



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Status Update on the Request for Proposals (RFP) for Local Clean Distributed Energy Resources (DER) per Council Resolution No. 22-34.

- 1) Motion to note and file report
- 2) Motion directing staff

COUNCIL ACTION

Item Type: Action

Approved for December 6, 2022 **calendar**

EXECUTIVE SUMMARY

On March 1, 2022, City Council adopted Resolution No. 22-34, which modified the implementation of the EIR Alternative 7 for the repowering of the Grayson Power Plant, and directed staff to work on identifying cleaner alternatives. City Council asked staff to pursue 50 MW of additional DER within the City. On May 27, 2022, GWP issued a Request for Proposals for local clean DER, with proposals due on September 30, 2022. There were two qualified proposals received with a total potential capacity of 16.375 MW. Of this capacity, 7 MW is incremental, and 9.375 MW is an extension of the existing Demand Response program.

COUNCIL PRIORITIES

Environmental Stewardship: The retirement of Grayson's aging units provides GWP with a unique opportunity to shift to cleaner alternatives to power the City. GWP seeks to supply reliable and affordable energy in a sustainable manner.

RECOMMENDATION

Note and File this report regarding the status of the DER RFP process and provide staff with further direction as necessary.

BACKGROUND

The City of Glendale is fully supportive of ensuring a clean energy future for its citizens. On March 1, 2022, City Council adopted Resolution No. 22-34, modifying the implementation of the EIR Alternative 7 for the repowering the Grayson Power Plant and instructed staff to proceed with the identification of cleaner alternatives.

The City Council directed staff to prepare a Request for Proposals (RFP), in order to procure 50 MW of additional DER within the City. On May 27, 2022, GWP issued a RFP

for local clean DER, with proposals due on September 30, 2022.

Under this RFP, the City of Glendale, through Glendale Water & Power (GWP), solicited proposals from suitably qualified proposers to develop and deliver clean distributed energy and capacity resources within the City of Glendale.

The City was seeking for up to a total of 50 MW of combined capacity from one or more Proposers. The proposed generating capacity offered must be reliable and dispatchable and capable of being incorporated into the City's integrated resource portfolio. This capacity would be in addition to GWP's existing local energy efficiency and demand response programs.

GWP was seeking proposals in the following seven categories which shall be connected to GWP's distribution system or at a customer location(s):

- Commercial and Industrial Solar Paired with Dispatchable Energy Storage
- Residential Solar Paired with Dispatchable Energy Storage
- Dispatchable Energy Storage to Pair with Existing Residential, Commercial and Industrial PV Solar Customers
- Renewable Distributed Generation (DG)
- Demand Response
- Energy Efficiency
- Any other clean DER solution not encompassed in the above categories

The RFP required proposers to propose minimum-sized resources of 5 MW of guaranteed capacity. The proposed capacity has to be fully in place by December 31, 2027.

ANALYSIS

A proposal evaluation team was formed in August and met weekly. EcoMotion Inc. was contracted to lead the proposal evaluation team. The team is formed of GWP staff and EcoMotion staff.

Notices of Intent: GWP received 24 submitted Notices of Intent (NOI) to submit proposals by the due date of July 1, 2022, from the following companies:

1) Endurant Energy; 2) Nuuve; 3) Simpliphi Power; 4) Solar Optimum; 5) Watt Hub; 6) Swell Energy; 7) Catalyze; 8) Willdan Energy Services; 9) Thule Energy Storage; 10) Am Helios; 11) Peak Power Inc.; 12) Clear Way Energy; 13) Villara Energy Systems; 14) Powerfin Partners; 15) Enersponse; 16) Generac Grid Services; 17) Sunrise Solar; 18) Ameresco Solar; 19) S&C Electric; 20) Sunnova Energy Corporation; 21) Sunverge Energy Inc.; 22) Franklin Energy Services; 23) CPower, and 24) White Pine Renewables.

Bidders Conference: A virtual conference was held on July 20, 2022. There were 39 attendees from 20 companies. The purpose of the conference was to ensure that proposers had adequate information to respond fully and comprehensively to the RFP's requirements.

Proposal Amendments: Seven amendments were sent to proposers, several of which relaxed the RFP requirements, for instance, easing up on stricture surrounding incrementality no longer requiring a Proposers Conference attendee or a Notice of Intent to submit a proposal.

Proposals Received: By the submittal due date of September 30, 2022, four of these firms submitted proposals. All four proposals were reviewed by the proposal evaluation team for completeness.

Program Capacities Proposed:

Willdan Energy Storage	7 MW, three options
Franklin Demand Response	9.375 MW -- 7.8 residential, 1.5 MW C/I
CPower Demand Response	15 MW, large commercial
Enersponse Demand Response	5 MW residential and commercial

Survey of Non-Respondents: Survey of thirteen out of twenty non-respondents was conducted, and key issues were identified as the 5 MW threshold of guaranteed capacity was key. Of these, six focused on the performance bond issue. The performance bond and its early timing was identified as an issue. Other comments included supply chain issues (and thus not being able to guarantee prices), a lack of sites for solar, the fact that no municipal sites for solar were included or allowed, a measurement conflict for ice storage systems, sites for EV charging, limits on energy storage configurations, the requirement of hard proposal copies, and credit requirements. All interviewed expressed interest in working with GWP in the future if the program requirements change.

Proposals Review: Of the four proposals that were received by the submittal deadline, two met all the proposal requirements, with a total potential capacity of 16.375 MW. Willdan Energy Services proposed an energy storage solution. Franklin Energy Services proposed to extend its existing GWP demand response program with a capacity of 9.375 MW and a total four-year program cost of \$5.4 million. Thus, Willdan is the only proposer that provides a new capacity source of 7 MW at a total capital expense of \$17.7 million and annual levelized cost of \$1.4 million.

Time Granted to Complete Submittal: After considering its ramifications and conferring with the City Attorney's office, the proposal evaluation team notified the two proposers that were not-fully-respondent that they had been granted a week to submit missing proposal materials. In both cases, the proposers failed to deliver the proposal bond (in one case there were several unsigned documents). These companies are CPower and Enersponse. In both cases, they failed to provide materials by the due date of November 8, 2022, and thus were disqualified.

Ascend: At this time, Ascend Analytics is evaluating these two proposals for their prices and cost impact or benefit to GWP. This is done through a detailed, hourly analysis of the resource that the programs will provide, and their value or cost.

Upon the City Council's approval, the proposal evaluation team will fully vet and then interview the two proposals and proposers. A recommendation of selection will then be made and provided to the Council. The proposal evaluation team will then recommend that GWP move forward to negotiate and secure contracts with the select firms. At this time, the proposal evaluation team is evaluating the merits of the proposals for GWP and the City of Glendale.

STAKEHOLDERS/OUTREACH

The RFP was posted on the City's RFP website, GWP's website and the Grayson Repowering website on May 27, 2022. The following outreach actions were also taken:

- E-mails were sent to approximately 282 contacts at 170 companies, which included those that had expressed interest in our 2018 Clean Energy RFP.
- Interested companies were able to sign up for electronic notifications on the RFP website, in order to receive updates and addendum posting notifications.
- The RFP link was posted on social media platforms.
- The RFP posting was announced via a press release.
- The RFP was distributed to the following utility industry organizations: Southern California Public Power Authority (SCPPA), California Municipal Utilities Association (CMUA), American Public Power Association (APPA), and California Energy Storage Alliance (CESA).
- APPA posted the RFP link on their social media platform.
- CESA emailed the RFP link to all of their members.

FISCAL IMPACT

There is no fiscal impact at this time as this is a report providing an update on the status of the RFP process.

ENVIRONMENTAL REVIEW

No environmental review is required at this time since this is a report providing an update on the status of the RFP process. Environmental review will be provided, as required and necessary, with any future projects.

CAMPAIGN DISCLOSURE

This item is exempt from campaign disclosure requirements.

ALTERNATIVES

Alternative 1: Note and File this report providing a status update on the DER RFP process.

Alternative 2: Note and File this report, as well as provide further direction to staff relating to same.

Alternative 3: Consider any other alternative not proposed by staff.

ADMINISTRATIVE ACTION

Prepared by:

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Approved by:

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

EXHIBITS / ATTACHMENTS

None.