



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: December 7, 2015
Board Meeting Date: December 15, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Jim Eggemeyer, Director, Office of Sustainability

Subject: Amendment with Pacific Energy Advisors, Inc. for Technical Consulting Services for the Peninsula Clean Energy Program in San Mateo County

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Pacific Energy Advisors, Inc. for technical consulting services extending the term through December 31, 2016, and increasing the agreement amount by \$265,000 to an amount not to exceed \$440,000.

BACKGROUND:

Since December 9, 2014, your Board has provided direction to the Office of Sustainability (OOS) to explore the feasibility of a Community Choice Energy program in San Mateo County (the enabling legislation refers to these types of programs as Community Choice Aggregation (CCA)), including conducting a focused outreach effort to educate and engage staff, city managers and city councils about the program.

On February 24, 2015, your Board allocated \$300,000 to fund Phase 1 of the CCA program, which included hiring a program consultant (LEAN Energy U.S.) to provide guidance and project management support; commissioning Pacific Energy Advisors, Inc. (PEA) to determine the economic and technical feasibility of starting a CCA program in San Mateo County; hiring a creative services consultant to develop a website and related graphics for the program; and creating and supporting an Advisory Committee, comprised of representatives from all the cities in the county, as well as relevant stakeholder organizations, co-chaired by Board President Carole Groom and Supervisor Dave Pine.

On May 19, 2015 your Board adopted a resolution authorizing an agreement with Pacific Energy Advisors, Inc. to complete a technical feasibility study on Community Choice Aggregation in San Mateo County in an amount not to exceed \$150,000.

On October 20, 2015, your Board allocated \$800,000 to fund Phase 2 of the CCA program, which includes Peninsula Clean Energy Authority formation and program design; energy product investigation and supply portfolio recommendations; city outreach and informational support for local ordinance adoption; implementation plan development; and community engagement, marketing, and communication.

DISCUSSION:

Pacific Energy Advisors, Inc. has completed the technical feasibility study for the Peninsula Clean Energy (PCE) Program as required in the contracted agreement. The draft feasibility study was submitted to the County in September, 2015 and the final document was made available to the public on November 20, 2015. In addition, PEA provided additional technical services and has completed a risk analysis summary table and Program cash flow projections. The OOS is currently seeking consulting services for peer review of all these documents.

This amendment will provide the necessary consulting and technical services required in Phase 2 for the Peninsula Clean Energy Program. PEA will focus in this phase on energy product investigation and supply portfolio recommendations and development of the implementation plan for the Joint Powers Agency (JPA). With regard to the Implementation Plan, PEA will facilitate discussions and develop key elements of the Plan for conformance with the California Public Utilities Code. PEA will also assist with supplier selection and contracting services for PCE as the JPA determines the renewable energy blend for their customers. The amended scope of work will also include PEA supporting negotiations with prospective funding sources for startup funding, program development for PCE's complementary programs (i.e., net energy metering and feed in tariff programs), California Public Utilities Commission compliance and reporting, PCE rate setting services, and general implementation support for the County's CCE efforts and the JPA.

The OOS has negotiated a contract amendment with PEA to complete the tasks outlined in the amended Scope of Work by December 31, 2016 at a total cost of \$265,000 and a not-to-exceed total contract amount of \$440,000. Services will be initiated during this current FY 2015-16 and it is projected that a portion of the consulting services and costs will occur in FY 2016-17. Therefore, any of the unused \$265,000 appropriated for the current FY 2015-16 will be re-appropriated for use in FY 2016-17.

PEA continues to assure compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination, and equal benefits.

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Performance Measure(s):

Measure	FY 2015-16 Projected	FY 2016-17 Projected
Percent of Completion of CCA Phase 2 Technical Services	60%	40%

County Counsel has reviewed and approved the Amendment and Resolution as to form.

SHARED VISION 2025:

Studying the feasibility of a CCA contributes to the Shared Vision 2025 outcome of a Collaborative Community by fostering relationships with all cities in the county, facilitating a regional solution to local energy needs, and expanding the available power procurement options for county residents. It also contributes to the outcome of an Environmental Conscious Community by exploring options to reduce countywide greenhouse gas emissions.

FISCAL IMPACT:

The term of the Amended Agreement is December 15, 2015 through December 31, 2016. The Agreement is increased by \$265,000 for a new not-to-exceed amount of \$440,000. The funding source for this amendment is ERAF Reserves and an Appropriation Transfer Request in the amount of \$800,000 was approved by your Board on October 20, 2015.