




# ★ CALPINE AGREEMENT EXTENSION

February 11, 2020

Staff Presenting:  
Zach Struyk, Deputy Director of Account Management and Marketing  
Lori Mitchell, Director

**SAN JOSE**   
**CLEAN ENERGY**  
A Program of the City of San José

# CURRENT AGREEMENT & SCOPE

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- Signed in February 2018 after competitive solicitation
- Contract ends February 25, 2020
  - option to extend for two 1-year periods.
- Scope
  - Customer billing and data management functions
  - Data exchange with PG&E
  - Customer call center support
  - Payment and settlement processing

# CALPINE AGREEMENT AMENDMENT

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- Amendment Term: 5 years
  - option to terminate after 3 and 4 years, for a fee
- Price reduction of 15+% in exchange for longer term.
- Calpine has performed well under the current agreement
  - continues to serve most CCAs.
- Changing services providers requires significant technical effort and operational risk.

# COST SUMMARY

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Saves \$269,000 in FY 19-20 and more than \$800,000 annually.

	FY 19-20 (4 months) Current Contract	FY 19-20 (4 months) Amendment	FY19-20 New Projected Annual Total	Annually FY 20-21 through FY 23-24	FY 24-25 (8 months June 24- Feb 25)
Cost/month/meter	\$1.13	\$0.85		\$0.85	\$0.85
Monthly fee	N/A	\$25,000		\$25,000	\$25,000
Expected Total Cost (Monthly fee + meter)	\$1,491,600	\$1,222,000	\$4,205,200	\$3,666,000	\$2,444,000
<b>Estimated cost savings</b>	<b>N/A</b>	<b>\$269,600</b>	<b>\$269,600</b>	<b>\$808,800</b>	<b>\$539,200</b>

# QUESTIONS?

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- SJCE staff
  - Lori Mitchell, Director
  - Zach Struyk, Deputy Director of Account Management and Marketing
- Recommendation:
  - Approve a First Amendment to the Agreement for Data Management and Customer Call Center Services with Calpine, reducing rates and modifying service terms and increasing the maximum compensation from \$15,683,800 to \$22,000,000 through February 27, 2025, subject to the appropriation of funds.

