



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Task Order for Operation, Maintenance and Remote Monitoring Services for Ice Bear Units under the Master Goods and Services Agreement with Ice Bear SPV #1, LLC dba Thule Energy Storage, and the Southern California Public Power Authority.

1. Motion authorizing the City Manager, or his designee, to execute a Task Order with Ice Bear SPV #1, LLC dba Thule Energy Storage ("TES") under a Master Goods and Services Agreement with the Southern California Public Power Authority ("SCPPA") for Operation, Maintenance and Remote Monitoring Services for Ice Bear Units for a not-to-exceed amount of \$450,000 for three-year term, with an option for the City to extend the contract for two additional one-year term, for a total not-to-exceed amount of \$300,000 for both years.

COUNCIL ACTION

Item Type: Consent Calendar

Approved for December 7, 2021 **calendar**

EXECUTIVE SUMMARY

Staff seeks City Council approval for the City Manager, or his designee, to execute a Task Order agreement with Thule Energy Storage under a Master Goods and Services Agreement with SCPPA for the Operation, Maintenance and Remote Monitoring Services of existing Ice Bear Units in the City of Glendale.

COUNCIL PRIORITIES

Sustainability: The unique nature of the Ice Bear Units is their ability to shift energy consumption off peak, without incurring inefficiency or energy losses in the process. The Ice Bear Units reduce peak demand by utilizing electric energy to produce ice at night during off-peak hours. This ice is then used to cool refrigerant and provide air conditioning during the day, or on-peak hours. This process has the result of eliminating the large electrical load of the primary compressor of commercial air conditioners that would otherwise operate during peak periods of system electric demand, which typically coincide with the peak thermal load in the afternoon. Currently there are 132 Ice Bear units in operation at various locations throughout the City, providing approximately 1.5 MW of load-shifting capacity.

RECOMMENDATION

That the City Council authorize the City Manager, or his designee, to execute a Task Order with Ice Bear SPV #1, LLC dba Thule Energy Storage ("TES") under a Master

Goods and Services Agreement with the Southern California Public Power Authority (“SCPPA”) for Operation, Maintenance and Remote Monitoring Services for Ice Bear Units for a not-to-exceed amount of \$450,000 for three-year term, with an option for the City to extend the contract for two additional one-year terms, for a total not-to-exceed amount of \$300,000 for both years.

BACKGROUND

In 2010, the City of Glendale entered into an agreement with SCPPA for the deployment of up to 1.5 MW Thermal Energy Storage Units (Ice Bears), installation of control and monitoring equipment, and integration of Ice Bear units into the larger GWP Smart Grid Initiative with Ice Energy Holdings, Inc. The project included the procurement, installation and maintenance of Ice Bear thermal energy storage units. Since the inception of this project, the City has installed 166 Ice Bear units on City Facilities and on customers’ private properties within GWP service territory.

The City’s agreement with Ice Energy Holdings, Inc. under a Master Goods and Services Agreement with SCPPA for Operation, Maintenance and Remote Monitoring Services expired in late 2019. The City was not able to renew the agreement because Ice Energy Holdings, Inc. filed for bankruptcy. In 2020, Thule Energy Storage acquired the Ice Bear™ thermal energy storage technology and product line, and since then has been managing a fleet of Ice Bears that deliver critical grid capacity to their utility clients and savings for commercial and residential customers.

Since SCPPA members, including City of Glendale, have Ice Bear thermal energy storage units, SCPPA was prompted to begin negotiations with TES on behalf of member utilities for an Operations and Maintenance Agreement of the existing Ice Bear thermal energy storage systems. These units require patented, original equipment manufacturer (OEM) parts to perform at their full capacity. In addition, system functionality at optimum level depends on remote monitoring system, and routine preventative maintenance schedule.

Because of the patented technology and TES’s proprietorship of the OEM parts for the Ice Bear thermal energy storage systems, SCPPA identified TES as a sole provider for parts and Services for the benefit of participating Members. In March 2021, SCPPA Board of Directors approved the Master Goods and Services Agreement (“MGSA”) with Ice Bear SPV #1, LLC dba Thule Energy Storage (“TES”) for Ice Bear thermal energy storage system operations and maintenance services. This allows for City of Glendale to enter into an agreement with TES under the MGSA pursuant to a Task Order.

This contract is exempt from competitive bidding requirements pursuant to Article VI, Section 9 of the Glendale City Charter as a contract for labor, material, supplies or services which are available from only one vendor; and a contract with other governmental entities, or their contractors, for labor, materials, supplies or services.

ANALYSIS

Currently, the City of Glendale does not have a service agreement for operations and maintenance of the Ice Bear Units. The existing units installed at various locations within the City are aging and require annual preventative maintenance. Since TES is a

sole source provider for OEM parts and “CoolData” Dashboard Remote Monitoring System, staff recommends entering into an agreement with them for the Operation, Maintenance and Remote Monitoring Services pursuant to a Task Order under the MGSA with the SCPPA.

The scope of service includes preventative maintenance and verification of the operating status of each Ice Bear Unit annually, and utilizing CoolData Dashboard Remote Monitoring System which includes control, measurement and servicing of the units as distributed across the GWP’s service territory. CoolData platform monitoring ensures that the units are running correctly, and upon system malfunction service may be dispatched to provide parts and labor services.

Project Description:	Task Order for Operation, Maintenance and Remote Monitoring Services for Ice Bear Units under Master Goods and Services Agreement with Ice Bear SPV #1, LLC dba Thule Energy Storage and the Southern California Public Power Authority
Plans/Specs Adopted:	N/A; Exempt from bidding pursuant to City Charter Article VI, Section 9, subsections (c) and (h)
Advertisement Method:	N/A
Specs Issued:	N/A; Exempt from bidding pursuant to City Charter Article VI, Section 9, subsections (c) and (h)
Bids Opened:	N/A
Company Name and Bid Amount:	N/A
Selection Criteria:	N/A
Recommended Contractor(s):	N/A
New / Existing Contractor:	New
Procurement Method (Bid / SS):	SCPPA MGSA/Task Order
Contract Term:	Three-year term, with an option for the City to extend the contract for two additional one-year term
Construction Phase Begins:	N/A
Construction Phase Ends:	N/A

STAKEHOLDERS/OUTREACH

Upon execution of the Task Order, GWP staff will inform the customers in the program of the change in service provider.

FISCAL IMPACT

The total not-to-exceed cost of the operation, maintenance and Remote Monitoring Services for Ice Bear Units is \$450,000 for three-year term, with an option for the City to extend the contract for two additional one-year terms, for a total not-to-exceed amount of 300,000 for both years. The cost for the first year of the contract is \$150,000, which was approved as part of the FY 2021-22 budget. No new appropriation is being requested at this time. The City Council approved funding is outlined below:

Amount: \$150,000

Funding Source: Electric Works Revenue Fund

Account String GL & PL Ledger: 43110-5820-GWP-4680-P0000-T0000-F1500

Additional funding for future years will be requested through the annual budgetary process.

ENVIRONMENTAL REVIEW

This action is categorically exempt from the requirements of the California Environmental Quality Act under Section 15301 of Title 14 of the California Code of Regulations as it is “operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.”

CAMPAIGN DISCLOSURE

The names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any person or entity with more than 10% interest in the company proposed for contract in this Agenda Item Report are attached in Exhibit A, in accordance with the City Campaign Finance Ordinance No. 5744.

ALTERNATIVES

Alternative 1: Authorize City Manager, or his designee, to execute a Task Order with TES under a Master Goods and Services Agreement with the SCPPA for Operation, Maintenance and Remote Monitoring Services for Ice Bear Units for a not-to-exceed amount of \$450,000 for three-year term, with an option for the City to extend the contract for two additional one-year term, for a total not-to-exceed amount of \$300,000 for both years.

Alternative 2: Do not authorize City Manager, or his designee, to execute a Task Order with TES under a Master Goods and Services Agreement with SCPPA for Operation, Maintenance and Remote Monitoring Services for Ice Bear Units. Not having an Operation, Maintenance and Remote Monitoring

Services can lead to system malfunction, reduced unit performance capacity and lead to overall rapid degradation of units. Deferred maintenance may also result in complete unit failure and costly maintenance.

ADMINISTRATIVE ACTION

Submitted by:

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Reviewed by:

Michele Flynn, Director of Finance
Michael J. Garcia, City Attorney

Approved by:

Roubik R. Golanian, P.E., City Manager

EXHIBITS / ATTACHMENTS

Exhibit A: Campaign Disclosure Form for Thule Energy Storage ("TES")

Exhibit B: SCPPA Master Goods and Services Agreement and SCPPA Board Resolution