

RESOLUTION NO. 2006-105

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
NORTHERN CALIFORNIA POWER AGENCY (NCPA) TO ENTER INTO A
SALE OF A PORTION OF LODI'S RIGHTS TO COMBUSTION TURBINE
CAPACITY IN THE CT1 PROJECT TO THE CITY OF ROSEVILLE,
CALIFORNIA, FOR A FOUR-MONTH PERIOD BEGINNING JULY 1, 2006

WHEREAS, the City of Lodi, and certain other Northern California Power Agency (NCPA) members, have an entitlement in a total of five 25 megawatt combustion units located in Alameda (two units), Roseville (two units), and Lodi (one unit); and

WHEREAS, these five generating units comprise the "CT1 Project"; and

WHEREAS, the city of Roseville has requested to purchase the entire output of the two units located in Roseville from the other NCPA members with entitlement in these units; and

WHEREAS, this request results in part from the fact that the Roseville units are now part of the Western Area Power Administration sub-control area (as is Roseville's electric network) while all other CT1 Project participants are located in the California Independent System Operator control area; and

WHEREAS, at its May 25, 2006, Commission meeting, NCPA received approval of a resolution giving the NCPA General Manager authority to develop and execute a CT1 Project sales contract with Roseville on behalf of NCPA members in the CT1 Project; and

WHEREAS, NCPA's General Counsel has determined that CT1 Project participants whose governing body have not previously delegated general power sales/purchase authority to their Utility Director or City Manager, such as Lodi, obtain direct authorization for the proposed transaction; and

WHEREAS, the Electric Utility Department has reviewed the proposed transaction and determined that the CT1 capacity proposed to be sold to the city of Roseville from July 1, 2006 to October 30, 2006 is surplus to its needs; and

WHEREAS, the terms of the Roseville combustion turbine sale are still being finalized, with the proposed transaction expected to begin July 1, 2006, and extend for four months; and

WHEREAS, the price for the capacity sold would reflect market conditions for peaking capacity -- presently estimated to be \$3.00 per kilowatt-month. Based on Lodi's 34.78% interest in the CT1 Project, projected revenue to Lodi for this transaction would total about \$90,500 in fiscal year 2007.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize NCPA to enter into a sale of a portion of Lodi's rights to combustion turbine capacity in the CT1 Project to the City of Roseville, California, for a four-month period beginning July 1, 2006.

Dated: June 7, 2006

I hereby certify that Resolution No. 2006-105 was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 7, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, Johnson, and Mounce
NOES: COUNCIL MEMBERS – None
ABSENT: COUNCIL MEMBERS – Mayor Hitchcock
ABSTAIN: COUNCIL MEMBERS – None


JENNIFER M. PERRIN
Interim City Clerk