To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Interim General Manager
Lisa Limcaco, Director of Finance and Internal Operations

Subject: Approval of Amendment 5 to SMUD Services Agreement Task Order 4 Related to VCE Organizational Staffing

Date: October 18, 2018

RECOMMENDATION
Adopt a resolution authorizing the Interim General Manager to sign Amendment 5 to SMUD Services Agreement Task Order 4, specifically to Sections 1.2 Scope of Services and 4.1.1 Dedicated Operational Staff.

BACKGROUND AND ANALYSIS
On October 12, 2017 the VCE Board approved a Professional Services Agreement with the Sacramento Municipal Utility District (SMUD) to provide launch and operational services for Valley Clean Energy (VCE). The action included the approval of Task Order 1 for technical and energy services, and Task Order 2 for data management/ call center services. Thereafter, the Board adopted the following:
1. on November 16, 2017 Task Order 3 for wholesale energy services;
2. on December 12, 2017 Task Order 4 for Operational Staff Services; and,
3. on May 10, 2018 Task Order 5 for long term procurement services.

Task Order 4 served to partially implement the initial staffing plan for VCE and in summary provides the following contractual services to VCE:

1) **Dedicated Operational SMUD Staff** (full-time)
   - Director of Finance and Operations
   - Director of Marketing and Customer Care
   - Key Account Manager

The Task Order provides a description of the staffing support services that SMUD will provide under the services agreement to meet VCE’s initial operational needs for launching a CCA Program.

2) **Additional Professional Services** (hourly; as needed)
The Task Order also provides VCE the ability to access additional SMUD staffing services on an as-needed basis in various operational areas including: general administration, human resources, programs, information technology.
If approved, Amendment 5 would add to Task Order 4, Section 1.2 Scopes of Services that SMUD will provide the services of Manager of Wholesale Energy Services (Gary Lawson) as an on-call proxy Power Director to VCE and remove and replace paragraphs two and three of Section 4.1.1 Dedicated Operational Staff specifying the terms, conditions, and rates of SMUD providing staff for the Key Accounts person to VCE.

**CONCLUSION**
Staff is recommending the VCE Board adopt the attached resolution authorizing the Interim General Manager to sign Amendment 5 to Task Order 4. In summary, Task Order 4 would be amended as follows:

1. Section 1.2 Scope of Services, of Task Order 4, by adding that SMUD will provide the services of Manager of Wholesale Energy Services, as an on-call proxy Power Director (Power Director) to VCE. Note: this recognizes the level of service provided by SMUD during the post-launch phase of VCE. It is anticipated that the long-term provision of these services will be brought in-house.

2. Section 4.1.1 Dedicated Operational Staff, of Task Order 4, by replacing the second and third paragraphs in their entirety and revised to read:

   “Notwithstanding Section 4.1, Term of Task Order 4, SMUD will assign the dedicated operational staff as described in Section 1.1 of this Task Order 4 for Key Accounts to be available onsite at VCEA offices from March 2018 through September 2018 and will be billed at the fixed fee in Section 5.1, Dedicated Operational Staff. The monthly fixed fee will be prorated based on the percentage of time spent providing services to VCEA.

   Beginning October 1, 2018, and through the term of Task Order 4, the Key Accounts representative will be available as-needed, at VCEA’s request, at the Principal rate of $190.00 per hour as described in Section 5.2, Professional Services Hourly Rates.”

**Attachments**
1. Resolution Approving Amendment 5 to the VCE-SMUD Master Services Agreement Task Order 4
2. Amendment 5 to the VCE-SMUD Master Services Agreement Task Order 4
WHEREAS, the Valley Clean Energy Alliance (“VCEA”) is a joint powers agency established under the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”), and pursuant to a Joint Exercise of Powers Agreement Relating to and Creating the Valley Clean Energy Alliance between the County of Yolo (“County”), the City of Davis (“Davis”), and the City of Woodland (“City”) (the “JPA Agreement”), to collectively study, promote, develop, conduct, operate, and manage energy programs; and

WHEREAS, on August 31, 2017, the VCEA Board considered a proposal by the Sacramento Municipal Utilities District (“SMUD”) to provide program launch and operational services and subsequently directed VCEA staff to negotiate a services agreement between VCEA and SMUD for consideration and action by the VCEA Board; and

WHEREAS, on September 21, 2017, the SMUD Board of Directors authorized its CEO to enter into a contract with VCEA to provide CCA support services; and

WHEREAS, On October 12, 2017 the VCEA Board approved the Master Professional Services Agreement and Task Order 1 and Task Order 2 to provide program launch and operational services consistent with the SMUD proposal and VCEA Board direction; and

WHEREAS, On November 16, 2017 the VCEA Board approved Task Order 3 to provide Wholesale Energy Services consistent with the SMUD proposal and VCEA Board direction; and

WHEREAS, on December 12, 2017, the VCEA Board approved Task Order 4 to provide Operational Staff Services to VCEA for program launch and operations.

WHEREAS, on May 10, 2018, the VCEA Board approved Task Order 5 to provide long term renewable procurement services.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance resolves as follows:
1. Authorize the Interim General Manager to sign Amendment 5 of the SMUD professional services agreement for implementation and operational services Task Order 4 under the terms set forth below and in this Resolution.

2. Amend Section 1.2 Scope of Services, of Task Order 4, by adding that SMUD will provide the services of Manager of Wholesale Energy Services, as an on-call proxy Power Director (Power Director) to VCE;

3. Amend Section 4.1.1 Dedicated Operational Staff, of Task Order 4, by replacing the second and third paragraphs in their entirety and revised to read:

   “Notwithstanding Section 4.1, Term of Task Order 4, SMUD will assign the dedicated operational staff as described in Section 1.1 of this Task Order 4 for Key Accounts to be available onsite at VCEA offices from March 2018 through September 2018 and will be billed at the fixed fee in Section 5.1, Dedicated Operational Staff. The monthly fixed fee will be prorated based on the percentage of time spent providing services to VCEA.

   Beginning October 1, 2018, and through the term of Task Order 4, the Key Accounts representative will be available as-needed, at VCEA’s request, at the Principal rate of $190.00 per hour as described in Section 5.2, Professional Services Hourly Rates.”

ADOPTED, this _____________ day of ______________, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____________________________________
Lucas Frerichs, VCEA Chair

__________________________________________
Alisa M. Lembke, VCEA Board Secretary

EXHIBIT A - Amendment 5 to Master Professional Services Agreement Task Order 4
EXHIBIT A

AMENDMENT 5 TO A.4 TASK ORDER 4 - OPERATIONAL STAFF SERVICES
AMENDMENT 5 TO EXHIBIT A: Scope of Services

A.4 Task Order 4 – Operational Staff Services

SMUD and VCEA agree to the following services, terms, and conditions described in this Amendment 5 to Exhibit A, Task Order No. 4 (Amendment 5), the provisions of which are subject to the terms and conditions of the Master Professional Services Agreement (Agreement) between the Parties. If any specific provisions of this Amendment 5 conflict with any general provisions in the Agreement or Task Order 4, the provisions of this Amendment 5, shall take precedence.

The Effective Date of this Amendment 5 is the date of last signature below.

A. Pursuant to Section 1.2 Professional Services, of Task Order 4, the Parties agree to the following additional scope of services:

1. SCOPE OF SERVICES, ON-CALL PROXY POWER DIRECTOR

SMUD will provide the services of Manager of Wholesale Energy Services as an on-call proxy Power Director (Power Director) to VCE. The services will include, but not be limited to:

- Energy Procurement – Oversee efforts related to: energy load forecasting, research and due diligence for potential power supply opportunities, negotiation of power purchase agreements, development and execution of VCEA’s renewable, local and zero-carbon procurement efforts, schedule coordination and related CAISO/power services, issue identification, and contract dispute resolution.
- Program Development – Work with the VCEA staff team, Community Advisory Committee and others on complementary energy program development and implementation that may include some or all of the following: net energy metering, feed in tariff, energy efficiency and demand management, battery storage, electric vehicle and other transportation incentives, distributed energy resource development, and other programs that advance VCEA’s mission, provide community and consumer benefits, and support carbon reduction goals.
- Finance - Assist in analysis relating to energy supply and local energy development, and support budget analysis for rate design and rate setting.
- Regulatory - Work closely with the General Manager and Regulatory Counsel to provide quantitative analysis focused on VCEA’s energy supply portfolio, VCEA’s load forecast, and broader California energy market conditions, with a particular focus on all quantitative inputs into the Power Charge Indifference Adjustment, in addition to
coordinating required regulatory reporting, and represents VCE as needed before regulatory and legislative bodies, and key industry groups.

2. COMPENSATION FOR SERVICES

The fixed fee for the Scope of Work in this Task Amendment 5 is $16,150.00 per month, for up to 85-hours of support. Should the direct bill hours for the Power Director exceed 85 hours, each additional hour will be billed at the contracted rate of $190.00 per hour.

3. PAYMENT TERMS

SMUD will invoice the fixed fee on a monthly basis beginning in June 2018, and payment will be subject to Section 8.8 of the Agreement.

B. Amend Section 4.1.1 Dedicated Operational Staff, second and third paragraphs are replaced in their entirety and revised to read:

“Notwithstanding Section 4.1, Term of Task Order 4, SMUD will assign the dedicated operational staff as described in Section 1.1 of this Task Order 4 for Key Accounts to be available onsite at VCEA offices from March 2018 through September 2018 and will be billed at the fixed fee in Section 5.1, Dedicated Operational Staff. The monthly fixed fee will be prorated based on the percentage of time spent providing services to VCEA.

Beginning October 1, 2018, and through the term of Task Order 4, the Key Accounts representative will be available as-needed, at VCEA’s request, at the Principal rate of $190.00 per hour as described in Section 5.2, Professional Services Hourly Rates.”
SIGNATURES

The Parties have executed this Amendment 5, and it is effective as of the date of last signature below.

Valley Clean Energy Alliance

By: 

Name: 

Title: 

Date: 

Approved as to Form: 

Sacramento Municipal Utility District

By: 

Name: 

Title: 

Date: 

Approved as to Form: 

Eric May, VCEA General Counsel