



AGENDA

Risk Oversight Committee

December 8, 2025

9:00 AM

Solar Conference Room, 116 S. Grant Street, 1st Floor

I. CALL TO ORDER

II. ROLL CALL

III. PUBLIC COMMENTS

IV. REQUESTS/PRESENTATIONS

1. Minutes of Prior Meeting

Summary: Staff recommends approval of the minutes of the April 21, 2025, Risk Oversight Committee Meeting.

2. Roseville Electric Utility Risk Management Update

Summary: Report by Acting Electric Risk Supervisor, Glenn Hoffman, summarizing hedge compliance, credit exposure, and monthly risk metrics, for information.

3. Energy Market Updates

Summary: Presentation by Electric Business Analyst, Patrick Zanardelli, on market conditions including weather, hydro, and natural gas storage, for information.

4. Renewable Energy Portfolio Update

Summary: Presentation by Electric Resources Planner, Pooja Sharma, on Renewable Portfolio Standard (RPS) Compliance Period 5 progress and renewable procurement status, for information.

5. Roseville Energy Park (REP) – Maintenance Outage

Summary: Presentation by Power Generation Superintendent, Nathan Ribordy, on the REP outage activities, findings, and return-to-service timeline, for information.

6. Roseville Power Plant #2 Repower Project Update

Summary: Presentation by Principal Power Engineer, Ozro Corulli, on project progress, construction milestones, and schedule, for information.

7. Qualified Independent Representative Attestation

Summary: Senior Deputy City Attorney, Joe Mandell, to provide an overview of the Dodd-Frank Act and the Qualified Independent Representative attestation requirements. This item requires a formal action to select a Qualified Independent Representative.

V. ADJOURNMENT



Risk Oversight Committee

December 8, 2025

Agenda

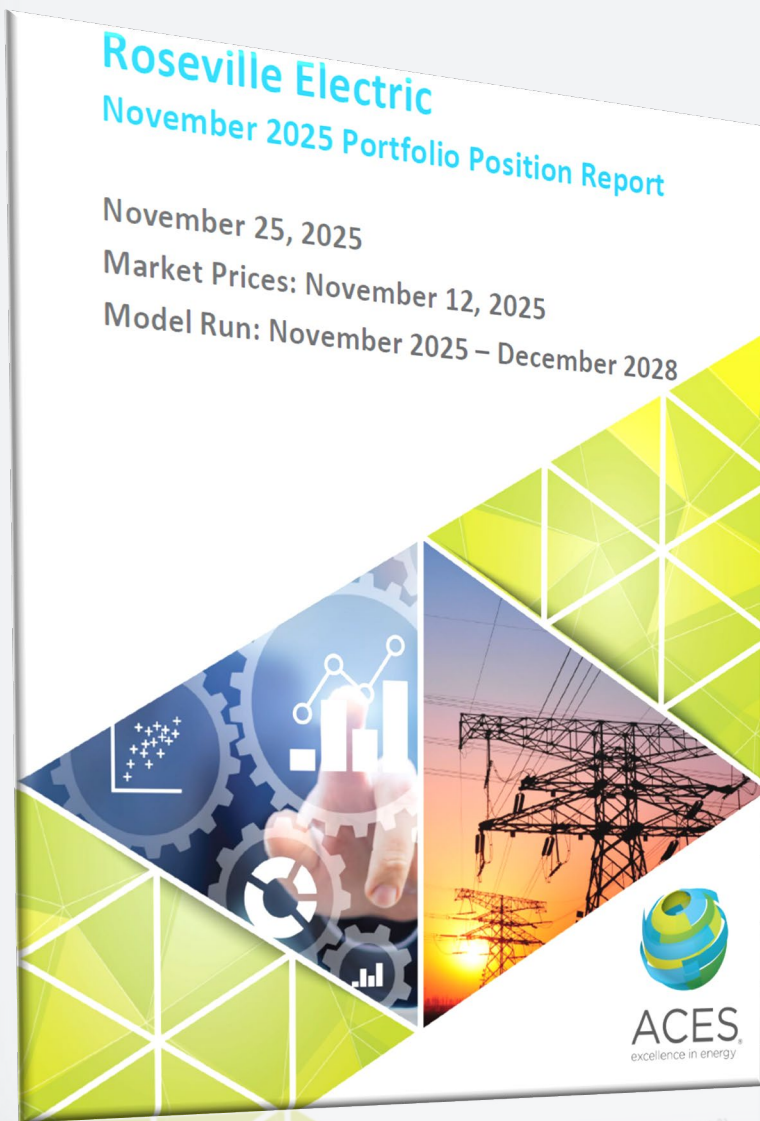
- Roseville Electric Utility Risk Management Update
- Energy Market Updates
- Renewable Energy Portfolio Update
- Roseville Energy Park (REP) – Maintenance Outage
- Roseville Power Plant #2 Repower Project Update
- Qualified Independent Representative Attestation



Roseville Electric Utility Risk Management Update

Glenn Hoffman, Acting Electric Risk Supervisor

Energy Risk Report



- **Monthly Risk Report:**
 - Compliance review (3-year horizon)
 - Market impacts vs. prior month
 - Forecast + sensitivity analysis

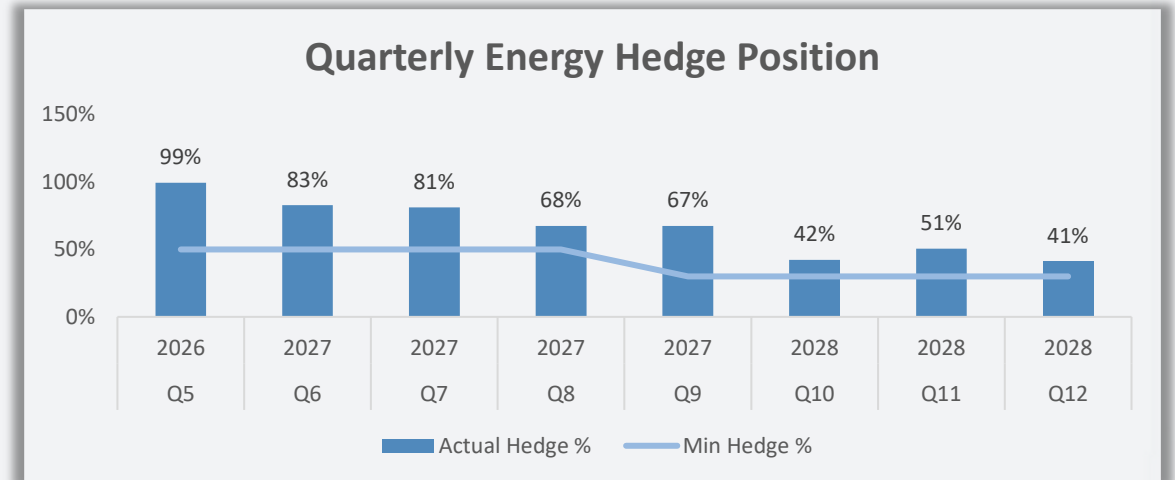
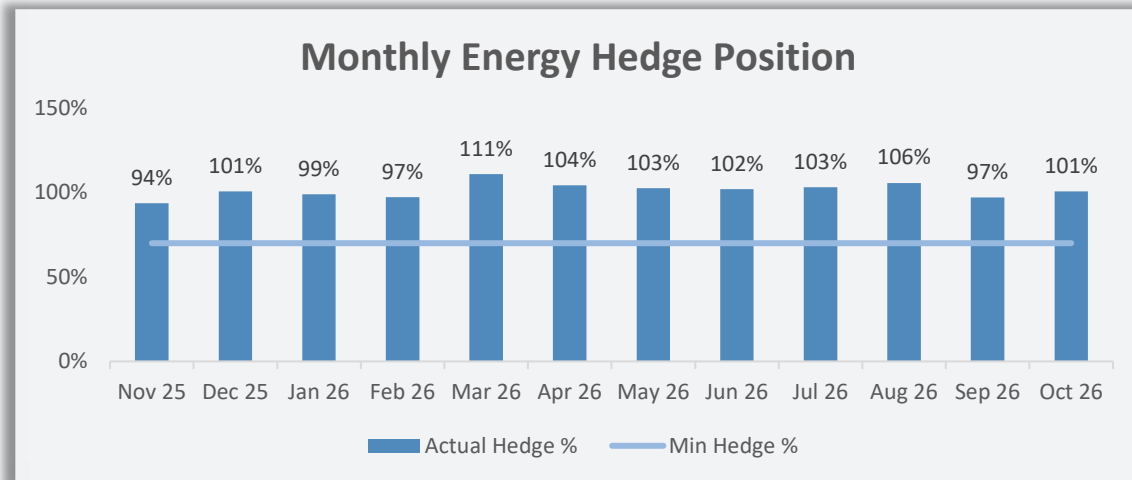
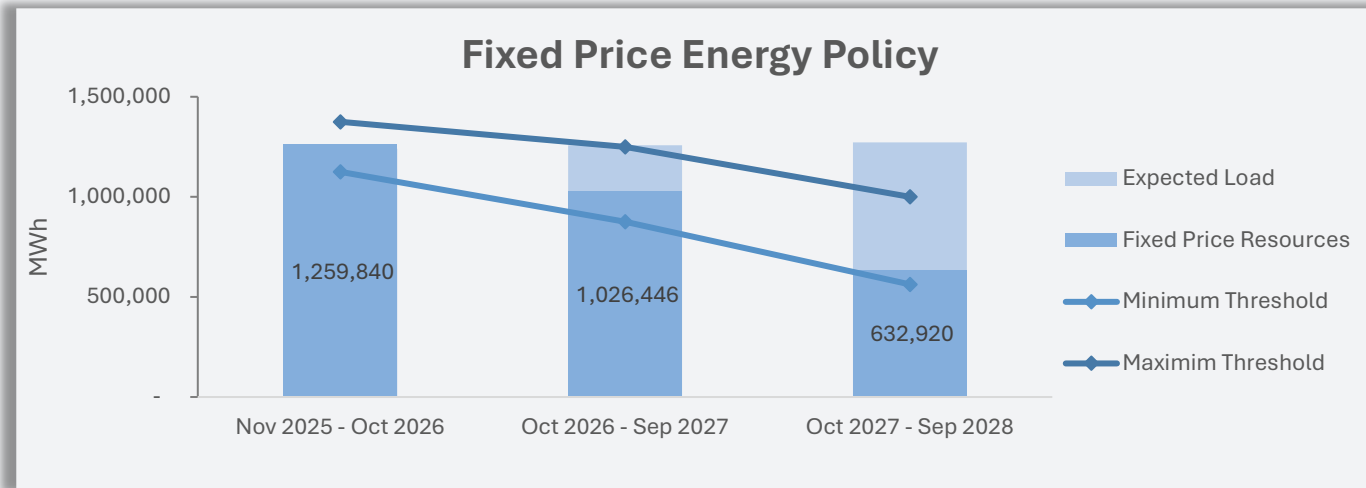
Energy Hedge Policy

- **Defines:**
 - Hedging goals & tolerances

- **Ensures:**
 - Compliance with minimum hedge levels
 - Use only approved products

Lead Time	Months 1 to 12	Quarters 5 to 8	Quarters 9 to 12
Hedging Frequency	Monthly	Quarterly	Quarterly
Range (%)	90-110	70-100	45-80
Minimum (%)	70	50	30

Energy Hedge Policy (as of November 2025)



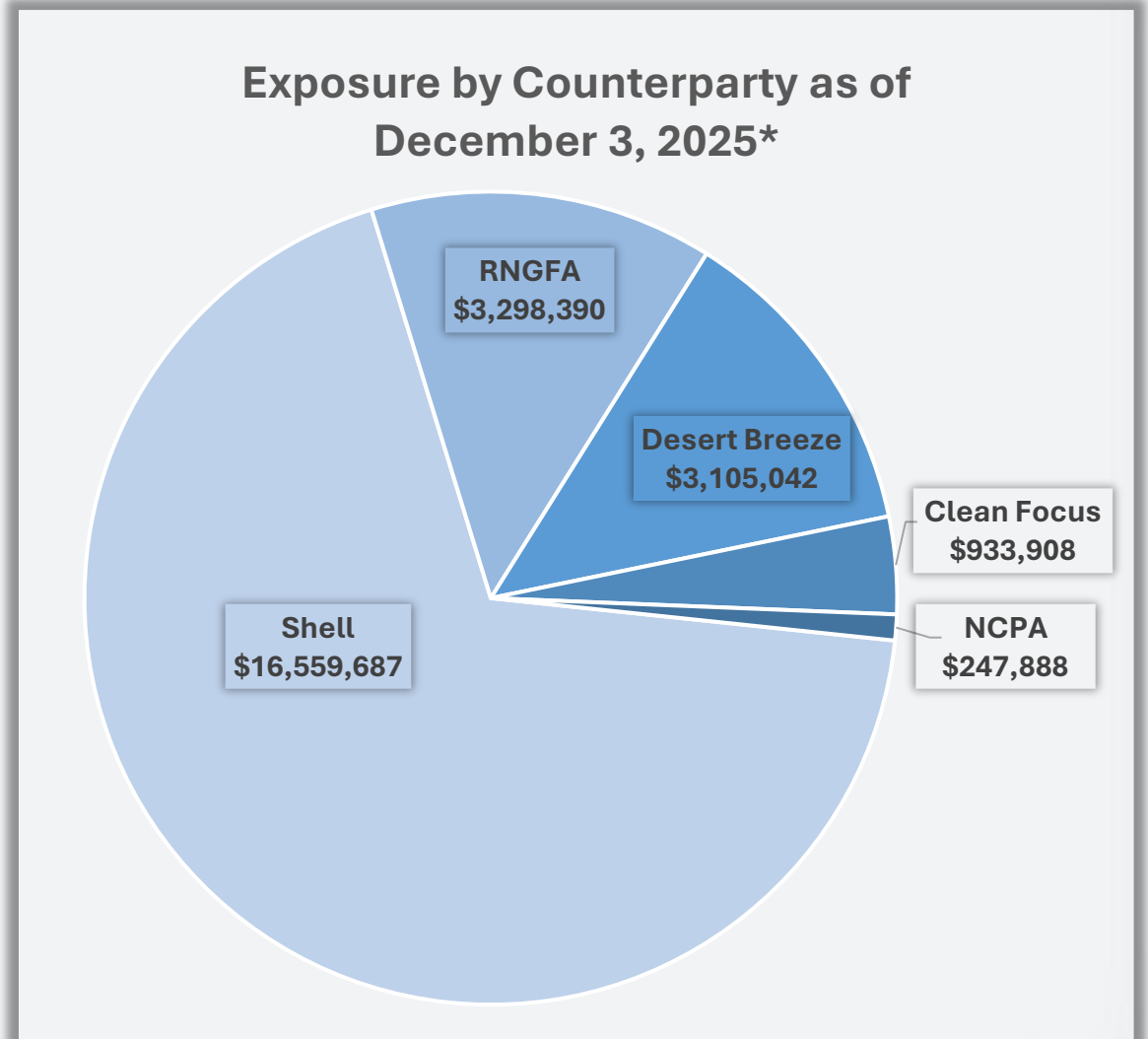
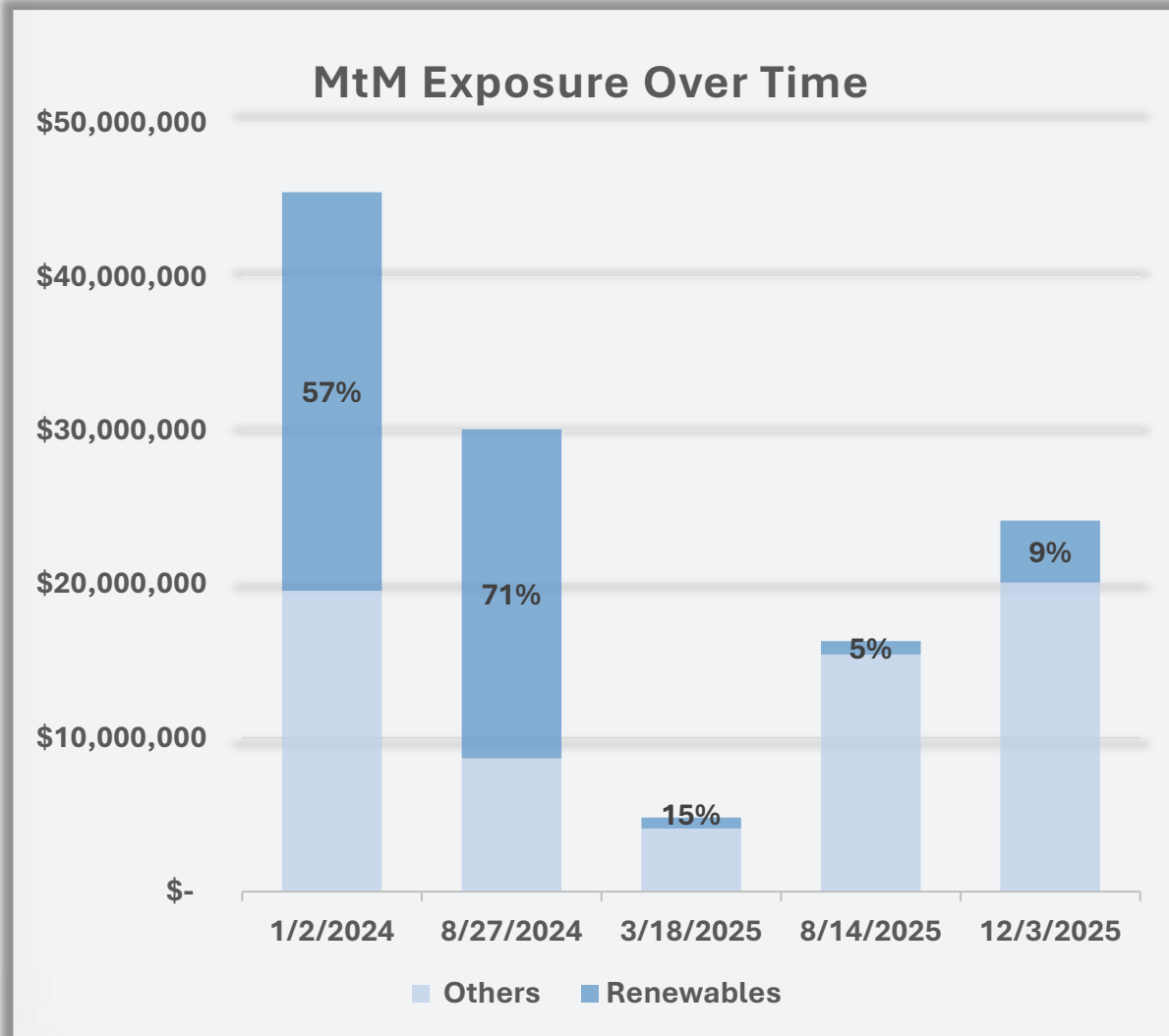
In Compliance – no violations

Energy Trading Authority and Credit Risk Policies

- **Energy Trading Authority Policy:**
 - Addresses the process City uses to transact with counterparties:
 - ***In Compliance – no violations***

- **Energy Credit Risk Policy:**
 - Manages counterparties and their credit limits:
 - ***In Compliance – no violations***

Roseville's Credit Exposure



*Excludes Western Area Power Administration's Long Term Base Resource Contract

Collateral Held



Letters of Credit (LC)

- **\$850k**
 - Performance guarantee for REC delivery
- **\$100k**
 - Insufficient credit
- **\$1**
 - Holding LC open for future exposure increases



Cash

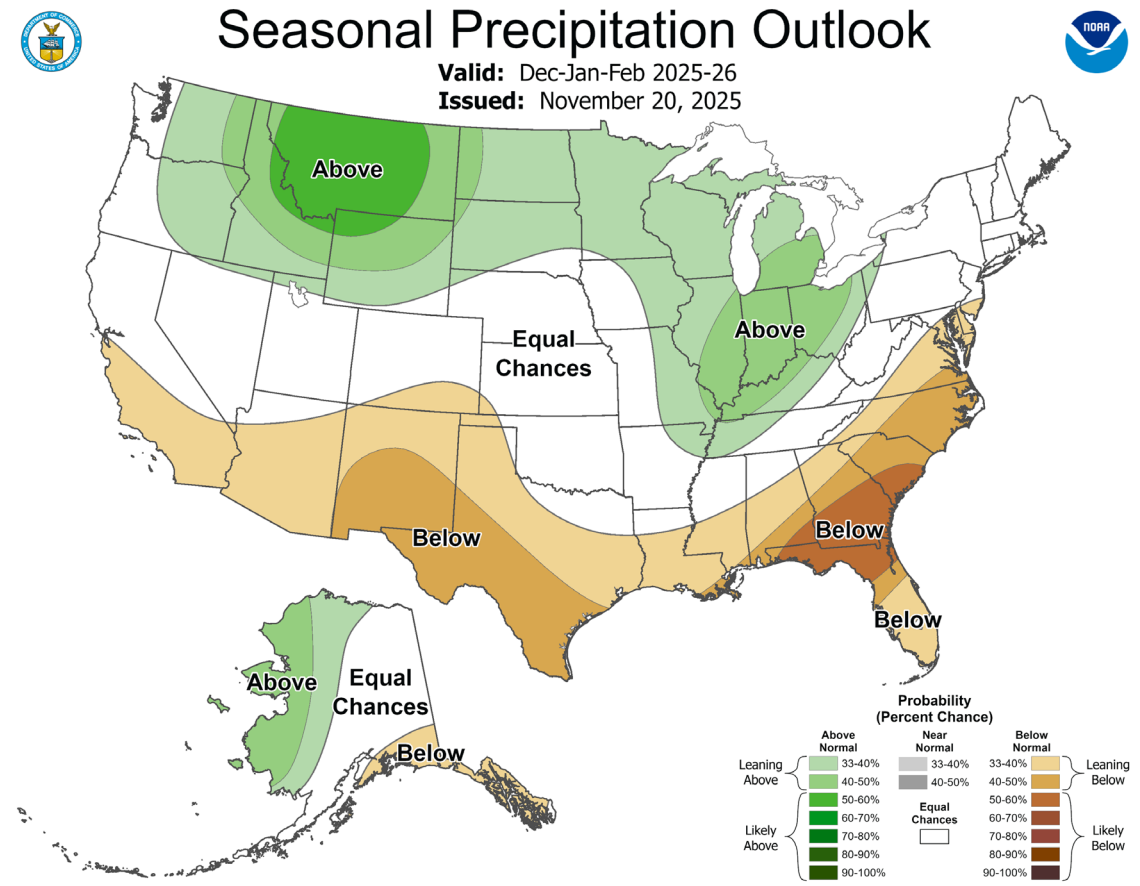
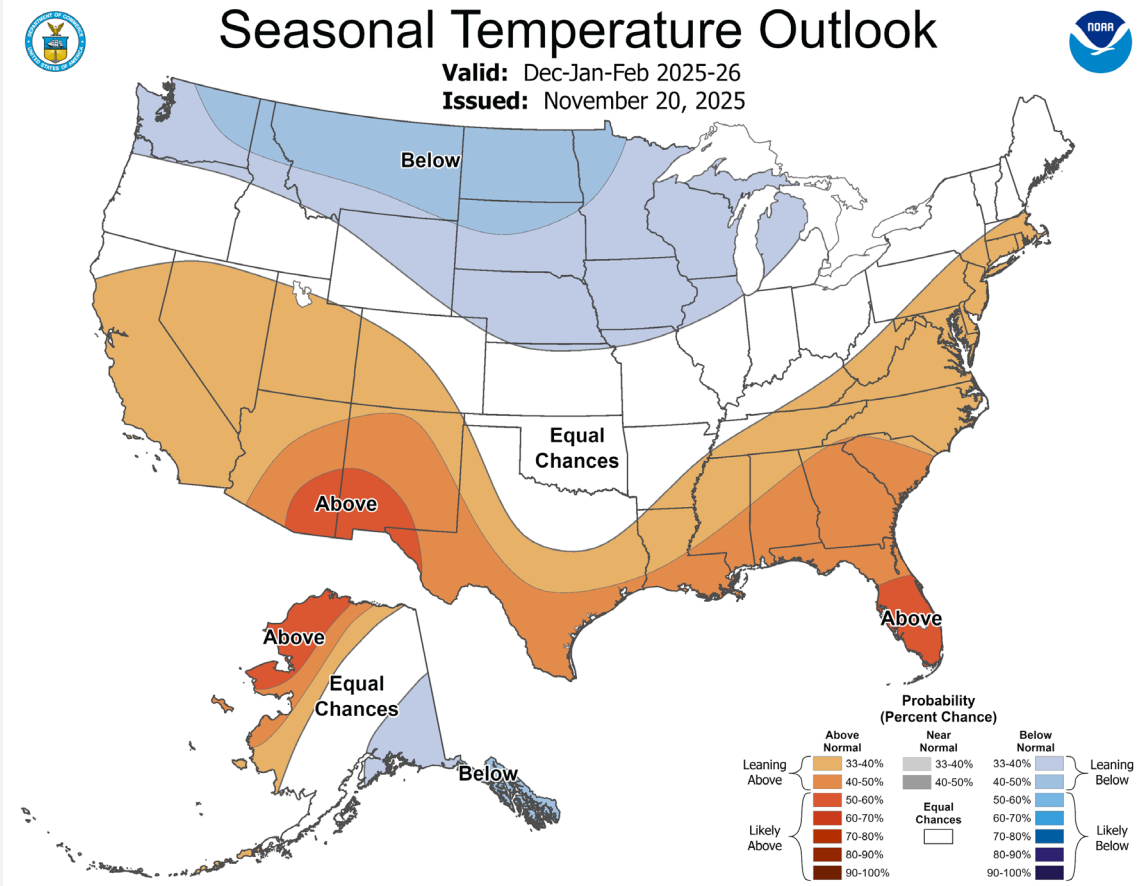
- **\$10k**
 - Insufficient credit
 - Allows for trading up to 7 days



Energy Market Updates

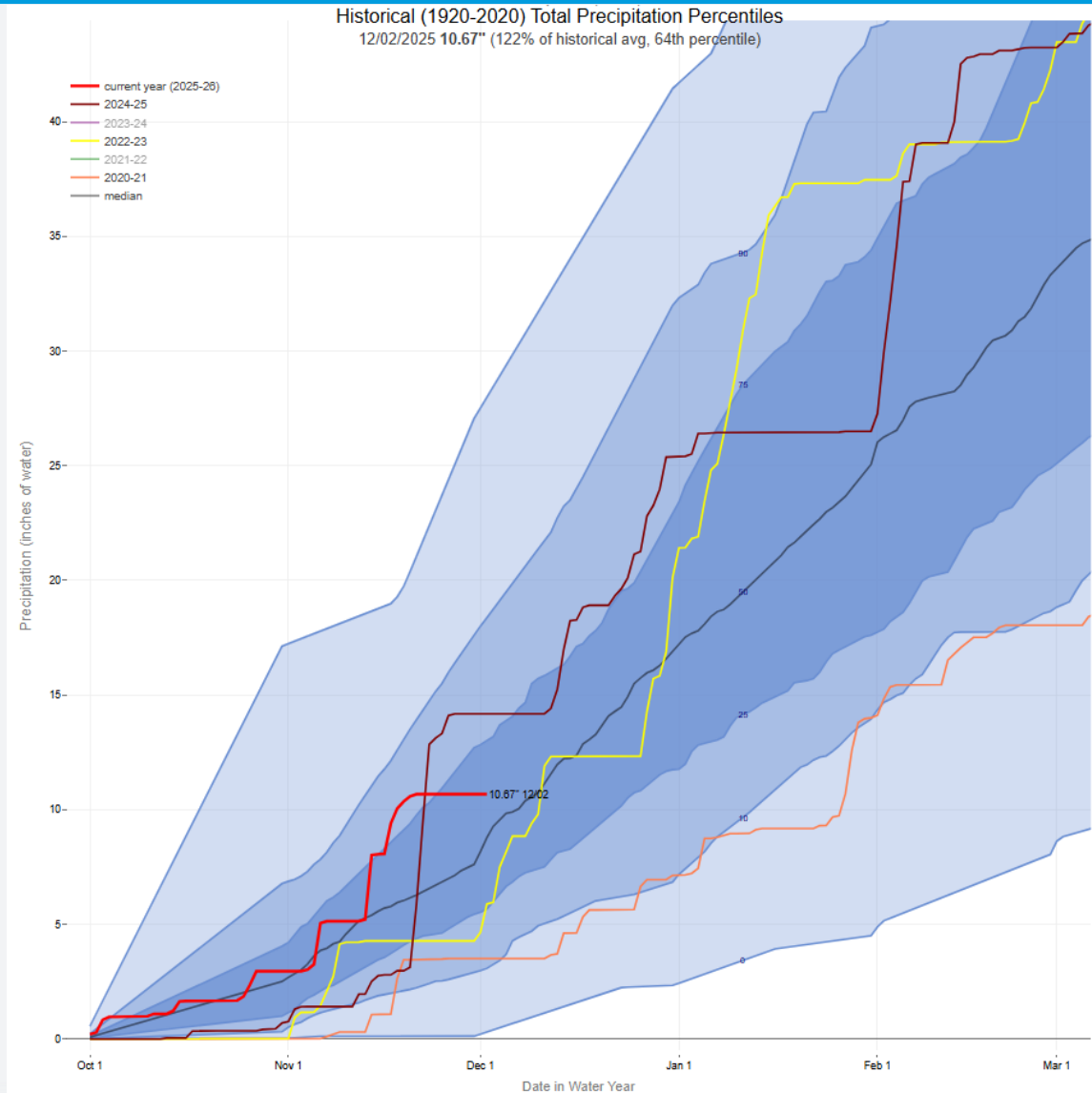
Patrick Zanardelli, Electric Business Analyst

Future Weather Outlook



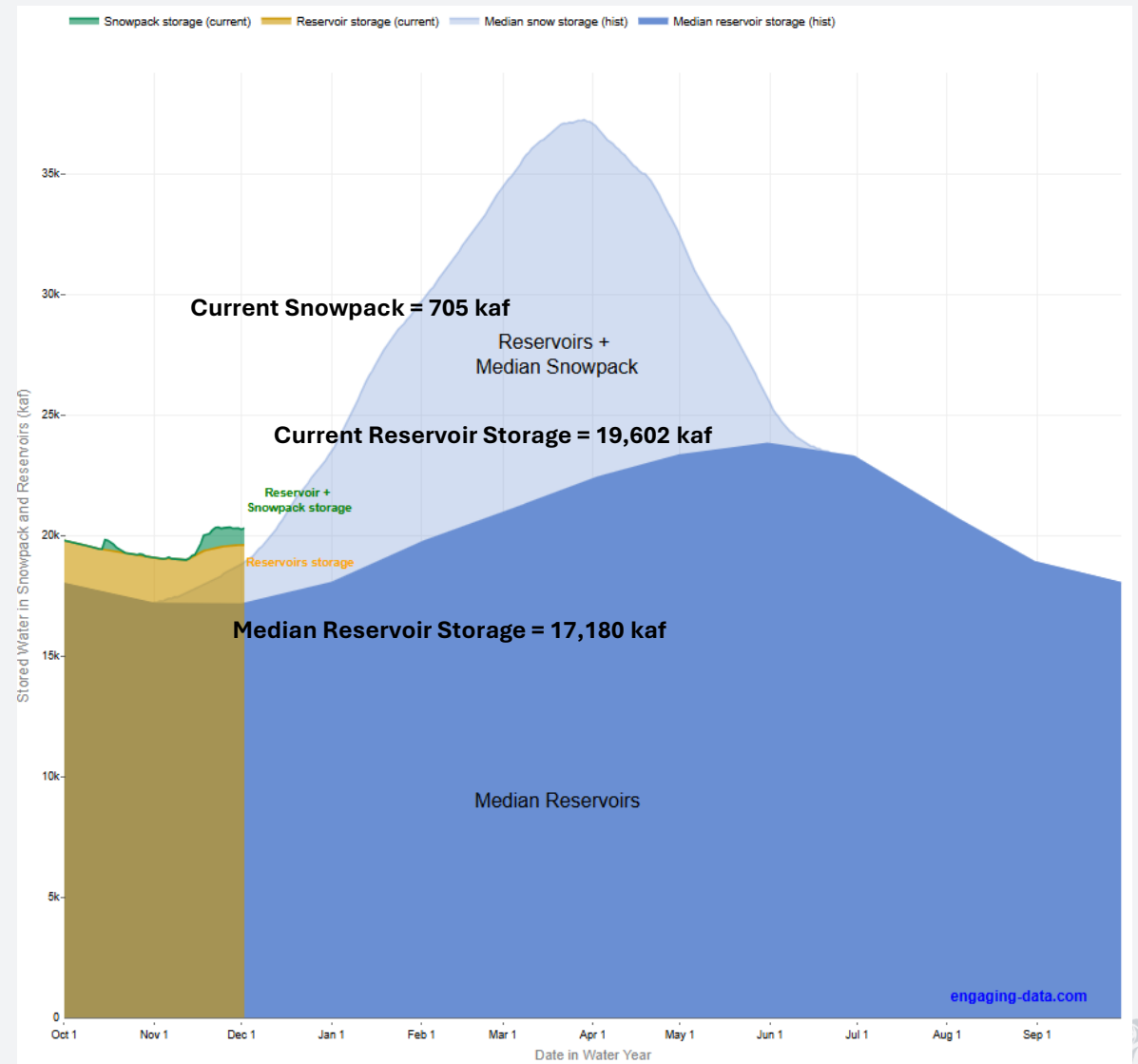
Precipitation

- Northern Sierra precipitation at 64% percentile.
- Early-season storms have pushed totals to 122% of historical average.
- More Rain = Less drought risk & More Hydro generation



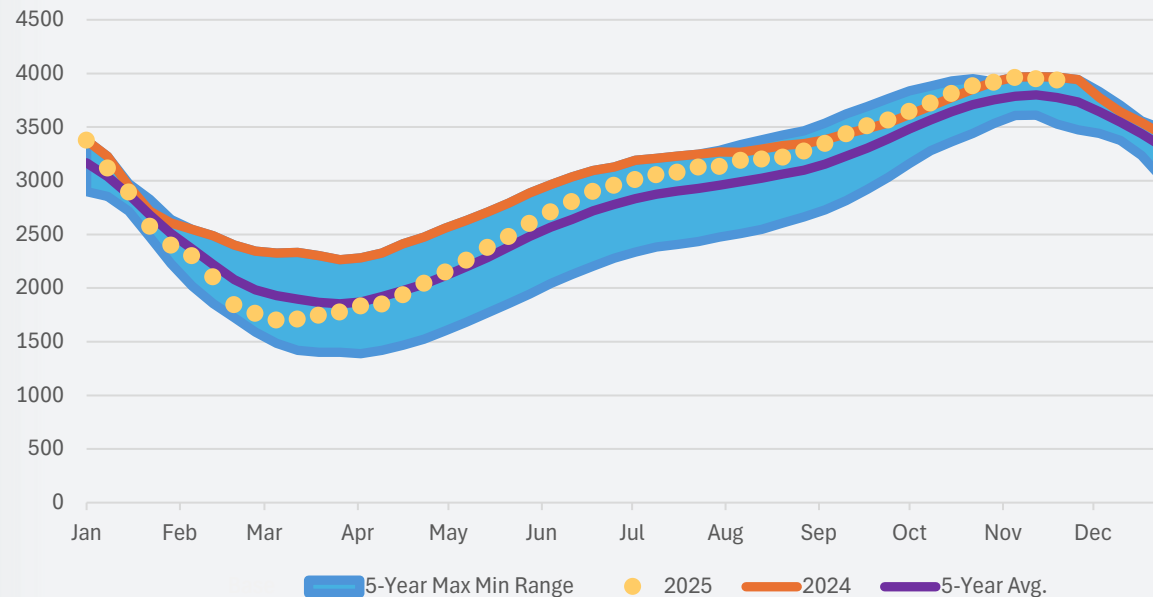
Hydro Storage

- Current reservoir storage of 19,602 kaf is only 2% lower than 2024–25 levels.
- Total storage remains strong at 114% of average.
- Snowpack only 41% of average.

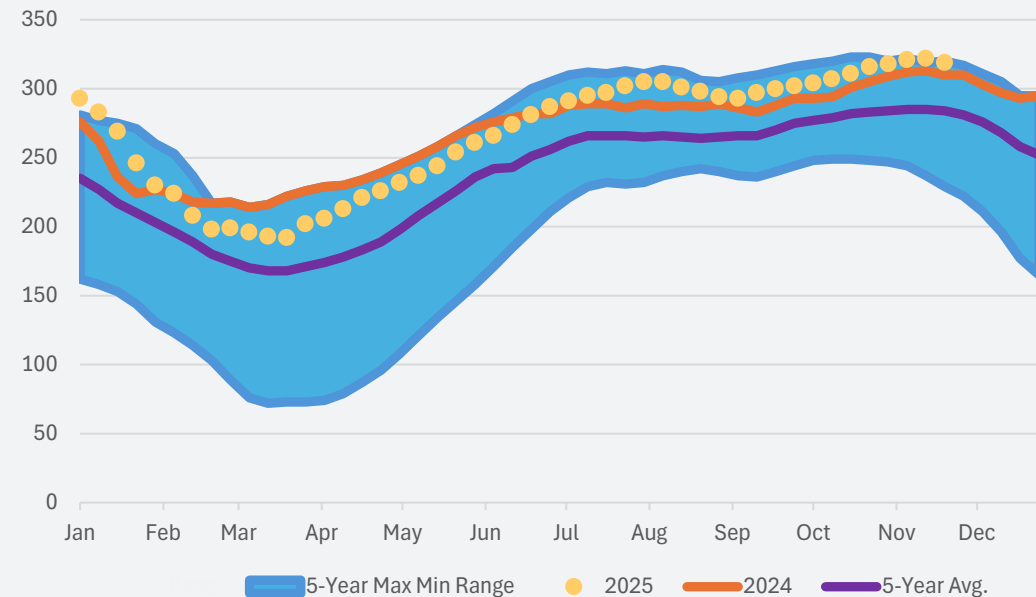


Natural Gas Storage

U.S Natural Gas Inventories (11/21/25)



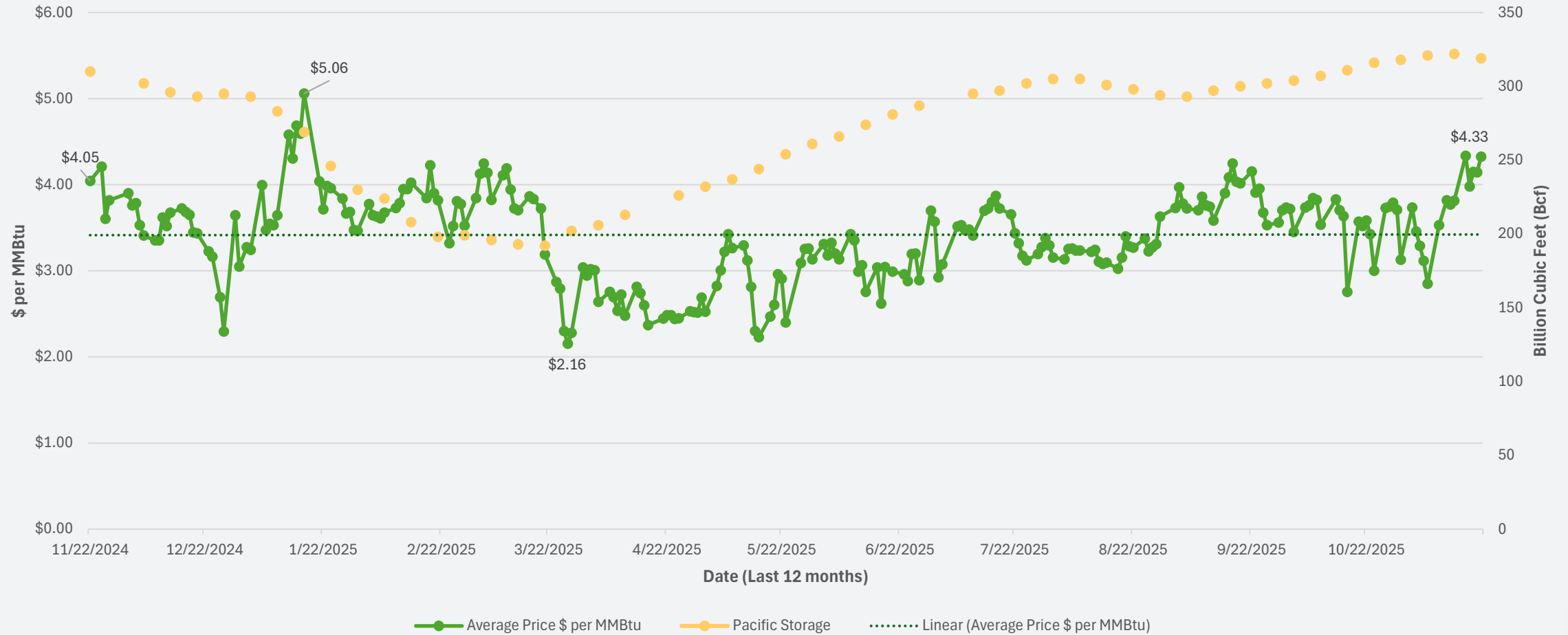
Pacific Storage Gas Inventories (11/21/25)



- Current gas in storage: 3,935 Bcf
 - 32 Bcf below 2024 and 160 Bcf (4%) above the five-year average
- Pacific Storage: 319 Bcf
 - 9 Bcf (3%) above 2024 and 35 Bcf (12%) over the five-year average
 - At 46% capacity through week ending 11/21/2025

Gas Prices

PG&E City Gate Price vs Pacific Storage Gas Inventories





Market Update Summary

- **Weather Outlook** – Northern Sierra at 122% of average, with drier conditions in the south and colder temps up north shaping early-season demand.
- **Hydro & Storage** – Reservoirs remain strong at 114% of average, while snowpack is still low at 41% of normal.
- **Natural Gas** – U.S. storage is 4% above the five-year average; Pacific storage is 12% above average heading into winter.
- **Market Implications** – Strong hydro and gas storage keep markets stable, though colder northern weather may increase demand and upside risk to winter gas prices.



Renewable Energy Portfolio Update: Compliance Period 5 (2025 - 2027)

Power Supply

Agenda

- Renewable Needs for Compliance Period 5
- Current Portfolio Status
- Identified shortfall
- Terra-Gen: Executed long-term contract
- Golden State Clean Energy Update

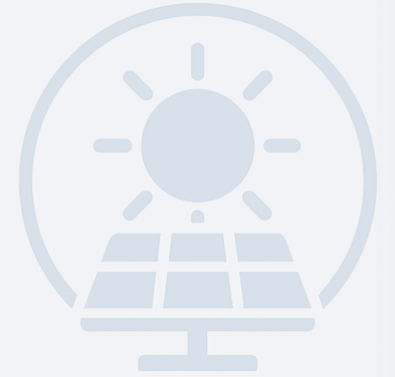
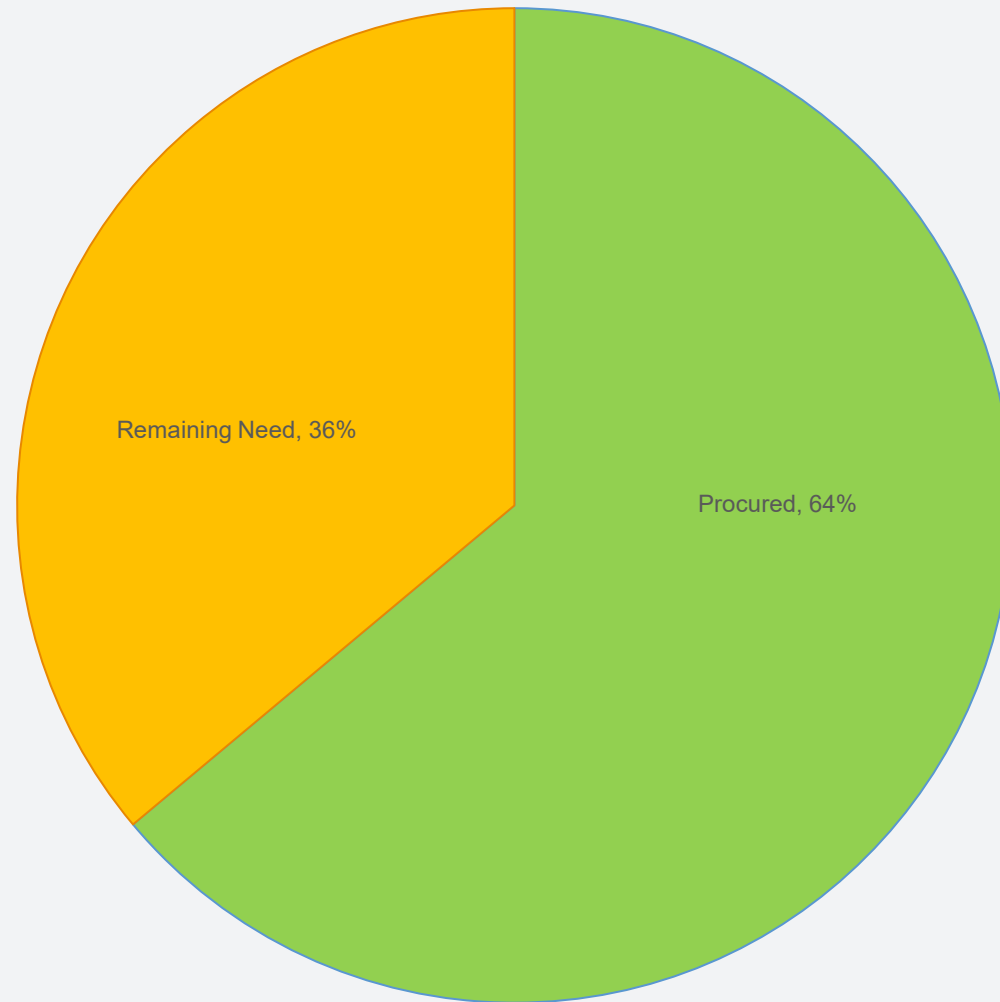
Renewable Portfolio Standards (RPS) Requirement

Current Compliance Period 5 includes CY2025-2027

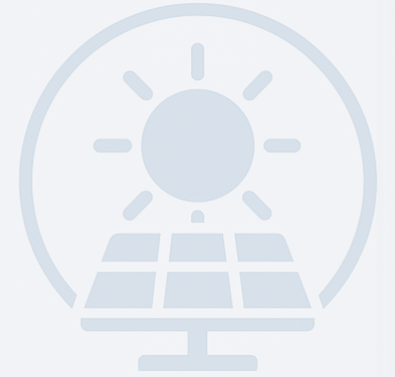
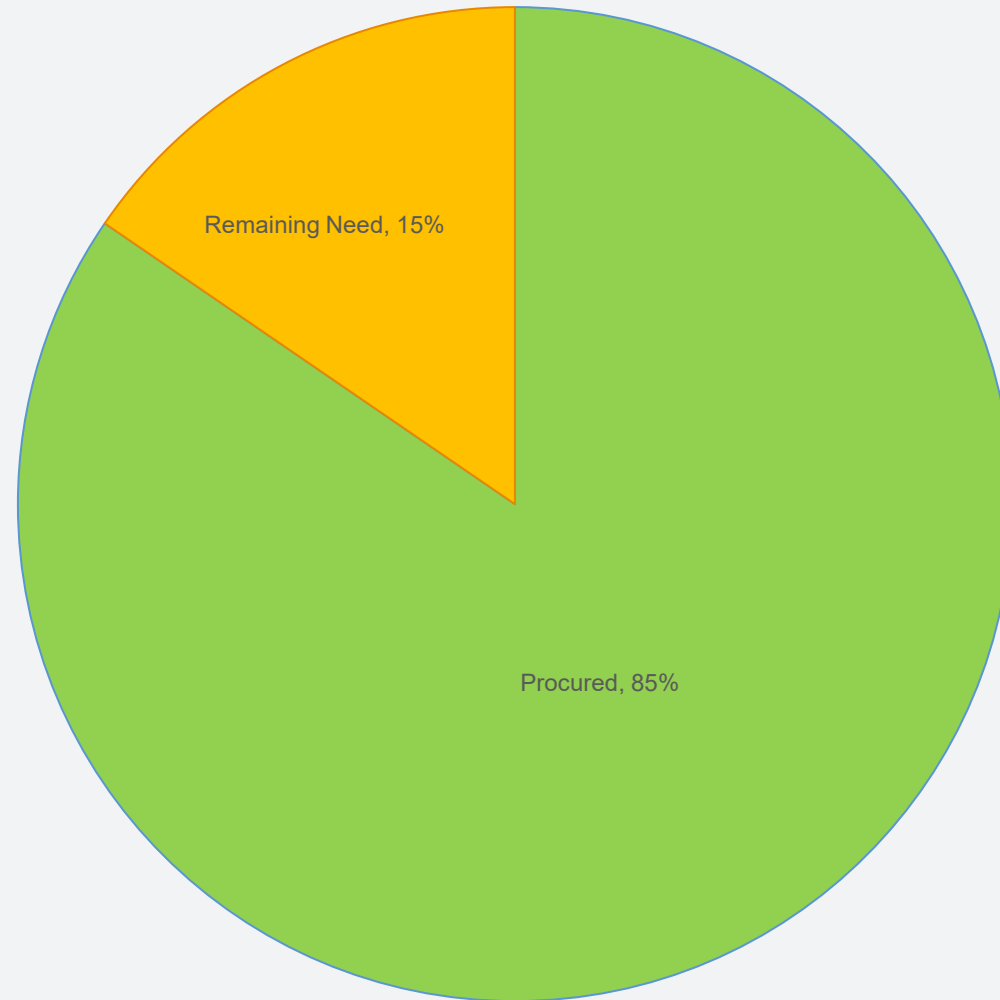
- Overall quantity CP5 – 52% of retail load
- Long-Term Requirements (LTR) : 65% minimum of gross required quantity
- PCC1 (Category 1): 75% minimum of net required quantity
- PCC3 (Category 3): 10% maximum of net required quantity



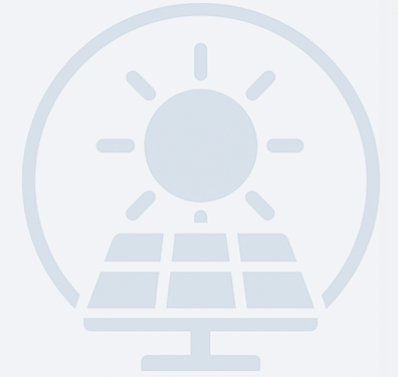
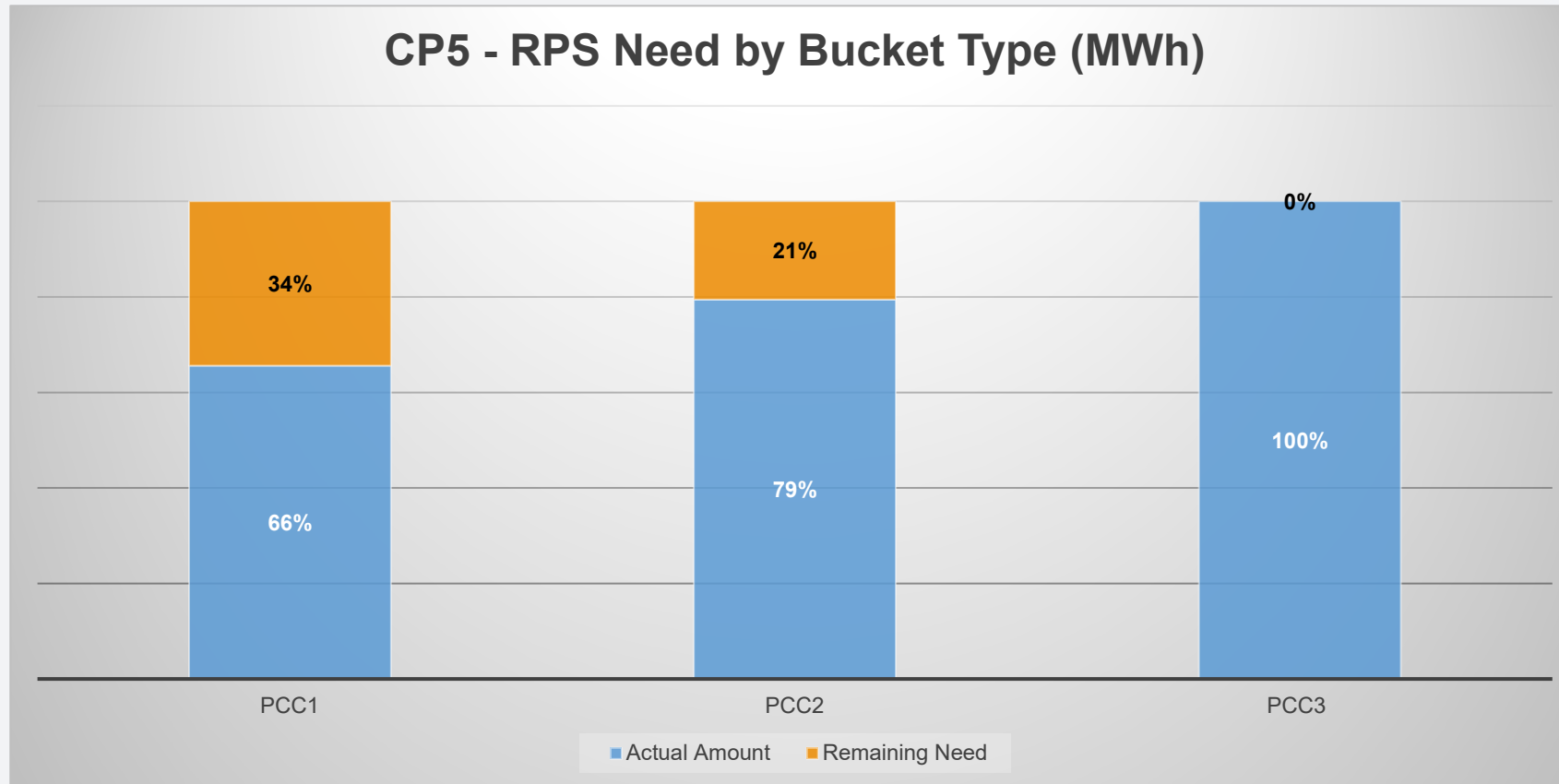
Current Projected Long Term Portfolio Status for CP5



Current Projected Short Term Portfolio Status for CP5



Current Projected Portfolio Status by Bucket Type



Terra-Gen: Executed Contract (Oct 15, 2025)

Desert Breeze Solar, LLC.

- Aligns with Roseville’s 2023 Integrated Resource Plan
- Solar generation located in the California Independent System Operator (CAISO) grid
- Meets key regulatory requirements:
 - 49,000 PCC1/year
 - 7% of Roseville’s renewable needs for 2030 compliance
 - “Long-term” contract at 15-year term
- Commercial operation in 2027:
 - Fixed \$31/Renewable Energy Credit
 - Total 15-year contract cost of about \$22,785,000



Golden State Clean Energy Project Update

- Proposed Project:
 - 75 MW Solar Generation Facility
 - 40 MW Battery Energy Storage System (BESS)
- Outstanding items:
 - Term: 20 years or 33 years?
 - Who pays for land Mitigation?
 - Who pays for property taxes if Tax Break goes away?
 - Who pays for Generation Tie line?





Roseville Energy Park – Maintenance Outage

Nathan Ribordy, P.E.

Power Generation Superintendent

Outage Drivers

- Combustion turbine (CT) and steam turbine (ST) outages are driven by equivalent operating hours (EOH).
- Intervals determined by the Long Term Parts (LTP) contract.
- Hours between major maintenance is 30,000EOH.
- Balance of plant equipment timed with LTP outages.
- Maintenance is based on either time interval, run hours, or condition.

Exhibit C
Projected Maintenance Plan
(Rev. 1)

Scheduled Outages will be performed based on the projected Scheduled Outage plan below, which may be amended from time to time by Seller.

City of Roseville Scheduled Outage Plan

<u>Accrued EOH</u>	<u>CT -1 Outage</u>	<u>CT -2 Outage</u>	<u>ST Outage</u>
25,000			
30,000	A	A	ASI
40,000	C	C	MO
50,000	A	A	ASI
60,000	C	C	LO
75,000	A	A	ASI
90,000	B	B	MO
105,000	A	A	ASI
119,999			
Total program billable hours		189,998	

Notes:

- 1) Irrespective of the Equivalent Operating Hours, a Modified Level A-Inspection shall be carried out at least every second year from earlier of the Effective Date or the prior Scheduled Outage. Seller shall be entitled to a Change Order prior to the performance of such additional scope. The price and scope of the Modified Level A-Inspection will be in accordance with Exhibit F.

Outage Risks

- Outage windows set by peak demands.
- Long term service agreement guarantees Siemens payments.
 - Results in “Tru-up” fees if short on cycles.
 - FY2025 rate of \$310/EOH, CT2’s “B” inspection forecasted to cost an additional \$200,000.00 for an October 2026 outage.
 - Operations beyond contracted intervals need Siemens approval.
- End of LTP projected to expire end of CY2029, creating opportunity to negotiate out the true up costs.

Outage Risks

- Many components cannot be inspected until we are offline placing the discovery phase in the same window as the repair phase.
 - Partially mitigated by strengthening our preventative maintenance and inspection program and leveraging reliability centered maintenance.
- Materials at the REP are often one of a kind and/or no longer manufactured.
 - Introduces long lead times.
 - Mitigate the risk by scheduling fall outages.
 - Introduces unplanned costs.

October 2025 Outage

- Primary major maintenance centered on CT1's "B" inspection, ST major, and generator inspections.
- Largest outage in history of REP.
 - 85 work orders and 25 outage specific work orders
 - Hosted 110 personnel from over 17 vendors.
 - Over 45 systems locked out.
 - Multiple permit and non-permit required confined space entries.
 - 4 critical crane lifts.



October 2025 Outage



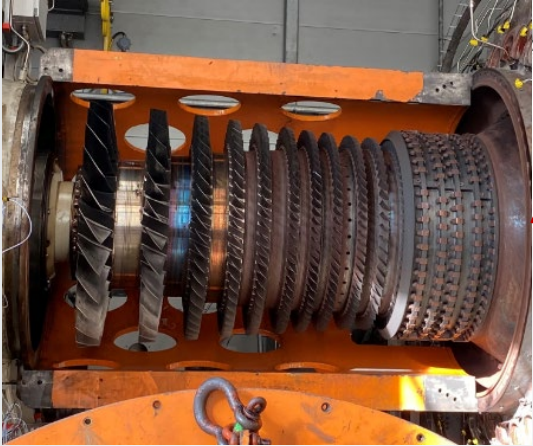
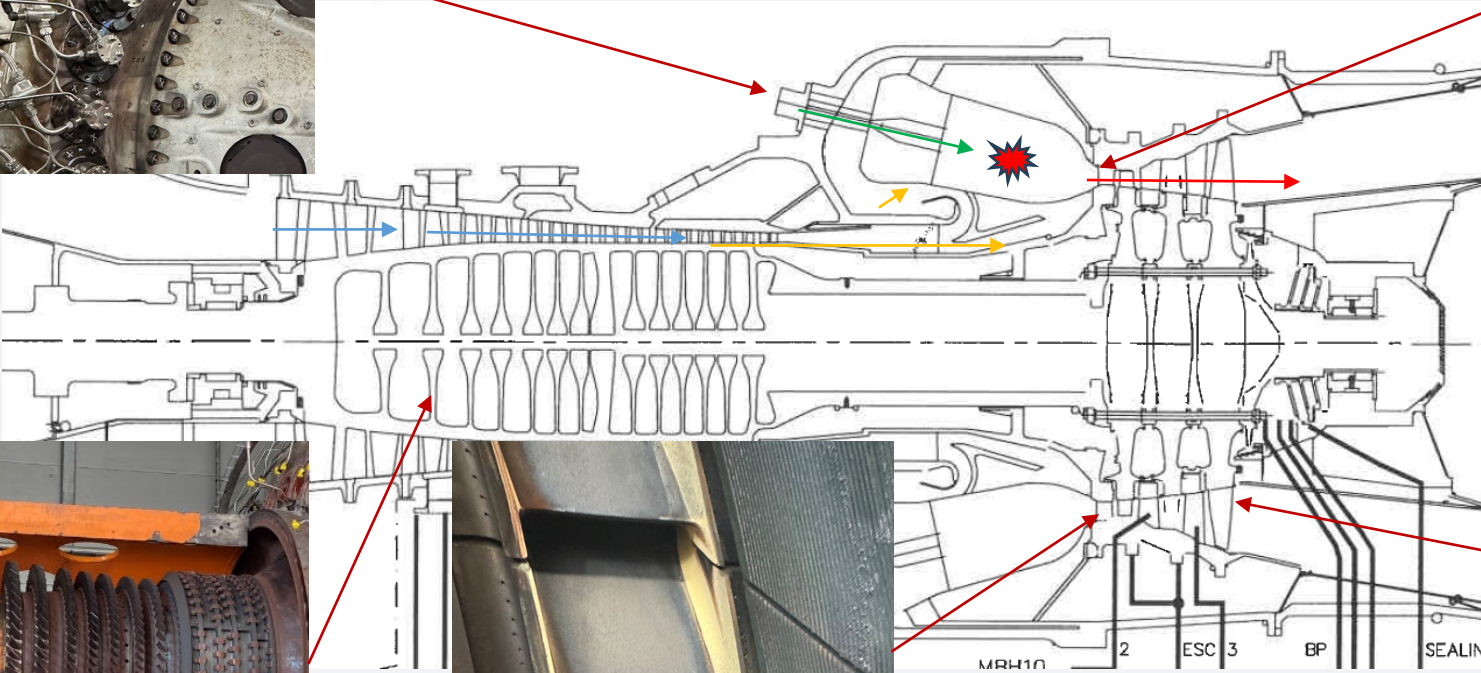
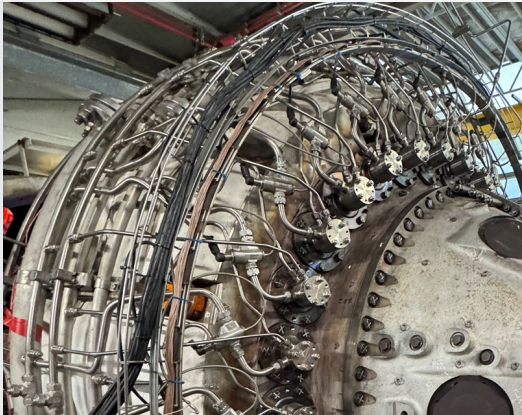
October 2025 Outage



October 2025 Outage



October 2025 Outage – CT1 “B” Inspection



October 2025 Outage – Steam Turbine



Steam Turbine Top-Case ~85klbs

October 2025 Outage – Steam Turbine



Steam Turbine Top-Case Flip



Steam Turbine Rotor ~60klbs

October 2025 Outage – Steam Turbine



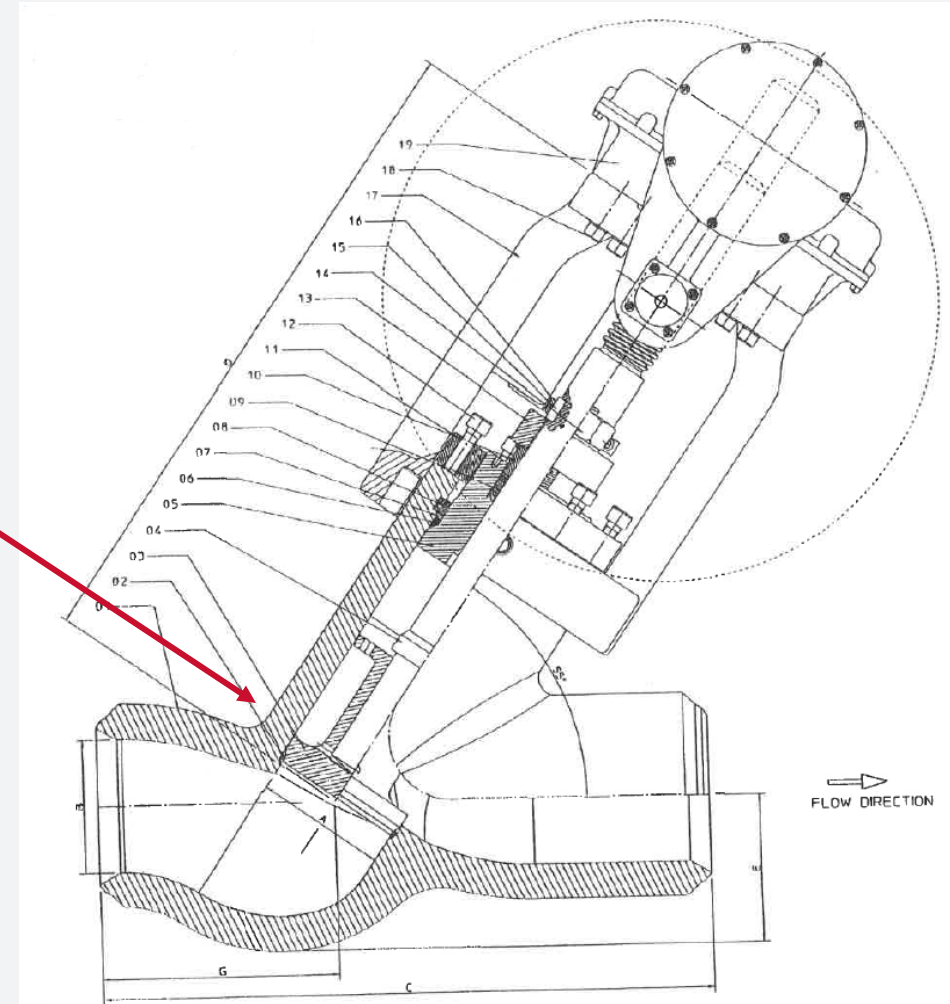
Steam Turbine – Row 14, Retaining Wire

October 2025 Outage – Steam Turbine



Steam Turbine Rotor

October 2025 Outage – Main Steam Valves



Main Steam Non-Return Valve ~4,000lbs

October 2025 Outage – In Summary

- Outage extended due to main steam line and steam turbine rotor repairs. Estimated return to service mid February.
- Largest plant outage, in terms of work completed, the facility has seen since commissioning.
- Zero safety incidents.
- Inspection findings will drive future maintenance activities.
- Lessons learned to be consolidated during a post outage “washboard” and incorporated into future planning efforts.
- Estimated total outage cost is approximately \$12M, including unplanned repair activities.

Questions?



Roseville Power Plant #2 Repower Project Update

Ozro Corulli, Principal Power Engineer

Roseville Power Plant #2 (RPP2) Background



- Located in Placer County
- 40-year old plant
- Important resource for meeting community peak power needs
- No emissions equipment, low efficiency
- Continued use will require major capital investment

Project Background

- Relocating generating units from Yuba City in collaboration with the California Department of Water Resources (CDWR).
- Contract Terms:
 - April 2025 to Nov 2029
 - Roseville takes ownership in 2029
- Total Project Cost ~\$45M
 - Roseville and CDWR to share installation cost



Replacing Old with New

- Meet future community needs
- Increasing capacity
- Redirect capital spending to new infrastructure
- Standardize
- Operational flexibility
- New units are cleaner, more efficient, and more reliable
- Hydrogen capable

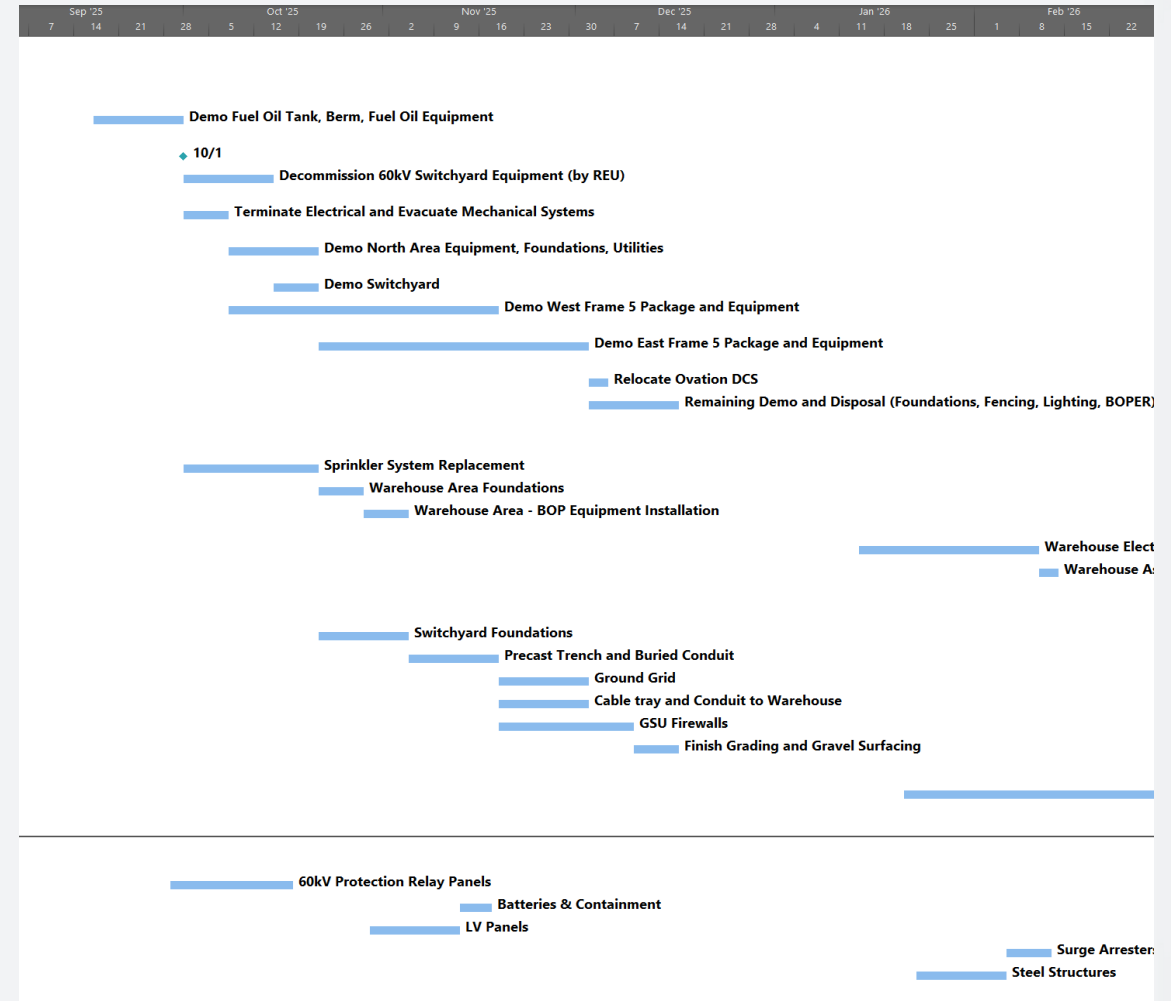


Schedule Risk Mitigation

- Prioritizing critical path items
- Minimized scope while allowing for future growth
 - 60kV Yard
 - Anti-Icing
- Working closely with manufacturers
- Third party review
- Coordinating with local development
- Jump start on demolition
- Citywide collaboration

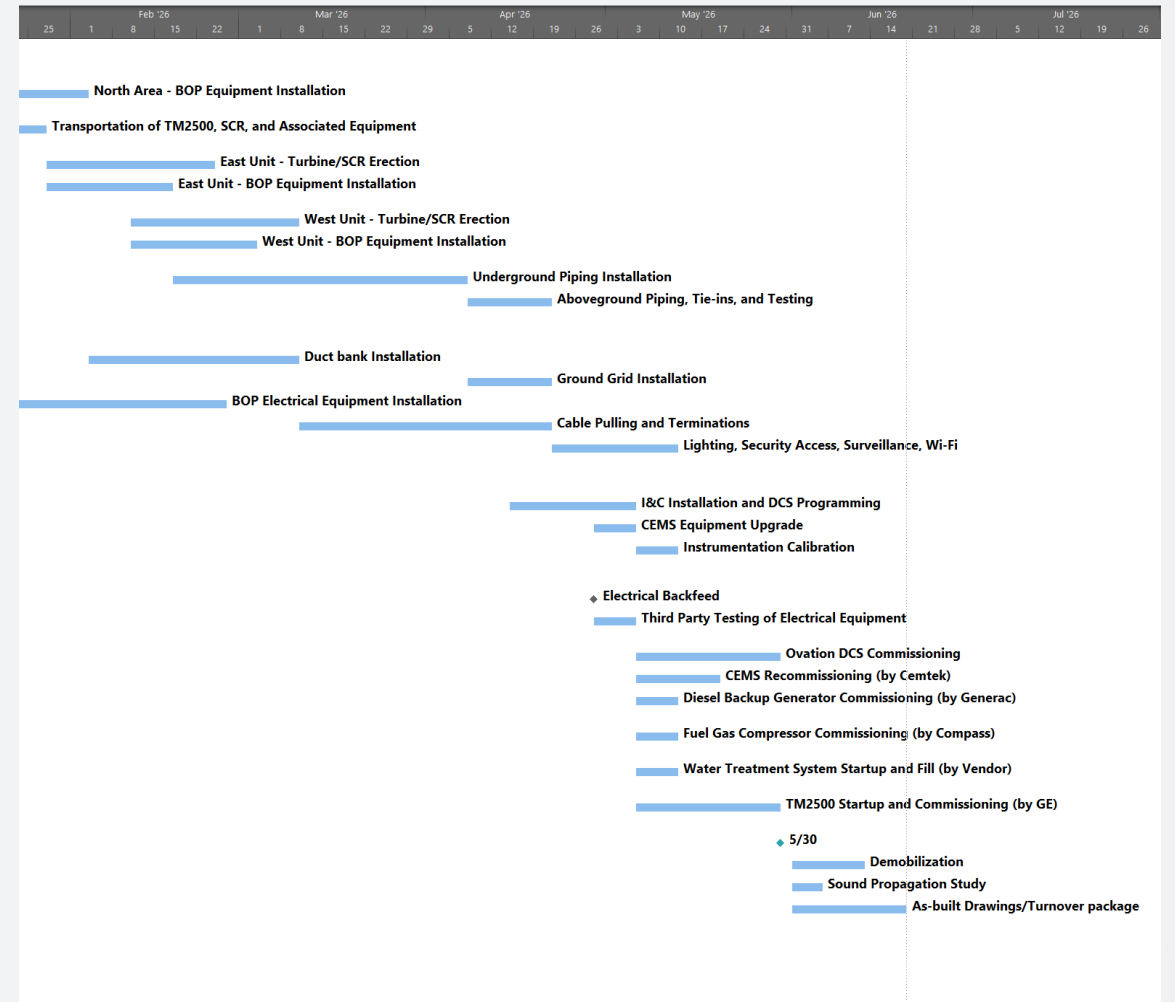
Project Timeline

- September
 - Site prep and Non-critical systems removal
- October
 - RPP2 outage begins
 - Salvage & demolition
 - Yuba City outage begins
- November - January
 - Civil construction



Project Timeline (con't)

- January
 - Generators and SCR's arrive
- February – April
 - Installation of ancillary equipment, control systems, etc.
- May – Testing
- June 1st – Units available for dispatch





Questions



Qualified Independent Representative

December 2025

Joe Mandell, Senior Deputy City Attorney

Qualified Independent Representative

- Requirement coming from Dodd Frank Act passed in 2010
- City is identified as a “Special Entity”
- As Special Entity Roseville needs to identify a Qualified Independent Representative (QIR)
- QIR requirements:
 - Sufficient knowledge to evaluate transactions
 - Independent of swap dealer
 - Act in the best interest of the City
 - Selection criteria details in policy

Questions