

SAN DIEGO COMMUNITY POWER
Staff Report – Item 4

To: San Diego Community Power Board of Directors

From: Cody Hooven, SDCP Interim Executive Officer
Director/Chief Sustainability Officer, City of San Diego

Subject: Approve Agreement with Pacific Energy Advisors for Energy Consulting Services

Date: February 27, 2020

Recommendation

1. Approve energy consulting services agreement with Pacific Energy Advisors (PEA) for a 3-year term beginning in March 2020 through March 2023.
2. Delegate execution of the agreement to the Interim Executive Officer.

Background

On November 27, 2019 SDCP issued Request for Proposal (RFP) 19-001 for wholesale power services to provide energy planning and procurement support, power contract negotiation, rate design assistance, risk management, schedule coordination, integrated resource planning and long-term renewables procurement. The RFP was organized into three task areas including:

Task Area 1: Project planning, portfolio design/management, and energy advisory services

Task Area 2: California Independent System Operator (CAISO) scheduling coordinator and settlement services

Task Area 3: Integrated Resource Planning and IRP development, long-term renewables procurement and distributed energy resource assessment/procurement.

The RFP was sent to hundreds of recipients through the City of San Diego's PlanetBids platform and various other energy networks. Bidders were invited to propose services in one or more task areas. A total of 13 proposals were received by the December 23, 2019 deadline covering all three task areas. Bids were reviewed and scored according to evaluation criteria set forth in the RFP. Five bidders - Black & Veatch, Pacific Energy Advisors, Pilot Power Group, The Energy Authority and Tensaka, Inc. - were short listed and participated in interviews on January 16, 2020.

Evaluation team members included: Cody Hooven, SDCP Interim Executive Officer; Natasha Keefer, Director of Power Planning & Procurement for Clean Power Alliance; Deb Emerson, Director of Power Services, Sonoma Clean Power; Mark Fulmer, Principal and Partner, MRW & Associates; and, Crystal Najera, Climate Action Plan Program Administrator, City of Encinitas.

Shawn Marshall from LEAN Energy US provided coordination and advisory support for this effort.

Analysis and Discussion

Term and Task Areas. Staff is requesting approval of a three-year agreement with Pacific Energy Advisors covering Task Areas 1 and 3 as outlined above. The contract is scheduled to begin on March 1, 2020 and will conclude on March 31, 2023, a timeframe that is anticipated to cover both pre-launch procurement tasks through all phases of customer enrollment and initial service of all customers. Please note that PEA does not offer Task 2/CAISO schedule coordination so those services will be handled under a separate contract which will be brought to the Board for approval at its March 2020 meeting.

Reasons for Selection. Among the finalist companies, Pacific Energy Advisors received the highest composite score in all four evaluation categories (see page 10 of the RFP, found here: <https://www.sandiego.gov/sustainability/clean-and-renewable-energy/ccea>) and were ultimately selected on the merits of their extensive experience providing power services to several operational CCAs in the California, including some of the larger CCAs of similar size and complexity to that of SDCP. PEA has successfully navigated the difficult waters of CA's resource adequacy market, handled the myriad of CPUC compliance and reporting obligations, and successfully completed several Integrated Resource Plans. PEA's staff proved very knowledgeable during the interview process, and staff feels that SDCP will be well served by PEA's participation in future planning and negotiations with SDG&E. Finally, PEA's pricing was very competitive and their references, all from CCA CEOs, were extremely positive and included strong recommendations.

Contract Document. The attached agreement was developed by BB&K, SDCP's general legal counsel. It includes a detailed scope of work and description of PEA's monthly pricing structure and hourly rates for specialized distributed energy work over the three-year contract period.

Fiscal Impact

Approximately \$1.15M (inclusive of monthly fees, hourly work and travel expenses) over the term of the agreement. This cost is consistent with the 24-Month Implementation Budget approved by the Board at their October 31, 2019 meeting.

Attachments:

Attachment A: Agreement with Pacific Energy Advisors including scope and final pricing