



Consent Item 9

TO: East Bay Community Energy Board of Directors
FROM: Chris Eshleman, Director of Energy Analytics and Electric Supply
SUBJECT: Storage and Renewable Bid Optimization Platform with Ascend Analytics
DATE: June 21st, 2023

Recommendation

Adopt a Resolution authorizing the Chief Executive Officer to negotiate and execute a Software as a Service Agreement with Ascend Analytics for Storage and Renewable Bid Optimization software services for a 2-year subscription term with a year 1 annual payment not to exceed \$135,300 and a year 2 annual payment not to exceed \$135,300 for a total 2-year subscription term not-to-exceed \$270,600, together with the option to extend the subscription term for up to one, additional 1-year term.

Background and Discussion

After a review of the specific needs for the East Bay Community Energy (EBCE) team to effectively bid and optimize solar plus storage assets, EBCE staff issued a Request for Proposals (RFP) for an off-the-shelf software solution. This solution would serve the needs of the Power Resources team.

1. Assessment, Review and Selection Process

EBCE staff initiated an RFP in May 2021 for the first energy storage project, Henrietta D. The first step was to determine what operations staff would conduct in-house and which would be managed by EBCE's scheduling coordinator, Northern California Power Agency (NCPA). It was determined that staff would manage the setting of strategy and procurement of optimization software in-house. To accomplish the work a new software solution would be required that could bid and optimize EBCE's growing fleet of storage and renewable assets to maximize the benefits for customers.

EBCE staff then issued a second RFP in August 2022 for the next tranche of projects coming online in 2023 and 2024. Staff decided to issue a new RFP given on-going conversations with new software providers and given issues with the provider awarded in the 2021 RFP.

For the RFP, a scoring rubric was created to objectively score all potential respondents. Staff issued the RFP via EBCE's RFP email list and additionally posted it to EBCE's solicitation web

page. The RFP was open from August 1, 2023, and closed on August 22, 2023, and staff received a total of seven responses. In comparison, EBCE received four responses in the 2021 RFP. The scoring rubric graded and ranked responses based on experience, references, solution alignment, modeling methodology, and cost. Staff conducted interviews with five of the respondents to gain better insight into their product offering and asked questions not answered within their RFP responses. After review, the respondents were scaled down to two, Ascend Analytics and NextEra 360.

Staff conducted further scoring assessments of these two contenders, and both Ascend Analytics and NextEra 360 scored equally. Key members of the Power Resources team conducted follow-up interviews with both Ascend Analytics and NextEra 360 to get into the finer details of how their product can maximize operational potential. Following the second round of interviews, staff members participating in the evaluation voted for Ascend Analytics. The following advantages were cited:

- Overall, the Ascend Analytics platform provides for a user-friendly experience and allows for uploading and downloading of operational data with ease. The interface is entirely web-based and allows users to access from anywhere they have internet access.
- Ascend Analytics platform allows for easy scenario analysis to determine the most appropriate bidding and scheduling strategy, each being unique to a particular solar plus storage resource.
- Ascend Analytics optimizes bids for both the solar resource and the storage resource, creating a paid bid set that manages the resource efficiently.
- Ascend Analytics platform shows detailed financial breakdowns for each hour of each day for EBCE staff to dive into and see where revenue streams are generated.
- Ascend Analytics platform contains all necessary information but does not contain extras for the sake of inclusion. This allows for focused presentation of information to allow EBCE staff to digest the intricacies of operations.
- Cost estimates were provided as part of the RFP response from both providers on the shortlist. Ascend Analytics had a comparable cost to NextEra 360 (Ascend Analytics \$135,300 vs. NextEra 360 at \$107,100 for a comparable quote for an initial 1-year term), both total costs are within a range of expectations. Staff determined that the premium associated with Ascend Analytics was justified given the capabilities and advantages associated with that platform, as described in the points above.

2. Proposed Subscription Services

EBCE staff proceeded to review and finalize the quote from Ascend Analytics. Below are the key features for the package proposed:

- Forecasting - Forecast market conditions to optimize both day-ahead and real-time.
- Automated Bids Submissions - Manage asset revenue through 25 automated and optimized bid submissions per day (1 Day-Ahead and 24 Real-Time) with an adaptive real-time agent continuously adjusting real-time bids.
- Plant Dispatch Optimization - optimize plant dispatch of traditional resources such as natural gas, biomass, biogas and geothermal.
- State of Charge Management - Balance battery state of charge against current and future revenue opportunities.

- Bidding Strategies - Manage multiple bidding strategies tune to asset-specific goals, risk appetite and desired revenue stack, through review of strategy performance.
- Risk - Ensure risk from market commitments remains within user defined acceptability parameters.

EBCE staff will retain unlimited user licenses to cover members in Power Resources and NCPA scheduling teams.

3. Anticipated Additional Costs

EBCE staff anticipates that there will be no additional costs associated with the full implementation of the Ascend Analytics platform.

4. Fiscal Impact

EBCE's approved budget for this fiscal year includes \$135,300 for Storage and Renewable Bid Optimization software implementation; this is within the approved budget amount for the 23-24 fiscal year. The cost of year 2 of the subscription term is not-to-exceed \$135,300. The 2-year subscription term total is not-to-exceed \$270,600. The cost of a 1-year extension shall not exceed \$138,100.

5. Compliance with Administrative Procurement Policy

Following Section IV of the Administrative Procurement Policy, EBCE staff issued a formal RFP on August 22nd, 2022, due to initial indicative costs estimated over \$100,000 per fiscal year. The RFP was issued publicly via email and posted on our website. Each of the submitted responses was graded using the scoring rubric and the recommended counterparty was chosen as the lowest responsible bidder. Per Section III of the Administrative Procurement Policy, this board memo along with board resolution are presented to the board for consent due to dollar amount is greater than \$100,000 per fiscal year.

Attachments

- A. Resolution Authorizing the CEO to Negotiate and Execute a Software as a Service Agreement with Ascend Analytics

**RESOLUTION NO. R-2023-XX
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CHIEF EXECUTIVE
OFFICER TO NEGOTIATE AND EXECUTE A SOFTWARE AS A SERVICE AGREEMENT WITH
ASCEND ANALYTICS TO PROVIDE SERVICES FOR THE USE OF A STORAGE AND RENEWABLE
BID OPTIMIZATION PLATFORM**

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. Stockton, located in San Joaquin County was added as a member of EBCE and party to the JPA in September of 2022.

WHEREAS there is a need for EBCE to subscribe to and operate a Storage and Renewable Bid Optimization software platform for the Power Resources objectives;

WHEREAS EBCE staff has conducted a thorough assessment of EBCE’s requirements for a Storage and Renewable Bid Optimization platform and evaluated several commercially available off-the-shelf software solutions via the issuance of a formal all-source Request for Proposals;

WHEREAS the services offered by Ascend Analytics was determined to be the best fit to meet the current and future needs of EBCE;

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 authorizes the CEO to negotiate and execute a Software as a Service Agreement to subscribe to Ascend Analytics services to establish a Storage and Renewable Bid Optimization Platform for a 2-year subscription term with a year 1 annual payment not to exceed \$135,300 and a year 2 annual payment not to exceed \$135,300 for a total 2-year subscription term not-to-exceed \$270,600, together with an option to extend the subscription term for up to one, additional 1-year term. The cost of a 1-year extension shall not exceed \$138,100.

ADOPTED AND APPROVED this 21st day of June 2023.

Elisa Marquez, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board