



Consent Item 10

TO: East Bay Community Energy Board of Directors

FROM: Stefanie Tanenhaus, Principal Regulatory Analyst

SUBJECT: Approve First Amendment with Ascend Analytics to Add to Budget and Scope of Services for Integrated Resource Planning Services

DATE: October 21, 2020

Recommendation

Approve Resolution approving the CEO to enter into the First Amendment with Ascend Analytics to add additional services to the scope and to add an additional \$11,060 to the budget for Integrated Resource Planning Analysis and Valuation Software and Analysis Services, and to authorize the CEO to enter into an additional amendment, as needed, to add an additional amount of \$13,940 to the budget.

Background and Discussion

EBCE is required by the California Public Utilities Commission (CPUC) to file a biennial Integrated Resource Plan (IRP). To assist with this requirement, EBCE engaged Ascend Analytics and entered into a Consulting Services Agreement on May 1, 2020 for an amount not to exceed \$133,000 and a termination date of October 31, 2020.

This IRP cycle, the CPUC required each entity to submit distinct portfolios that achieve their proportional share of two different statewide electric sector GHG targets. On September 1, 2020, EBCE submitted resource portfolios that provide the desired portfolios of resources based on a statewide electric sector goal of 46 million metric tons (MMT) and a maximum of 38 MMT of GHG emissions by 2030.

The CPUC permitted entities to submit an alternative portfolio that used different assumptions, provided they were identified and justification for the discrepancies

described. EBCE elected not to file an alternative portfolio and instead focused its efforts on analysis to develop a portfolio of resources that will contribute to more aggressive GHG emission reductions and organizational goal-setting related to achieving those reductions. Additional funds were required to expand the scope of this supplemental analysis to include cost quantification of achieving a GHG-free portfolio. In light of the immediate need to continue the work, CEO Nick Chaset signed the First Amendment to the Consulting Services Agreement with Ascend Analytics on September 24, 2020, to add an additional \$11,060 to the budget and to extend the termination date through November 30, 2020.

EBCE staff requests the Board to ratify and approve the First Amendment to the Agreement, which added an additional \$11,060 to the budget for a total amount not to exceed \$144,060 and extended the terminate date through November 30, 2020. Furthermore, EBCE staff requests the Board to authorize future amendments to the Agreement with Ascend Analytics to add up to an additional \$13,940 to the budget to cover the cost of additional IRP analysis services that may be required through November 30, 2020.

Fiscal Impact

The fiscal impact of the additional IRP analysis is \$11,060. The costs of the IRP analysis may be an additional amount of \$13,940 for a total amount of \$25,000.

Attachment

- A. Resolution of the Board of Directors Approving a First Amendment to the Consulting Services Agreement with Ascend Analytics; and
- B. First Amendment to Consulting Services Agreement by and Between East Bay Community Energy Authority and Ascend Analytics

RESOLUTION NO. __

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY RATIFYING A FIRST
AMENDMENT AND AUTHORIZING FUTURE AMENDMENTS TO THE CONSULTING
SERVICES AGREEMENT WITH ASCEND ANALYTICS**

WHEREAS, the East Bay Community Energy Authority (“EBCE”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, Under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of EBCE and parties to the JPA in March of 2020.

WHEREAS, on May 1, 2020, EBCE and Ascend Analytics entered into a Consulting Services Agreement (“Agreement”), wherein Ascend Analytics agreed to provide Integrated Resource Planning Analysis and Valuation Software and Analysis services to EBCE, with compensation not to exceed \$133,000.

WHEREAS, staff has found Ascend Analytics consistently meets the work product expectations as outlined in the Scope of Work and continues to require its services for Integrated Resource Planning analysis.

WHEREAS, due to the immediate and pressing need to continue the work, EBCE and Ascend Analytics entered into the First Amendment to the Agreement as a short-term extension on September 17, 2020. The First Amendment to the Agreement adds additional compensation, increasing the not-to-exceed amount by \$11,060 for a total amount not to exceed \$144,060, adds completing production cost modeling on preferred alternate portfolio and creating a zero GHG IRP portfolio to the scope of services, and extends the term through November 30, 2020.

WHEREAS, staff anticipates additional amendments may be required to increase the not-to-exceed amount by an additional \$13,940, for a total amount not to exceed \$158,000, in order to cover the cost of additional Integrated Resource Planning analysis services.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Board of Directors hereby ratifies, and approves, the First Amendment to the Consulting Services Agreement between EBCE and Ascend Analytics to increase the total not-to-exceed amount by \$11,060, to add additional services to the scope, and to extend the termination date.

Section 2. The Board of Directors hereby authorizes the CEO to negotiate and execute amendments to the Consulting Services Agreement with Ascend Analytics, as needed, for an additional amount of \$13,940 for a total amount not to exceed \$158,000.

ADOPTED AND APPROVED this 21st day of October 2020.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board

First Amendment to Consulting Services Agreement by and Between East Bay Community Energy Authority and Ascend Analytics

This First Amendment to the Agreement with Ascend Analytics for Consulting Services (“First Amendment”) is made this 17th day of September, 2020, by and between the East Bay Community Energy Authority, a Joint Powers Agency formed under the laws of the State of California (“EBCE”) and Ascend Analytics, a Colorado Limited Liability Company, for the purposes of adding additional compensation, adding additional services to the scope, and extending the termination date.

Recitals

- A. EBCE and Ascend Analytics entered into that certain Consulting Services Agreement dated May 1, 2020 (“Agreement”), wherein Ascend Analytics agreed to provide Integrated Resource Planning Analysis and Valuation Software and Analysis services to EBCE, with compensation not to exceed \$133,000.
- B. EBCE and Ascend Analytics now desire to amend the Agreement to add additional compensation, increasing the not-to-exceed amount by \$11,060 for a total amount not to exceed \$144,060, to add completing production cost modeling on preferred alternate portfolio and creating a zero GHG IRP portfolio to the scope of services, and to extend the term to November 30, 2020.

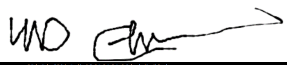
Now therefore, for good and valuable consideration, the amount and sufficiency of which is hereby acknowledged, the Parties agree as follows:


- 1. Section 2 of the Agreement (“Term”) is amended to extend the term of the Agreement through November 30, 2020.
- 2. Section 6 of the Agreement (“Compensation and Payment”) is amended in part to increase the total compensation of the Agreement by \$11,060 for a total amount not to exceed one hundred forty four thousand sixty dollars (\$144,060).
- 3. Exhibit A (“IRP Scope of Work & Schedule”) of the Agreement is replaced in its entirety by Exhibit A, attached hereto.
- 4. Exhibit D (“Compensation/Budget”) of the Agreement is replaced in its entirety by Exhibit D, attached hereto.
- 5. All other terms and conditions in the Agreement not otherwise modified by this First Amendment will remain in full force and effect.

In witness whereof, the Parties have entered this Amendment on the date written above.

East Bay Community Energy Authority,
A Joint Powers Authority

Ascend Analytics,
A Colorado Limited Liability Company

DocuSigned by:

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Nick Chaset
Chief Executive Officer


Name: Gary Dorris, PhD
President

Date: 9/24/2020

Date: 9/24/2020

Approved as to form:


EBCE General Counsel



Name: David Millar
Director, Resource Planning
Date: 9/24/2020

Exhibit A**IRP Scope of Work & Schedule****Task 1. Project Management**

- a. Facilitate a kickoff meeting followed by regular weekly meetings with the EBCE throughout the entire process. The goal of these meetings will be to develop assumptions, goals, procurement preferences and plans, and desired sensitivity analyses that will guide the creation of the IRP. Consultant to provide an agenda and summary for each meeting. Participation in weekly meetings by Ascend staff will be conducted by conference call.
- b. Establish communication protocols with EBCE so that EBCE can track progress on the IRP Workplan and have appropriate input throughout the process.
- c. Establish protocols for staff substitutions including notice and consent by EBCE.
- d. Develop a project plan and schedule with key milestones and deliverable due dates that meet the CPUC proceeding schedule. Ensure the project plan meets all CPUC requirements and objectives and EBCE's objectives and approval requirements. Ensure the plan has appropriate contingencies to allow for CPUC changes in schedule, requirements, or deliverables.
- e. Obtain comments from EBCE on the project plan and schedule.
- f. Track and ensure timely progress per the project timeline and schedule of deliverables. This includes tracking budget and submitting a monthly detailed invoice setting forth work undertaken and completed to East Bay Community Energy. In addition to invoices, communicate budget status and milestone progress to EBCE at least monthly.
- g. Monitor CPUC IRP proceeding and meet with CPUC staff periodically as needed to ensure the plan and modeling meets all regulatory requirements.
- h. Be available to answer questions from EBCE as needed, via email or additional, targeted phone meetings when needed.

Deliverables and due dates:

Deliverable	Timeline
Prepare protocols for tracking progress	Within 2 weeks of executing the contract
Schedule and facilitate kickoff meeting	Within 2 weeks of executing contract
Draft project plan and schedule	For review at the kickoff meeting
Prepare agendas for weekly meetings and distribute to CCAs ahead of the meeting	Weekly; at least 24 hours before the meeting
Distribute summaries of weekly meetings including attendees present, discussions, and any decisions	Weekly; within 24 hours of meeting
Prepare monthly invoices	Monthly; within 10 days after the end of the month until the last invoice is submitted and settled

Task 2. Compile and Develop Inputs

- a. Summarize all CPUC-required inputs and assumptions for 46MMT and 38MMT conforming cases.
- b. Review previous work and follow up with EBCE on 1) individual values, modeling constraints, goals, current programs, and resources; 2) what objectives are most important and 3) the proper balance between cost, rate stability, sustainability, and reliability. These priorities are to guide the development of both the Conforming and Alternate Portfolios.
- c. Comprehensively identify inputs and data needed to create a IRP and gather needed information for both the Conforming Portfolio and Alternate Portfolios. Ensure the inputs meet CPUC requirements and objectives, including as the CPUC changes these requirements.
- d. Create and provide a clear template to gather consistent and compatible data from EBCE. Inform EBCE of any data formatting requirements.
- e. Review information received and conduct any clarifying interviews needed to supplement and harmonize the information provided.
- f. Work with EBCE to agree on the objectives that are most important and to assign metrics to each objective that can be tracked over time.
- g. This includes but may not be limited to:
 - a. Load forecast:
 - i. EBCE will provide Ascend a near-term load forecast for use in an Alternate Portfolio and historical load data. Ascend will assess and verify the data which it receives and use it to extend the forecast as needed.
 - ii. Ascend will work with the EBCE to develop load modifying assumptions for energy efficiency and demand-management penetration, distributed generation, electrification resources, including realistic sensitivities.
 - iii. EBCE will also provide Ascend near-term forecasts for distributed solar and electric vehicle demand for use in the Alternate Portfolio and historical data if available. Ascend will then work with EBCE to develop reasoned and defensible long-term forecasts for DER load impacts for use in the Alternative Portfolio.
 - iv. Ascend will have each forecast completed three weeks after delivery by the CCA or a total of five weeks provided all CCAs submit the requested information within a two-week window.
 - b. Existing Resources
 - i. EBCE will provide Ascend information on existing contracts and their performance.
 - c. New Resources/Technology options.
 - i. Ascend technical staff will ensure cost, availability, and performance forecasts for new resources align with CPUC requirements for the 46MMT and 38MMT conforming cases.
 - ii. The analysis should provide insight into the portfolio trade-offs between short-term market purchases (with or without RECs), longer-term contracts with the existing generation, and new build resources.
 - iii. If included as a sensitivity, Ascend will provide alternative forecasts for energy block market purchases, renewables and storage, ramping

- iv. technologies, and emerging technologies, to be approved by EBCE, including DER technologies.
 - v. Additional presentations and details can be provided if both parties agree to an extended timeline.
- d. Ascend will provide market-based forecasts for northern California and WECC (prices of fuels, carbon, other emissions, capital costs for viable generating and demand-side technologies, and other typical inputs).
- i. For the Conforming Portfolio, Ascend will use the CPUC input assumptions. If additional inputs are required, Ascend will provide its latest forecasts to EBCE for approval.
 - ii. For Alternate Portfolio, Ascend will utilize its forecasts, to be approved by EBCE incorporating EBCE inputs, where relevant.

Ascend will review and provide comment the previously developed six sensitivities on the Conforming or Alternate Portfolios to provide plausible boundary conditions, including values for each of the key variables concerning the reference case. Ascend will use these sensitivities in modeling or work with EBCE to agree on any modifications.

Deliverable	Timeline
Provide a summary of all CPUC-required inputs and assumptions for 46MMT and 38MMT conforming cases	1 week after the kickoff meeting
Create and provide a clear draft template to gather consistent and compatible data sets from EBCE with all necessary due dates	1 week after the kickoff meeting
Discuss feedback on template	1 week after kickoff meeting
Finalize template	2 weeks after kickoff meeting
Obtain approval from EBCE on all assumptions to be used for the Conforming and Alternate Portfolios.	3 weeks after kickoff meeting

Task 3. Create IRPs

- a. Create candidate portfolios and model economic, reliability and environmental (GHG and criteria pollutant emissions) performance using PowerSIMM. Forecast forward requirements for Conforming and Alternate portfolios and design portfolios to cover short positions in RECs, GHG free and RA. Incorporate, as appropriate, information provided by EBCE.
- b. **Create Conforming IRP** that is consistent with the CPUC 46 and 38 MMT reference cases, CPUC required inputs, and the additional priorities of EBCE as identified in step 2a above.
 - i. Base the conforming plans initially on EBCE's share of the CPUC Reference System Plan (RSP), subject to modifications based on recommendations by Ascend, EBCE preferences or constraints. A reasonable number of additional designed portfolios may also be constructed and evaluated to add additional analytical rigor and explore economic trade offs between different macro strategies and satisfy CPUC standards and requirements.
 - ii. Coordinate with CPUC staff as needed to ensure all modeling is compliant with CPUC requirements and objectives.

- c. **Create Alternate IRP** which meets regulatory obligations in an optimal manner, subject to the constraints of CCA goals, policies, and preferences. The Alternate portfolio will be the portfolio that performs the best against the range of future market conditions and GHG targets. The Alternate portfolio will be used to drive internal EBCE strategy. Filing the Alternative Portfolio by September 1 is preferable if time allows or if the submission deadline is extended.
- i. Agree on assumption set with EBCE. Leverage more advanced optimization techniques such as automated resource selection, as well as discrete sensitivities as agreed upon by the combined project team.
 - ii. Develop agreement on the set of metrics in addition to GHG emissions and reliability measures. Include at least two (2) GHG benchmarks distinct from the CPUC required targets.
 - iii. Develop a scorecard to the extent possible that will compare the performance of each portfolio against the metrics selected in step ii of the analysis. This will show the cost of achieving or overachieving the required renewable paths and will allow for assessing the tradeoffs for different compliance paths or different portfolios against each of the specified metrics (least cost, most stable, lowest carbon reductions etc.).
 - iv. Using agreed upon assumptions, undertake modeling to identify alternatives to allow EBCE to meet state law requirements, GHG benchmark(s) and additional internal goals.
 - v. Work with EBCE to select an agreed upon suite of additional resources that achieve the goals listed above in iii.

Develop agreement on sensitivity analyses for further development. Sensitivity analyses should include additional production cost modeling in PowerSIMM on up to two (2) selected sensitivity portfolios that achieve different GHG benchmarks.

ci. Complete IRP.

Deliverables: Three (3) Draft IRPs, two for the Conforming Portfolios and one being the Alternate Portfolio. These will include:

- a detailed PowerPoint presentation describing recommendations as a result of the IRP effort including documenting the assumptions, and modeling analyses.
- all the data and inputs required to file the IRP reports with the CPUC in easily shareable formats like MS Excel spreadsheets, and / or MS Word and / or MS PowerPoint documents. This will include the Conforming and the Alternate IRP results with respect to cost, reliability/renewable integration needs, GHG- emissions, other pollutants, rate results, and a dashboard enabling sensitivity analysis. Ascend will provide these spreadsheets for both the Conforming and Alternate portfolios.

Due date (Conforming Portfolios): Complete draft data by July 1, 2020, draft templates by July 15, 2020. Final data & completed templates by July 31, 2020.

Due date (Alternative[s]): Complete modeling by October 15, 2020, Presentation by October 20, 2020.

Task 4. Participate in external stakeholder meetings

Participate in up to two (2) external stakeholder meetings. Provide limited assistance or guidance during preparation of materials that summarize IRP analysis for the stakeholder meetings. Based on the feedback received and further discussion with EBCE, provide adjustments to IRP models.

Table 1

Title	Role	Hourly Rate
Gary Dorris, PhD	CEO, Engagement director	\$490
David Millar	Director, Senior Project Management	\$310
Brent Nelson PhD	Manager, Senior Analyst	\$260
Daniel Weingarten PhD	Senior Analyst	\$230
Valerie Katz	Analyst	\$220
Danielle Labruzzo	Analyst	\$220
Moein Choobineh	Analyst	\$210
Zachary Brode	Analyst	\$220

Task 5. Create Final Report

- Create a detailed PowerPoint document describing recommendations as a result of the IRP effort. Ascend to support the development of this report by documenting the assumptions, and modeling analyses for inclusion in the final report.
- Ascend to provide all the data and inputs as documentation in easily shareable formats such as MS Excel spreadsheets, and / or MS Word and / or MS PowerPoint documents (as directed by the Joint CCAs). This will include all the resource, cost, reliability, and local pollution impacts, including the conforming portfolio, the alternate portfolio, rate results, GHG-emissions, integration needs, assumptions, and dashboards.
- Ascend will populate the Resource Data Templates and Clean System Power Calculator with the results of the Conforming 46 MMT and 38 MMT portfolios. These files will be in the proper format required by the CPUC.
- Ascend will also provide narratives describing the IRP modeling techniques, assumptions, goals, as well as results pertaining to recommended procurement, rate, reliability metrics, GHG- emissions, and other pollutants in Word format to be used as a component of CCA IRP filings
- Ascend will ensure the final reports to be filed with the CPUC meet all CPUC regulatory requirements and can ultimately be utilized for the IRP filing.
- Answer questions from the CPUC or other stakeholders on the final plans to ensure regulatory compliance.

Exhibit D

Compensation/Budget

IRP: services will be compensated on hourly basis at the rates in Exhibit A, Table 1. Total compensation for this project is not to exceed \$106,060.

Valuation Work: services will be compensated on both a monthly fixed fee of \$4,500 per month (\$27,000 for the term of the Agreement, this includes 12 hours of support each month) and on a time and materials basis as specified for any pre-approved additional support hours. Additional Support hours will be compensated at the hourly rates in Exhibit B, Table 1. Additional support hours are not to exceed \$11,000. Total compensation for this project is not to \$38,000.

The maximum compensation under this Agreement is \$144,060.