

San José Clean Energy

Professional Services Agreement for Wholesale Energy Services with Northern California Power Authority (NCPA)

**March 27, 2018
Item 7.1**

Key Terms

- Scope includes: scheduling coordinator, portfolio management, & optimization services
- **Cost is \$25,000 per month (Phase 1)**
\$52,500 per month (All Phases)
- No obligation for payments prior to launch
- Maximum Contract Cost \$2.7M

Initial Term: April 2018 - September 2020

Estimated Cost:

- FY17 - 18 \$0, except as-needed consulting services
- FY18 - 19 \$360,000
- FY19 - 20 \$630,000
- Two 1-year extension options for \$655k & \$669k

New Regulatory Obligations

- **CPUC Adopted Resolution E4907 on 2/8/18**
 - Requires SJCE to obtain scheduling coordinator services to meet Resource Adequacy planning obligations **by 4/20/18**
 - Staff evaluated options and determined collaborating and **negotiating directly with another public agency** was the best way to meet this requirement

NCPA Selection

- NCPA is a not-for-profit joint powers agency established in 1968
- NCPA has a proven track record of providing these services to its' member utilities such as Santa Clara, Palo Alto, Alameda, BART, & the Port of Oakland.
- NCPA is providing these services for newly formed CCA's such as EBCE in Alameda County, Valley Clean Energy in Davis and Yolo County, and Pioneer Clean Energy in Placer County.

Contract Terms

- Standard indemnity and insurance language is not included as NCPA is a public agency and could not agree.
- Risks associated with these services will be mitigated through:
 - Operating Procedures
 - Risk Management Policy
 - Risk Management Reserve Fund

Recommendation

- Requesting the Council delegate authority to City Manager to execute the agreement.

Questions