

# RESPONSE TO THE CPUC AUDIT FINDINGS OF METCALF ENERGY CENTER

JULY 15 –JULY 18, 2024  
(AUDIT NUMBER GA2024-24ME)

October 14, 2024

PUBLIC VERSION

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**METCALF ENERGY CENTER LLC**  
**RESPONSE TO THE 2024 AUDIT REPORT OF METCALF ENERGY CENTER**  
**(AUDIT NUMBER GA2024-24ME)**

**I. INTRODUCTION**

Metcalf Energy Center LLC (“Metcalf” or the “Plant”)<sup>1</sup> appreciates the opportunity to respond to the *California Public Utilities Commission (“CPUC”) Audit Findings of Metcalf Energy Center July 15-July 18, 2024* (“Audit Report”). The Audit Report addresses Metcalf’s compliance with General Order 167-B (“GO 167”), including related Operation, Maintenance, and Logbook Standards. The Audit Report presents “Findings” from the audit conducted by the Commission’s Electric Safety and Reliability Branch (“ESRB”) on July 15 through July 18, 2024 (the “Audit”). As part of the Audit, Metcalf responded to numerous information and data requests from ESRB. Metcalf produced several hundreds of documents in advance of the Audit and spent multiple days with the ESRB team at the facilities, including reviewing additional voluminous documents and data on-site.

The Audit Report contains 13 Findings, which allege potential violations of GO 167 requiring corrective action. While Metcalf disagrees that any of these Findings constitute potential violations of GO 167, Metcalf has taken appropriate action to address the issues identified in the Audit Report. None of the purported issues identified in the Findings pose a significant risk to safety or reliability.

The purpose of GO 167 is:

to maintain and protect the public health and safety . . . , to ensure that electric generating facilities are effectively and appropriately maintained and efficiently operated, and to ensure electrical service reliability and adequacy.<sup>2</sup>

In addition to the Operation, Maintenance, and Logbook Standards in GO 167, the California Electric Generation Facilities Standards Committee (“Committee”) has published recommended guidelines for Generating Asset Owners seeking to comply with GO 167 (“GO 167 Guidelines”).<sup>3</sup> The Committee encouraged Generating Asset Owners to use discretion when implementing the GO 167 Guidelines at their unique facilities, and explained that it “does not intend the [GO 167 Guidelines] to be enforceable [because] there may be reasonable ways of meeting a particular [GO 167 Standard] that do not follow every provision of the associated guidelines.”<sup>4</sup> The Committee

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<sup>1</sup>Metcalf’s participation in this GO 167 audit is purely voluntary and Metcalf expressly reserves all rights to assert any privilege or objection to additional requests for information. Metcalf also expressly reserves all rights to challenge the legality and applicability of California Public Utilities Code Section 761.3 and the implementation of such statute by the Commission or any other agency or instrumentality of the State of California.

<sup>2</sup> GO 167, § 1.

<sup>3</sup> See Operation Standards and Recommended Guidelines for Generating Asset Owners, Adopted by the California Electric Generation Facilities Standards Committee on October 27, 2004 (the “Guidelines”).

<sup>4</sup> *Id.* at 7.

also cautioned that “failure to meet a guideline should not be taken, per se, as a failure to meet the associated [GO 167 Standard].”<sup>5</sup>

Metcalf appropriately uses its discretion to implement operation, maintenance and safety programs that work most effectively given Metcalf’s unique design and permit limitations. Many of the Findings in the Audit Report are not violations of GO 167 because they relate to issues in which Metcalf’s management has exercised discretion to implement predictive and preventive maintenance, safety mechanisms, and programs which are appropriate for Metcalf, consistent with prudent industry practices and standards, and consistent with the general guidelines set forth in the Operation and Maintenance Standards.

Consistent with the GO 167 Maintenance Standards (“MS”), Metcalf prioritizes maintenance activities with regard to the impact on safety, reliability, and efficiency,<sup>6</sup> and works closely with Original Equipment Manufacturers (“OEMs”) and outside consultants.<sup>7</sup>

[REDACTED]

Corrective, preventive, and predictive maintenance are also a critical part of Metcalf’s overall safety program. Metcalf has established a work environment and implemented policies and procedures that foster a culture of safety.

[REDACTED]

[REDACTED] Metcalf takes a systematic approach to environmental and safety training and has an established training program to reinforce safety practices and expected behavior that all workers are required to complete.

In addition, Metcalf has established procedures to ensure safety-related information is timely disseminated and all employees have access to such information.

[REDACTED]

To ensure Metcalf and all Calpine power plants continue to operate safely

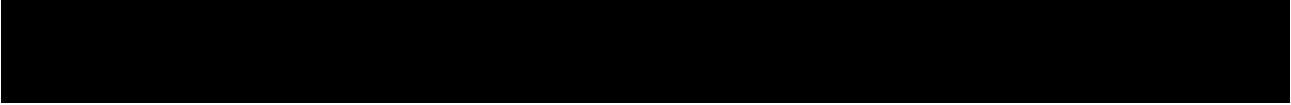
[REDACTED]

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<sup>5</sup> *Id.*

<sup>6</sup> *See* MS-7, Assessment Guideline A.

<sup>7</sup> *See* MS-7, Assessment Guideline D.



Notwithstanding the tremendous amount of time, effort, and resources that are committed to ensuring Metcalf operates in a safe, reliable, and efficient manner, Metcalf also promotes an environment of continuous improvement and engages in an ongoing and systematic effort to update and further enhance overall safety, operations, and maintenance at the Metcalf. It is within this context that Metcalf has reviewed the Audit Report.

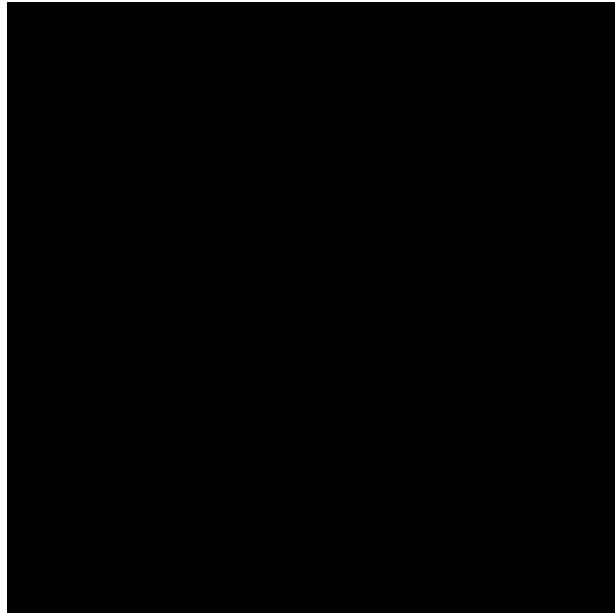
Metcalf has completed or has scheduled corrective maintenance to address issues raised in the Audit Report. In all cases, however, none of the issues addressed in the Audit Report posed a significant risk to worker safety or Metcalf's reliability.

## II. RESPONSE TO FINDINGS

### **Response to Finding 1: Metcalf prioritizes repairs and maintenance of operation facilities, equipment, and tools.**

The Audit Report noted various housekeeping items that were observed during the Audit.<sup>8</sup> There will always be ongoing maintenance with respect to various equipment and systems. The existence of repairs, scheduled repairs, and other routine maintenance is not a violation of GO 167. However, Metcalf has diligently addressed all the items identified in the Audit Report, including:

1. The nuts and bolts securing [REDACTED] were painted, as shown in Figure 1 below. As part of its corrective and preventive maintenance programs, Metcalf reviews plant piping, equipment and flange corrosion and repairs or applies coating based on corrosion severity, equipment integrity and effects on equipment or plant availability. Although the nuts and bolts in question exhibited corrosion, they operated correctly.



**Figure 1**

2. As noted in the Audit Report, Metcalf immediately covered the grounding cables identified in Figure 2 and 3 of the Audit Report.<sup>9</sup>
3. The grounding wire identified in Figure 4 of the Audit Report was reconnected, as shown below.

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<sup>8</sup> Audit Report, at 1.

<sup>9</sup> See Audit Report, at 2.



**Figure 2**

4. As noted in the Audit Report, the grate covering the [REDACTED] near the [REDACTED] [REDACTED] was immediately replaced by Metcalf during the Audit.<sup>10</sup>
5. The [REDACTED] leak on the [REDACTED] [REDACTED] identified in Figure 6 of the Audit Report was repaired.<sup>11</sup>
6. The extension cord identified in Figure 7 of the Audit Report was for temporary use and has since been removed, as shown below.

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<sup>10</sup> See Audit Report, at 4 (Figure 5).

<sup>11</sup> See Folder titled “Response 1” [REDACTED]





**Figure 3**

7. As noted in the Audit Report, Metcalf immediately removed the spare wood and [REDACTED] from the recent [REDACTED] repair.<sup>12</sup>

**Response to Finding 2: Metcalf adequately monitors and maintains effective and efficient equipment operations.**

Depending upon the timing of an audit, there will always be ongoing maintenance with respect to various Plant equipment and systems. Such ongoing maintenance includes refreshing faded signs that result from normal wear and tear. ESRB observed missing and faded hot and cold position labels on pipe supports and hangars under [REDACTED] and near the [REDACTED].<sup>13</sup> A work order has been generated and new labels have been ordered.<sup>14</sup> Metcalf anticipates that it will complete the replacement of the labels by [REDACTED]

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<sup>12</sup> See Audit Report, at 5-6 (Figure 8 and 9).

<sup>13</sup> See Audit Report, at 6.

<sup>14</sup> See Folder titled "Response 2" [REDACTED]

**Response to Finding 3: Metcalf effectively assesses and addresses equipment to maintain the safe and reliable operation of equipment.**

The Audit Report identifies an unlocked [REDACTED] valve. As noted in the Audit Report, Metcalf immediately installed a lock on the valve during the Audit.<sup>15</sup> Metcalf also evaluated other [REDACTED] valves at the site to confirm that any necessary locks are present.

**Response to Finding 4: Metcalf's [REDACTED] fire suppression system is properly identified.**

The Audit Report notes that the [REDACTED] systems needs demarcations.<sup>16</sup> As requested by ESRB, Metcalf intends to add labels to the [REDACTED] systems. The labels can only be added during an outage when the system is deenergized. Metcalf has generated a work order to add such labels during the [REDACTED]<sup>17</sup> While Metcalf has accommodated ESRB's request, it disagrees that such labels are necessary for a system to be compliant with GO 167. The GO 167, Operation Standard ("OS") 28 language identified in the Audit Report is from the GO 167 Guidelines, which are only intended to be guidelines for generating asset owners. The Commission did not intend for the "guidelines to be enforceable" and it further states that the "failure to meet a guideline should not be taken, per se, as a failure to meet the associated standard." The GO 167 Guidelines provide flexibility to allow each individual plant to develop plans, procedures and training programs.

**Response to Finding 5: Metcalf replaces and maintains proper signage and labeling.**

Depending upon the timing of an audit, there will always be ongoing maintenance with respect to various Plant equipment and systems. Such ongoing maintenance includes refreshing faded signs that result from normal wear and tear. The Audit Report notes certain signage that is missing or faded.<sup>18</sup> Metcalf has diligently addressed or scheduled all the signage replacement for the areas identified in the Audit Report, including:

1. The signage on the [REDACTED] needs an outage to be replaced. Thus, Metcalf has scheduled such replacement for the [REDACTED]<sup>19</sup>
2. As noted in the Audit Report, Metcalf immediately installed a new NFPA label as identified in Figure 17 of the Audit Report.<sup>20</sup>
3. Metcalf replaced the faded [REDACTED] labels, as shown in Figure 4 below.

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<sup>15</sup> Audit Report, at 8.

<sup>16</sup> See Audit Report, at 9.

<sup>17</sup> See Folder titled "Response 4" [REDACTED]

<sup>18</sup> Audit Report, at 10.

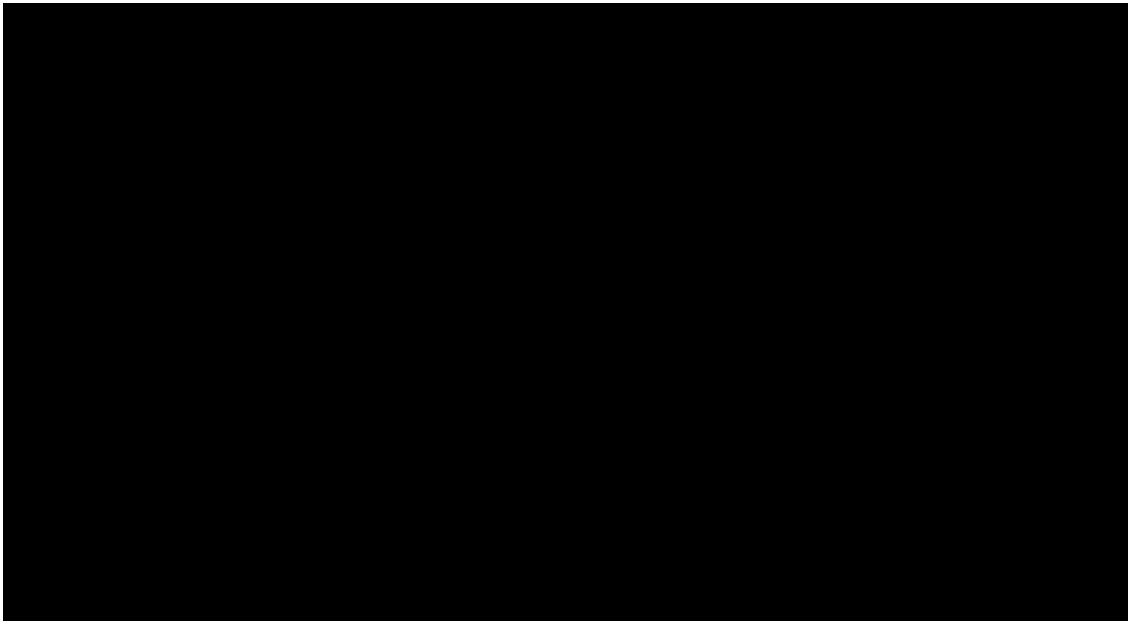
<sup>19</sup> See Folder titled "Response 5" [REDACTED]

<sup>20</sup> Audit Report, at 12 (Figure 17).



**Figure 4**

4. Metcalf replaced the faded [REDACTED] (Left) and [REDACTED] (Right) tags, as shown in Figure 5 below.



**Figure 5**

As noted above, there will always be ongoing maintenance with respect to various equipment and systems which includes refreshing signage and is not a violation of GO 167.

**Response to Finding 6:** Metcalf continuously strives to improve its housekeeping practices.

The Audit Report identified disorganized storage cabinets.<sup>21</sup> As noted in the Audit Report, Metcalf promptly organized the chemicals, addressed leakages, and cleaned the liquid pooled at the bottom of the cabinet during the Audit. In addition, the plant is instituting regular inspections of the storage cabinets.

**Response to Finding 7: Metcalf ensures the adequate provision and operation of effective emergency response equipment.**

Metcalf holds safety at the forefront and employs a comprehensive safety program that utilizes strategically placed safety showers throughout the plant. These onsite safety showers are located near all high risk safety areas containing hazardous chemicals. During the Audit, ESRB identified an expired portable eyewash bottle in a storage cabinet.<sup>22</sup> Metcalf has removed the expired eyewash bottle. Instead of portable or temporary eyewash bottles, Metcalf utilizes safety showers as a more effective safety solution. As mentioned above, any high risk safety areas containing hazardous chemicals have nearby safety showers. As an example, the location identified in the Audit Report was [REDACTED] away from a safety shower. Given that alternative safety equipment was readily available for emergencies, this finding should not constitute a violation of GO 167.

**Response to Finding 8: Metcalf conducts maintenance in an effective and efficient manner to ensure equipment performance and reliable operations.**

The Audit Report identifies oil leakage from [REDACTED] near the [REDACTED] and oil leakage and low oil levels (Figure 24) from the [REDACTED].<sup>23</sup> The Plant routinely performs [REDACTED] operations rounds, which includes [REDACTED]. Thus, [REDACTED] are typically identified and addressed promptly. Metcalf has scheduled the repair of the identified oil leaks to occur by [REDACTED].<sup>24</sup> In the interim, the Site will continue to manage the areas pending repair, through use of temporary measures, such as [REDACTED]. As mentioned in the Audit Report, the low oil levels observed on the [REDACTED] were typical [REDACTED]<sup>25</sup> and not due to active leaks. Given that these [REDACTED] are often in active operation, Metcalf will [REDACTED] to aid its existing routine inspections to ensure reliable operations.<sup>26</sup> For the reasons identified above, this finding did not present any serious safety or reliability risk and thus should not constitute a GO 167 violation.

**Response to Finding 9: Metcalf prioritizes repairs and routine maintenance.**

Metcalf prioritizes critical maintenance without delay while always keeping safety and reliability at the forefront. The Audit Report observed damaged piping insulation [REDACTED]

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<sup>21</sup> Audit Report, at 13.

<sup>22</sup> Audit Report, at 15.

<sup>23</sup> Audit Report, at 16.

<sup>24</sup> See Folder titled "Response 8" [REDACTED]

<sup>25</sup> See Audit Report, at 17.

<sup>26</sup> See Folder titled "Response 8" [REDACTED]

and the [REDACTED].<sup>27</sup> The damage to the insulation is purely a cosmetic issue that has not impacted the effectiveness of the insulation and, thus does not pose a risk to safety or reliability. However, Metcalf intends to re-insulate the identified piping during [REDACTED].<sup>28</sup> For all the reasons explained above, the items identified in this Finding did not present any serious safety or reliability risk and thus should not constitute a violation of GO 167.

**Response to Finding 10: Metcalf has updated its chemistry monitoring tool to ensure water chemistry parameters are accurately recorded.**

The Audit Report noted that the water chemistry parameters for [REDACTED] and [REDACTED] were outside of their set range in [REDACTED]<sup>29</sup> which should have resulted in a red [REDACTED]. As identified in the Audit Report, Metcalf immediately reevaluated the parameters for the water chemistry entries and corrected the issue.<sup>30</sup> Metcalf also confirmed that the recorded readings were still within acceptable operating range for the site. While the [REDACTED] parameters needed correction, the range contained in the [REDACTED] was accurate. Thus, an operator could flag a reading outside the set parameters during testing. Also note water chemistry readings are reviewed [REDACTED] which provides an additional opportunity to review readings.

**Response to Finding 11: Metcalf has updated the electronic version of the Spill Prevention Control and Countermeasures (“SPCC”) Plan to include the map of spill kit locations.**

During the Audit, ESRB noted that the SPCC Plan did not include a map of the spill kit locations. As noted in the Audit Report, Metcalf immediately added the map of spill kit locations to the hardcopy of the SPCC Plan.<sup>31</sup> The electronic SPCC Plan was also updated to include a map of spill kit locations shortly after the Audit.<sup>32</sup>

**Response to Finding 12: Metcalf has updated its preventative maintenance and documentation procedures for the overspeed trip test record.**

The Audit Report observes that combustion and steam turbines overspeed tests records did not detail the [REDACTED] as directed by [REDACTED].<sup>33</sup> Immediately after the Audit, Metcalf coordinated with the operators who perform the overspeed testing to reinforce the [REDACTED] contained in the [REDACTED]. Although the overspeed [REDACTED] figures were not included in the [REDACTED], Metcalf did perform the overspeed tests. Thus, there were no risks to safety or reliability and thus no GO 167 violation.

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<sup>27</sup> See Audit Report, at 20.

<sup>28</sup> See Folder titled “Response 9” [REDACTED]

<sup>29</sup> See Audit Report, at 22.

<sup>30</sup> See Audit Report, at 22.

<sup>31</sup> Audit Report, at 22.

<sup>32</sup> See Folder titled “Response 11.”

<sup>33</sup> Audit Report, at 23.

**Response to Finding 13: Metcalf has updated its preventative maintenance and documentation procedures for the [REDACTED] infrared thermography predictive maintenance inspections.**

The Audit Report observed that [REDACTED] infrared thermography predictive maintenance reports for the Plant's [REDACTED] and the [REDACTED] have not been recently conducted.<sup>34</sup> Metcalf utilizes a third party contractor, [REDACTED] to perform the [REDACTED] infrared thermography inspections. After the Audit, Metcalf reached out to [REDACTED] to inquire about the equipment. Based on its discussions, [REDACTED] intends to include the equipment in its next inspection this fall.<sup>35</sup>

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<sup>34</sup> Audit Report, at 23.

<sup>35</sup> See Folder titled "Response 13" [REDACTED]

# Appendix A – Corrective Action Plan

## Metcalf Energy Center

### Corrective Action Plan

The Metcalf Energy Center LLC (“Metcalf”) Corrective Action Plan (“Plan”) outlines actions to address items identified in the *California Public Utilities Commission (“CPUC”) Audit Findings of Metcalf Energy Center July 15-July 18, 2024* (“Audit Report”). As discussed in detail in Metcalf’s *Response to the 2024 Audit Report of Metcalf Energy Center (Audit No. GA2024-24ME)* (“Metcalf Response”), Metcalf disagrees that any of the Audit Report’s findings constitute “violations” of General Order 167-B (“GO 167”). Voluntary implementation of the corrective actions outlined below does not and should not be construed as assuming such actions are required by GO 167.

Audit Report Findings	Corrective Actions	Complete/Estimated Completion
<b>Finding 1:</b> Equipment and Housekeeping	Paint nuts and bolts, cover grounding cables, replace [REDACTED] remove extension cord and spare wood/casing	Complete
<b>Finding 2:</b> Pipe Support and Hangar	Replace pipe support labels	[REDACTED]
<b>Finding 3:</b> [REDACTED] System	Add lock	Complete
<b>Finding 4:</b> Fire Suppression System	Add demarcation	[REDACTED]
<b>Finding 5:</b> Faded and Missing Signage	Replace faded or missing signs	Fig 16 – [REDACTED] Fig 17 – Complete Fig 18 – Complete Fig 19 – Complete
<b>Finding 6:</b> Housekeeping Practices	Clean and organize storage cabinet	Complete
<b>Finding 7:</b> Portable Eyewash	Remove portable eyewash bottle	Complete

Audit Report Findings	Corrective Actions	Complete/Estimated Completion
<b>Finding 8:</b> Oil Leaks	Repair leaks and add normal operating label to [REDACTED]	[REDACTED]
<b>Finding 9:</b> Insulation	Replace insulation	[REDACTED]
<b>Finding 10:</b> Water Chemistry Parameters	Update [REDACTED] chemical parameters	Complete
<b>Finding 11:</b> SPCC Plan	Add map to SPCC Plan	Complete
<b>Finding 12:</b> Overspeed Trip Test Records	Reinforce overspeed testing record keeping	Complete
<b>Finding 13:</b> Infrared Thermography Maintenance Reports	Updated IR work order to ensure equipment identified is inspected	Complete