTAL	1,083,684	743,316	24,166	1,073,408	41,475	51,947	1,093,831	25,898	8,510	90,369	68,899	53,193	4,358,696
(B) Substation													
Olinda	104,157	3,527	41,561	37,133	26,967	223,603	29,412	11,689	31,108	44,855	12,141	12,595	578,748
Tracy	139,841	105,292	113,986	31,958	54,804	242,779	19,404	105,844	92,289	201,947	92,018	14,976	1,215,138
Maxwell	9,091	7,994	28,162	15,817	18,128	13,452	1,871	26,751	33,031	18,579	1,888	5,470	180,234
SUBTOTAL	253,089	116,813	183,709	84,908	99,899	479,834	50,687	144,284	156,428	265,381	106,047	33,041	1,974,120
(C) Communication	62,631	23,939	39,313	28,269	49,498	45,476	244,304	39,215	62,913	76,226	32,440	54,667	758,891
(D) Fuels and Vegetation Management													
Transmission ROW	35,000	-	-	-	10,500	-	635,740	215,600	-	86,841	-	-	983,681
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	58,000	70,000	60,000	67,000	14,500	6,000	642,740	303,600	78,000	90,841	17,000	16,000	1,423,681
TOTAL	1,457,404	954,068	307,188	1,253,585	205,372	583,257	2,031,562	512,997	305,851	522,817	224,386	156,901	8,515,388
POMA	1,287,253	123,640	195,959	1,098,490	119,926	503,874	392,276	168,110	161,536	393,225	150,995	55,753	4,651,037
TWOMA/BA Services	147,151	760,428	51,229	88,095	81,446	73,383	1,632,286	256,887	66,315	125,592	56,391	85,148	3,424,351
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	1,457,404	954,068	307,188	1,253,585	205,372	583,257	2,031,562	512,997	305,851	522,817	224,386	156,901	8,515,388

TABLE 3-4

Fiscal Year 2025 COTP Operation & Maintenance Budget

Natural Resources	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25	May-25	June-25	Total
(A) Environment													
Facility Specific Work	52,210	39,354	38,075	36,589	23,589	195,082	23,589	23,718	34,569	26,593	23,753	41,298	558,417
Environmental Services	<u>5,600</u>	<u>7,600</u>	<u>7,100</u>	<u>7,700</u>	<u>5,600</u>	<u>4,500</u>	<u>3,700</u>	<u>9,400</u>	<u>7,000</u>	<u>6,400</u>	<u>7,200</u>	<u>8,200</u>	<u>80,000</u>
SUBTOTAL	57,810	46,954	45,175	44,289	29,189	199,582	27,289	33,118	41,569	32,993	30,953	49,498	638,417
(B) Land													
Land Management	48,407	-	2,416	-	18,942	-	10,139	-	-	184,157	-	-	264,061
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	-	-	-	-	-	140,000	150,000	150,000	150,000	150,000	150,000	-	890,000
Communication System Management	60,000	55,000	55,000	45,000	45,000	45,000	40,000	25,000	15,000	5,000	5,000	5,000	400,000
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	<u>8,000</u>	<u>37,000</u>	<u>37,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>36,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>180,000</u>
SUBTOTAL	154,907	128,500	134,916	86,500	108,442	223,000	245,139	249,700	248,700	386,857	195,700	51,700	2,214,061
TOTAL	212,717	175,454	180,091	130,789	137,631	422,582	272,428	282,818	290,269	419,850	226,653	101,198	2,852,478
POMA	95,778	34,515	35,652	31,750	37,692	39,892	28,889	18,879	29,730	173,057	18,914	36,459	581,207
TWOMA/BA Services	4,839	4,839	4,839	4,839	4,839	155,190	4,839	4,839	4,839	37,693	4,839	4,839	241,271
Blended	<u>112,100</u>	<u>136,100</u>	<u>139,600</u>	<u>94,200</u>	<u>95,100</u>	<u>227,500</u>	<u>238,700</u>	<u>259,100</u>	<u>255,700</u>	<u>209,100</u>	<u>202,900</u>	<u>59,900</u>	<u>2,030,000</u>
TOTAL	212,717	175,454	180,091	130,789	137,631	422,582	272,428	282,818	290,269	419,850	226,653	101,198	2,852,478

TABLE 3-5

Fiscal Year 2025 COTP Operation & Maintenance Budget

Compliance	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25	May-25	June-25	Total
(A) NERC/WECC													
Management	349	349	349	349	349	349	349	349	349	349	349	349	4,190
Operations	3,947	3,071	1,115	4,067	1,455	727	1,474	6,102	4,780	5,111	5,607	5,442	42,898
Maintenance	371,637	-	-	-	-	-	-	-	-	23,482	-	-	395,119
Environmental	20,721	-	-	-	-	-	-	-	-	14,791	-	-	35,512
Security	243	243	243	243	243	243	243	243	243	243	243	243	2,912
NERC RS Support	17,000	17,000	27,000	15,000	15,000	16,000	17,000	17,000	27,000	16,000	16,000	15,000	215,000
SUBTOTAL	413,897	20,663	28,707	19,659	17,047	17,319	19,066	23,694	32,372	59,976	22,199	21,034	695,631
(B) Wildfire													
TOTAL	10,000	11,000	10,000	15,000	20,000	10,000	10,000	20,000	16,000	14,000	11,000	13,000	160,000
TOTAL	423,897	31,663	38,707	34,659	37,047	27,319	29,066	43,694	48,372	73,976	33,199	34,034	855,631
POMA	-	-	-	-	-	-	-	-	-	-	-	-	-
TWOMA/BA Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Blended	423,897	31,663	38,707	34,659	37,047	27,319	29,066	43,694	48,372	73,976	33,199	34,034	855,631
TOTAL	423,897	31,663	38,707	34,659	37,047	27,319	29,066	43,694	48,372	73,976	33,199	34,034	855,631

TABLE 3-6
Fiscal Year 2025 COTP Operation & Maintenance Budget

Security/Safety	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25	May-25	June-25	Total
Substation Security	-	373	1,608	2,355	2,010	201,500	238,046	18,750	-	-	-	-	464,643
Safety	1,847	1,092	1,003	10,662	-	-	-	-	-	-	-	-	14,604
TOTAL	1,847	1,465	2,611	13,017	2,010	201,500	238,046	18,750	-	-	-	-	479,247
POMA	1,847	1,465	1,608	2,355	2,010	201,500	238,046	18,750	-	-	-	-	467,582
TWOMA/BA Services	-	-	1,003	10,662	-	-	-	-	-	-	-	-	11,665
Blended	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	1,847	1,465	2,611	13,017	2,010	201,500	238,046	18,750	-	-	-	-	479,247

TABLE 3-7

Fiscal Year 2025 COTP Operation & Maintenance Budget

Project Support	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25	May-25	June-25	Total
(A) Insurance	-	-	-	-	52,000	-	-	-	-	4,000,000		-	4,052,000
(B) Project Management													
Project Direction	34,000	34,000	34,000	34,000	31,000	31,000	35,000	38,000	40,000	33,000	33,000	33,000	410,000
Treasurer/Controller	5,000	5,600	7,000	5,900	5,000	7,000	7,000	5,800	6,000	5,800	5,900	6,000	72,000
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	55,000	55,600	56,000	55,900	51,000	53,000	60,000	57,800	64,000	52,800	53,900	52,000	667,000
(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	22,000	22,000	22,000	22,000	20,000	20,000	21,000	20,000	20,000	20,000	18,000	18,000	245,000
SUBTOTAL	45,000	45,000	44,000	44,000	42,000	39,000	39,000	37,000	38,000	37,000	35,000	35,000	480,000
TOTAL	100,000	100,600	100,000	99,900	145,000	92,000	99,000	94,800	102,000	4,089,800	88,900	87,000	5,199,000
POMA	-	-	-	-	-	-	-	-	-	-	-	-	-
TWOMA/BA Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Blended	100,000	100,600	100,000	99,900	145,000	92,000	99,000	94,800	102,000	4,089,800	88,900	87,000	5,199,000
TOTAL	100,000	100,600	100,000	99,900	145,000	92,000	99,000	94,800	102,000	4,089,800	88,900	87,000	5,199,000

TABLE 3-8
Fiscal Year 2025 COTP Operation & Maintenance Budget

Capital Improvements	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25	May-25	June-25	Total
Breaker/MOD Ground Switch	87,178	-	-	-	3,214,025	28,980	240,000	115,000	-	135,000	-	-	3,820,183
D20 TO RTU SCADA	-	69,503	-	-	-	-	3,500	-	-	55,000	-	-	128,003
Series Cap Bank	310,944	-	-	-	120,240,000	-	-	-	-	557,869	-	-	121,108,813
SONET Network	-	44,336	-	-	-	-	-	800,000	-	83,445	-	-	927,781
TOTAL	398,122	113,839	-	-	123,454,025	28,980	243,500	915,000	-	831,314	-	-	125,984,780
POMA	398,122	113,839	-	-	123,454,025	28,980	243,500	915,000	-	831,314	-	-	125,984,780
TWOMA	-	-	-	-	-	-	-	-	-	-	-	-	-
Blended	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	398,122	113,839	-	-	123,454,025	28,980	243,500	915,000	-	831,314	-	-	125,984,780

TAB 25

CLOSED SESSION

Closed Session Pursuant to Government Code Section 54956.9(d)(1), Existing Litigation:

- a. Pacific Gas and Electric Company TO18, TO19, TO20 Offer of Settlement, Docket Nos. ER16-2320, ER17-2154, ER19-13.

TAB 26

MEETING CALENDAR

The Commission will confirm the date of its next scheduled meeting is April 17, 2024.