



## Consent Item 9

**TO:** East Bay Community Energy Board of Directors  
**FROM:** Chris Eshleman, Director of Energy Analytics and Electric Supply  
**SUBJECT:** Amendment Renewing CSA with cQuant.IO, Inc.  
**DATE:** October 18, 2023

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### Recommendation

Adopt a Resolution authorizing the Chief Executive Officer to negotiate and execute a Third Amendment to the EBCE Consulting Services Agreement with cQuant.IO, Inc. (“cQuant”) for portfolio, risk, and valuation management software services renewing a 3-year subscription term with annual payments of \$185,110 for year 1, \$198,067 for year 2, and \$211,932 for year 3, with a new total compensation amount for the Agreement not to exceed \$1,196,109.

### Background and Discussion

East Bay Community Energy (EBCE) staff have utilized cQuant’s software platform for portfolio, risk, and valuation management effective September 24<sup>th</sup>, 2020. This solution primarily serves the needs of the Power Resources team while providing additional functionality to the Data and Analytics team, Local Development team, and Finance.

EBCE staff has utilized cQuant’s platform for ongoing portfolio management, risk management reporting, annual budgeting, and valuation analysis for EBCE’s 2020, 2022 and 2023 long-term resource Request for Offers (RFO).

#### 1. Assessment, Review and Selection Process

EBCE staff initiated an assessment in Fall 2019, extending into Spring 2020. The first step was to determine what operations staff would conduct in-house and which would be consulted. It was determined that staff would conduct portfolio, risk management, and long-term contract valuation in-house. To accomplish the work a new software solution would be required that could evaluate potential Power Purchase Agreements (PPA), replace existing Microsoft Excel-based models, and reduce the need for consultants.

The following advantages for using cQuant were cited:

- Overall, the cQuant suite of products is more user friendly and allows for easier uploading, downloading, and manipulating of data from the models. The interface is

entirely web-based and allows users to access from anywhere they have internet access. After the hands-on workshop, staff unanimously agreed that this was valued and cQuant's interface was better.

- cQuant was observed to have better connectivity capabilities, allowing EBCE to access all raw data natively, ensuring that EBCE will be able to integrate with our existing databases, Application Programming Interfaces (API), spreadsheets, and business intelligence platforms.
- cQuant has a modular design that allows for the efficient running of individual models. Models can be strung together to create an analytical chain that increases efficiency in commonly run processes.
- cQuant has an error handling system that is easy to understand. When the user inputs data incorrectly, the system will alert the user to where the problem lies. This feature is very helpful because input errors will occur, and other systems fail with little guidance to resolve.

## 2. Proposed Subscription Services

EBCE staff proceeded to review and finalize the quote from cQuant. Below are the module components for the package proposed with descriptions:

- Spot Price Simulation - simulate hourly and sub-hourly spot prices over a user-defined time horizon by parameterizing a stochastic simulation against historical data along with a liquid traded forward price curve.
- Basis Simulation - simulate hourly and sub-hourly basis price spreads over a user-defined time horizon by parameterizing a stochastic simulation against spot price simulation outputs.
- Advanced Battery Storage Optimization - value and optimize storage technology dispatch to simulated power and ancillary services prices while maintaining operational constraints. Used in conjunction with simulated solar dispatch to value solar plus storage contracts.
- Weather and Load Forecasting - forecast hourly or sub-hourly load over a user-defined time horizon by parameterizing a stochastic simulation model against historical data.
- ReAssure Renewable Energy Valuation - compute the fair market value, forecast future energy production, and understand the risk for renewable energy contracts and production facilities.
- Net Position at Risk Composite - generate cash flow at risk (CFaR) and gross margin at risk (GMaR) report for a portfolio of generation assets and financial positions or the individual assets themselves. Compute analytical VaR (Value at Risk) for a portfolio of financial contracts.
- Retail Pricing - add forecasted retail revenue to net position metrics and asset valuation reporting.

EBCE staff will retain five (5) user licenses to cover members in Power Resources, Local Development and Data and Analytics teams.

### Fiscal Impact

The original CSA 3-year subscription term had a not-to-exceed of \$561,000. EBCE amended the CSA for a 2-month dedicated server in March 2022 with a not-to-exceed of \$20,000. EBCE

amended the CSA a second time for a 2-month dedicated server in April 2023 with a not-to-exceed of \$20,000. The Amendment would extend the subscription term for an additional 3 years. Annual payments throughout the extended term would be \$185,110 year 1, \$198,067 year 2, and \$211,932 year 3 for a total cost of of \$595,109 for this Amendment. The total compensation of the Agreement is not-to-exceed for the total contract is \$1,196,109.

#### Attachments

- A. Resolution of the Board of Directors of the East Bay Community Energy Authority Authorizing the Chief Executive Officer to Negotiate and Execute an Amendment to the Consulting Services Agreement with cQuant.io, Inc. dated September 24<sup>th</sup>, 2020 to renewing the 3-year subscription term for the Provide Portfolio, Risk and Valuation Management Software Platform.



**RESOLUTION NO.  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CHIEF EXECUTIVE  
OFFICER TO NEGOTIATE AND EXECUTE A THIRD AMENDMENT TO THE CONSULTING  
SERVICES AGREEMENT WITH CQUANT.IO, INC. DATED SEPTEMBER 24<sup>th</sup> 2020 TO RENEW THE  
3-YEAR SUBSCRIPTION TERM FOR USE WITH THEIR PORTFOLIO, RISK AND VALUATION  
MANAGEMENT SOFTWARE 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. The city of Stockton, located in San Joaquin County was added as a member of EBCE and party to the JPA in September of 2022. The city of Lathrop, located in San Joaquin County, was added as a member to EBCE and party to the JPA in October of 2023.

**WHEREAS** there is a need for EBCE to renew its subscription for and operate a Portfolio, Risk and Valuation Management software platform for the Power Resources, Local Development, and Data and Analytics objectives;

**WHEREAS** EBCE staff has negotiated and executed a Consulting Services Agreement with cQuant.IO, Inc. dated September 24<sup>th</sup>, 2020 with a term of 3-years (“Agreement”);

**WHEREAS** the services offered by cQuant.IO, Inc. was determined to be the best fit to meet the current and future needs of EBCE;

**WHEREAS** EBCE and cQuant.IO, Inc. executed a first amendment to the Agreement on March 25, 2022 for the purpose of expanding the scope or services and increasing the Agreement’s not-to-exceed amount by \$20,000, for a total amount not to exceed \$581,000;

**WHEREASE** EBCE and cQuant.IO, Inc. desire to execute a second amendment to the Agreement to again expand the scope of services and increasing the not-to-exceed amount by \$20,000, for a total amount not to exceed \$601,000.

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

Section 1. The CEO is hereby authorized to negotiate and execute a Third Amendment to the EBCE Consulting Services Agreement with cQuant.IO, Inc. dated September 24<sup>th</sup>, 2020, to renew a Portfolio, Risk and Valuation Management Software Platform for an additional 3-year subscription term with annual payments of \$185,110 for year 1, \$198,067 for year 2, and \$211,932 for year 3, for a total cost of \$595,109 for this Third Amendment. The new total compensation of the Agreement will not-to-exceed \$1,196,109.

ADOPTED AND APPROVED this 18<sup>th</sup> day of October 2023.

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Elisa Márquez, Chair

ATTEST:

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Adrian Bankhead, Clerk of the Board