



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Professional Services Agreement with Energy and Environmental Economics, Inc. to assist Glendale Water and Power (GWP) with the Development of a Plan to Increase Solar Penetration and Develop Additional Distributed Energy Resources.

1. Motion authorizing the City Manager, or his designee, to execute a Professional Services Agreement with Energy and Environmental Economics, Inc. (E3) to assist GWP with the Development of a Plan to Increase Solar Penetration and Develop Additional Distributed Energy Resources (DER) in the not-to-exceed amount of \$335,875.

COUNCIL ACTION

Item Type: Consent

Approved for August 22, 2023 **Calendar**

EXECUTIVE SUMMARY

On November 15, 2022, City Council adopted a Motion authorizing the General Manager of Glendale Water & Power (GWP) to issue a Request for Proposals (RFP) soliciting proposals from consulting firms to assist with the development of a Plan to Increase Solar Penetration and Develop Additional DER.

The RFP was issued on December 8, 2022, and the submittal period was closed on March 10, 2023. Based on the results of a competitive selection process, staff recommends E3 to perform the required analysis to achieve the goal of having at least 10% of GWP customers adopt solar and energy storage, calculate the estimated dispatchable capacity, perform a cost-benefit analyses and develop a plan to achieve the set goals. E3 estimates that the entire process will require approximately 8 months to complete.

COUNCIL PRIORITIES

Not applicable.

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to execute a Professional Services Agreement (PSA) with E3 to assist GWP with the Development of a Plan to Increase Solar Penetration and Develop Additional DER in the not-to-exceed amount of \$335,875.

BACKGROUND

On August 16, 2022, City Council adopted Resolution No. 22-125, which among other things, declared the City of Glendale's intent to adopt policies and practices designed to reach a goal of having at least 10% of GWP customers adopt solar and energy storage systems by 2027, and develop additional demand management measures, with a minimum total peak dispatchable and peak-load-reducing capacity of 100 MW. In support of said goals, City Council directed Staff to issue a RFP to solicit proposals for the engagement of the services of a consultant, or consultants, to develop the plan and to complete the studies and analysis specified in Resolution No. 22-125.

ANALYSIS

On December 8, 2022, GWP issued a RFP for the following services:

Category 1: Develop a plan to achieve the goal of having at least 10% of GWP customers adopt solar and energy storage systems by 2027, and to develop additional demand management measures, with a minimum total peak dispatchable and peak-load-reducing capacity of 100 MW.

Category 2: Calculate the estimated dispatchable capacity and demand reduction that can be achieved through the plan developed in Category 1.

Category 3: Complete a cost benefit analysis of the plan developed in Category 1. The analysis must include: direct and indirect economic benefits and costs, as well as environmental, societal, and other noneconomic benefits and costs; and direct and indirect impacts to low- and moderate-income households. If the analysis concludes any negative impacts on low-and-moderate-income households, include program options to mitigate the impact.

Proposers could submit a proposal for one, two or all three categories.

The initial proposal submittal deadline was extended from February 10, 2023, to March 10, 2023, to allow additional time for proposal submittal.

Proposal Selection and Evaluation

GWP received proposals from the following six (6) firms:

- Center for Sustainable Energy (Partner: Strategen)
- EcoMotion Inc (Subcontractor: Verdant Associates, LLC)
- Energeia USA (Partner: Consensus)
- Energy and Environmental Economics, Inc (E3)
- MCR Corporate Services, Inc (Partner: Enerlogics Networks, Inc)
- Optony, Inc (Subcontractors: NewGen Strategies & Solutions LLC)

GWP staff conducted a competitive selection process with the six respondents rating proposals based on criteria that include Qualification and Experience, Reasonableness

and Quality of the Proposal, Proposed Methodology/Approach to be used in development of the Cost-Benefit Analysis, Ability to meet proposed schedule and budget estimates, and lastly, Proposed Cost.

Interviews were conducted with each proposer seeking additional details about planned outreach efforts, initial assessment of feasibility to reach set goals, experience doing assessments of lower-income and underserved communities, and preferred tools and methodologies to be used for Categories 2 and 3.

These interviews also provided each proposer an opportunity to further clarify any of their strengths or prior experience. The additional clarification from the interviews was considered in the final scoring.

The table below illustrates the rating for proposers based on the selection criteria.

Table I

DEVELOPING A PLAN TO INCREASE SOLAR PENETRATION AND DEVELOP ADDITIONAL DISTRIBUTED ENERGY RESOURCES (DER)							
Proposal Evaluation Results							
Weight	Criteria	E3	Optony	Energeia	CSE	Ecomotion	MCR
25%	Proposer's Qualifications and Experience	2.5	1.6	1.1	1.10	0.90	0.70
20%	Reasonableness and Quality of the Proposal	1.9	1.2	1.6	1.90	1.10	1.05
20%	Proposed Methodology/Approach for the Cost-Benefit Analysis	2.0	1.6	2.0	2.00	1.20	1.20
15%	Ability to Meet Proposed Schedule and Budget Estimates	1.5	1.5	1.5	1.50	1.50	1.50
80%	Subtotal	7.9	5.9	6.2	6.5	4.7	4.45
20%	Proposal Cost	1.2	2.0	1.6	0.20	1.50	1.60
100%	Overall Score	9.1	7.9	7.8	6.7	6.2	6.05

E3 ranked the highest based on overall score, as summarized in Table I.

Project Approach and Methodology

Upon execution of the contract, E3 will start with evaluating the adoption potential for GWP in the following three categories:

Category 1

(1) review existing GWP data, (2) determine solar and battery technical capacity potential, (3) gather market segmentation data, and proceed with (4) developing a plan for mix of customer and GWP controlled sites, (5) identify robust Net Metering Policy, Feed-In Tariffs, Incentives and Rebates and (6) develop equitable program options. When designing programs and incentives, E3 will concentrate on: (1) bundled DER offering, (2) contractor vetting, (3) designer guidelines, (4) demand response, (5) permitting, and (6) resilience planning.

There will be outreach and engagement with customers throughout the planning process. E3's sister company, Willdan will identify and include Community Solar Projects and will work on integrating with additional DER technologies.

The result of this work will be a formal plan with prioritized approaches and strategies with input from GWP and its customers.

Category 2

(1) review and summarize GWP's Integrated Resource Plan, with a focus on load and DER forecasts to ensure accurate representation, (2) use NREP ResStock to quantify the dispatchable capacity and demand reduction potential of DERs (through its RESTORE model) for valuation & rate design considerations and (3) leverage its experience performing resource adequacy analyses for other CA utilities and use these utilities' results to quantify Effective Load Carrying Capacity (ELCC) for demand reduction.

Category 3

E3 is currently implementing several improvements for 2024 update of CPUC Avoided Cost Calculator to better reflect value of DER in low carbon planning paradigm that they will be using as part of the cost-benefit analysis. They will use GWP IRP results to update avoided costs, with an emphasis on Green House Gas emissions, clean/renewable energy, system and local capacity value.

In determining the non-energy benefits to be included in an analysis of GWP's solar plus storage, E3 will provide well-reasoned methods and explanations for which benefits to include and appropriate methods for quantification, with an emphasis on which benefits are and are not appropriate for host customer and societal perspectives or quantification in a cost-benefit analysis.

To the extent that there are any differences in costs and benefits available to low-income households, a separate cost-benefit analysis will be conducted from the customer perspective to incorporate these differences.

Willdan has been implementing a commercial direct installation program for GWP since 2021 and has been meeting contractual targets.

Stakeholder Engagement

Seeking stakeholder information will be an open, fair, and accessible process by which individuals, groups, and organizations representing a reasonable cross section of the Glendale community can provide contributions towards the development of DER programs.

Included in E3's proposal and cost are community engagement efforts, including three (3) community meetings as part of this planning process. During those meetings E3 will provide multi-lingual materials and communication to residents in different parts of the city to understand barriers to DER adoption and areas of particular concern and will work with GWP to share information about other available programs and benefits for their customers in attendance. E3's Environmental Justice lead will support these efforts to ensure that diverse perspectives are included and that proposals are equitable.

Project Description:	City of Glendale, Water & Power Plan to Increase Solar Penetration and Develop Additional DER
Procurement Method (RFP / SS):	Request for Proposal
Advertisement Method:	City of Glendale Website
RFP Issued:	12/8/2022
RFP Due Date:	3/10/2023
Company Name(s):	<ul style="list-style-type: none"> ○ Center for Sustainable Energy ○ EcoMotion Inc ○ Energeia USA ○ E3, Inc ○ MCR Corporate Services, Inc ○ Optony Inc
Selection Criteria:	Qualification and Experience, Reasonableness and Quality of the Proposal, Proposed Methodology/Approach to be used in development of the Cost-Benefit Analysis, Ability to meet proposed schedule and budget estimates, Proposed Cost.
Recommended Company or Consultant:	E3, Inc
Contract Term:	Upon completion of work
Project Begins:	Upon execution of Agreement
Project Ends:	Upon receipt of deliverables

CONTRACT DASHBOARDS

Not Applicable.

STAKEHOLDERS/OUTREACH

Not Applicable.

FISCAL IMPACT

The total not-to-exceed amount for the agreement is \$335,875. Funding associated with this agreement for the current fiscal year is available in the FY 2023-2024 budget.

Existing Appropriation		
Amount	Account String	Funding Source
\$335,875	GL: 43110-5820-GWP-4520-P0000-T1562-F0000-0000-0000	Electric Works Revenue Fund

ENVIRONMENTAL REVIEW

Not Applicable. The action herein is to award a PSA for the development of a plan and thus is not a project for the purposes of the California Environmental Quality Act (CEQA).

CAMPAIGN DISCLOSURE

In accordance with the City Campaign Finance Ordinance No. 5744, the Campaign Disclosures including the names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CEO, subcontractors, and any person or entity with more than ten percent interest in the company are attached as follows:

- Exhibit 1: Energy and Environmental Economics, Inc. (E3)
- Exhibit 2: Center for Sustainable Energy (Partner: Strategen)
- Exhibit 3: EcoMotion Inc (Subcontractor: Verdant Associates, LLC)
- Exhibit 4: Energeia USA (Partner: Consensus)
- Exhibit 5: MCR Corporate Services, Inc (Partner: Enerlogics Networks, Inc)
- Exhibit 6: Optony, Inc (Subcontractors: NewGen Strategies & Solutions LLC)

ALTERNATIVES

- Alternative 1: Authorize the City Manager, or his designee, to execute a Professional Services Agreement with E3, Inc to develop a Plan to Increase Solar Penetration and Develop Additional DER, for the not-to-exceed amount of \$335,875.
- Alternative 2: Not Authorize the City Manager, or his designee, to execute a Professional Services Agreement with E3, Inc to develop a Plan to Increase Solar Penetration and Develop Additional DER.
- Alternative 3: Consider any other alternative not proposed by staff.

ADMINISTRATIVE ACTION

Prepared by:

Scott Mellon, Assistant General Manager, Power Management - GWP
Herbert Garcia, PBC Marketing Manager – GWP
Aneta Badalian, Business Transformation Manager – GWP

Approved by:

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

EXHIBITS / ATTACHMENTS

Campaign Disclosures for proposers as follows:

- Exhibit 1: Energy and Environmental Economics, Inc. (E3)
- Exhibit 2: Center for Sustainable Energy
- Exhibit 3: EcoMotion Inc
- Exhibit 4: Energeia USA
- Exhibit 5: MCR Corporate Services, Inc
- Exhibit 6: Optony, Inc