

Butte Choice Energy Authority

MINUTES

DECEMBER 16, 2019

1. CALL TO ORDER

Meeting called to order at 326 Huss Lane, Suite 100, Chico, California.

Present: Debra Lucero, Butte County Board of Supervisor, District 2
Doug Teeter, Butte County Board of Supervisor, District 5
Alex Brown, Chico City Council, Vice Mayor
Scott Huber, Chico City Council
Brian Ring, Interim Co-Executive Officer
Erik Gustafson, Interim Co-Executive Officer
Bruce Alpert, Interim Executive Counsel
Ashley Snyder, Interim Clerk of the Board

2. PUBLIC COMMENT

Public comment was opened and closed without any speakers.

3. CONSENT AGENDA

**MOTION: APPROVE THE CONSENT AGENDA.
(MOTION: BROWN; SECOND: HUBER)**

VOTE: MOTION PASSED UNANIMOUSLY

- a. Minutes from the December 9, 2019 Board Meeting approved.
- b. Brian Ring, Assistant Chief Administrative Officer of the County of Butte, and Erik Gustafson, Director of the Department of Public Works for the City of Chico, appointed to serve as Interim Co-Executive Officers.
- c. Bruce Alpert, County Counsel for the County of Butte, appointed to serve as Interim General Counsel.

4. **REGULAR AGENDA**

a. **CONDUCT A PUBLIC HEARING REGARDING THE ADOPTION OF BUTTE CHOICE ENERGY IMPLEMENTATION PLAN AND STATEMENT OF INTENT**

Gary Saleba, President / CEO, EES Consulting, Inc., addressed questions from the Board.

Public comment was opened and closed without any speakers.

**MOTION: ADOPT BUTTE CHOICE ENERGY IMPLEMENTATION PLAN AND STATEMENT OF INTENT.
(MOTION: HUBER; SECOND: BROWN)**

VOTE: MOTION PASSED UNANIMOUSLY

Reference Resolution No. 2019-01.

b. **DISCUSSION OF BCE 2020 STAFFING PLAN AND EXECUTIVE DIRECTOR RECRUITMENT**

Brian Ring, Assistant Chief Administrative Officer, provided a report for the Board.

Public comment was opened and closed without any speakers.

**MOTION: AUTHORIZE THE INTERIM CO-EXECUTIVE OFFICERS TO SOLICIT BIDS FROM EXECUTIVE RECRUITMENT FIRMS IN ORDER TO BEGIN THE EXECUTIVE DIRECTION SEARCH IN JANUARY 2020.
(MOTION: BROWN; SECOND: HUBER)**

VOTE: MOTION PASSED UNANIMOUSLY

c. **ADOPTION OF 2020 BOARD MEETING SCHEDULE**

Brian Ring, Assistant Chief Administrative Officer, Butte County, provided a report for the Board.

Public comment was opened and closed without any speakers.

Board direction: Staff directed to draft a resolution wherein BCE meetings are held on the second Monday of each month at 5:30 pm, at 326 Huss Lane, Suite 100, Chico, California.

d. **BOARD MEMBER AND STAFF ANNOUNCEMENTS** (None)

e. **ADJOURNED**

There being no further business before the Butte Choice Energy Authority, the meeting adjourned. The Butte Choice Energy Authority will reconvene at the next regular meeting, scheduled for January 13, 2020.

ATTEST:

Ashley Snyder
Interim Secretary and
Interim Clerk of the Board

Debra Lucero, Chair
Butte Choice Energy Authority

BUTTE CHOICE ENERGY AUTHORITY

Staff Report – Item 3b

To: Butte Choice Energy (BCE) Board of Directors

From: Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte
Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

Subject: Adoption of 2020 Board Meeting Schedule and Location

Date: March 9, 2020

Recommendation

Adopt a resolution to establish a regular day, time and location for Butte Choice Energy (BCE) Board Meetings for the year 2020.

Background

Section 4.7 of the BCE Joint Powers Authority (JPA) Agreement states that the date, hour, and place of each regular meeting shall be set annually by resolution of the Board.

Analysis and Discussion

Based on feedback received from Board members, the best time and date for BCE Board meetings is the second Monday of each month at 5:30 pm. Staff researched various location and space options and determined that the best place to host BCE Board meetings is at the Butte County Association of Governments office located at 326 Huss Lane in Chico. The following is the list of 2020 Board meeting dates. No Board meetings fall on a holiday, so we don't anticipate changes unless there are cancellations or special meetings scheduled, all of which will be duly noticed.

| | |
|-------------------------------|--------------------|
| January 13, 2020 (cancelled) | July 13, 2020 |
| February 10, 2020 (cancelled) | August 10, 2020 |
| March 9, 2020 | September 14, 2020 |
| April 13, 2020 | October 12, 2020 |
| May 11, 2020 | November 9, 2020 |
| June 8, 2020 | December 14, 2020 |

Fiscal Impact: None.

Attachment A: Resolution establishing BCE's 2020 Board Meeting Schedule

RESOLUTION NUMBER 2020-__

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF BUTTE CHOICE ENERGY ESTABLISHING ITS REGULAR MEETING
SCHEDULE FOR CALENDAR YEAR 2020**

A. Butte Choice Energy (“BCE”) is a joint powers agency formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on November 5, 2019 (“JPA Agreement”).

B. The Ralph M. Brown Act, Cal. Gov. Code § 54950, *et seq.*, provides that the legislative body of each local agency shall provide, by ordinance, resolution, bylaws, or other rule, the time and place for holding its regular meetings.

C. Section 4.7 of the JPA Agreement provides that the “date, hour, and place of each regular meeting shall be fixed annually by resolution of the Board.”.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Butte Choice Energy as follows:

Section 1. For calendar year 2020, regular meetings of the Board of Directors shall take place on the second Monday of each month at 5:30 pm. Meetings will be held at the Butte County Association of Governments Office located at 326 Huss Lane, Suite 100, Chico, CA on the dates set forth below.

Regular Meeting Dates

January 13, 2020*

February 10, 2020*

March 9, 2020

April 13, 2020

May 11, 2020

June 8, 2020

July 13, 2020

August 10, 2020

September 14, 2020

October 12, 2020

November 9, 2020

December 14, 2020

**meetings were cancelled*

Section 2. Special and adjourned meetings of the Board of Directors may be called and held in the manner authorized in the Ralph M. Brown Act, Cal. Gov. Code § 54950, *et seq.*, as may be amended from time to time.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of Butte Choice Energy held on March 9, 2020.

Debra Lucero, Chair
Butte Choice Energy

Ashley Snyder, Interim Board Secretary
Butte Choice Energy

Approved as to form:

Bruce Alpert
Interim General Counsel
Butte Choice Energy

AYES: _____

NAYS: _____

ABSENT: _____

ABSTAIN: _____

BUTTE CHOICE ENERGY AUTHORITY

To: BCE Board of Directors

From: Brian Ring, Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte
Erik Gustafson, Interim Co-Executive Officer and Public Works Director, City of Chico

Subject: BCE Operations and Administration Update

Date: March 9, 2020

Recommendation

Receive update and provide direction and feedback as needed.

Background

Staff will provide regular updates to the Board of Directors regarding BCE organizational development, administration and start-up activities. These items are informational only.

Analysis and Discussion

A) Implementation Timeline/2020 Outlook

Staff and the consulting team have been busy since we last met in December, keeping things on track to complete key operational and compliance milestones for BCE. Attachment A to this report is a detailed implementation timeline through September 2020 showing the myriad of steps to move us toward a spring 2021 launch. In the near term, staff will be working on the following critical path items:

- On-boarding our new power services team
- Continuing to work with PG&E on load forecast and other power-related issues
- CPUC compliance filings including upcoming Resource Adequacy (RA) and Integrated Resource Planning (IRP) requirements
- Selection of a data management/call center vendor
- Selection of a banking partner for financing and banking operations
- Adoption of BCE Bylaws and Board policies
- Issuance of a marketing and communications RFP and ongoing press and presentations
- And, importantly, BCE's CEO recruitment!

Several of these items will be coming to you for approval at upcoming Board meetings. At this time, we do not anticipate needing to schedule any special meetings but will keep you posted.

B) BCE Vendor Contracts

Since the Board last convened, the County of Butte extended EES' contract through June 2020 to continue providing technical energy services until our recommended power services team, Pilot Power Group, is on board and assuming that role through the rest of BCE's implementation period and into its first few years of operations.

The contract with Public Finance Management (PFM) for \$10,000 will remain in place until BCE has secured bank financing, which we anticipate will be in the June timeframe.

The \$25,000 contract with Avery & Associates for executive recruitment services will remain in place until a CEO has been identified and hired, also in the June timeframe.

At the March 9th meeting, your Board will be asked to approve 3 new vendor contracts:

- 1) BB&K for General Counsel/Legal Services (contract will start at the County and transfer over to BCE when financing is obtained)
- 2) Pilot Power Group for energy advisory, power planning and compliance services (contract will be with BCE with request to defer compensation until financing is in place)
- 3) Z-Global for schedule coordination services (contract will be with BCE since charges for their services do not start until the program launches)

BCE contracts that are currently held with the County (EES, LEAN Energy US, PFM, Avery & Associates and, anticipated, BB&K) will transfer over to BCE once financing is in place. Vendor payments up through that time will be included in County and City reimbursements from BCE once the Agency is operational. County and City cost reimbursements are discussed further in item 9 of the Board agenda.

C) Requests for Proposals

Staff and consultants are currently working on two RFPs:

- 1) Data Management/Call Center Services – RFP closed on 2/28/20; evaluation underway
- 2) Banking and Credit Services – RFP will be issued soon.

Vendor recommendations are anticipated to be brought to the Board for their consideration and approval at the April 13th and May 11th Board meetings.

D) PG&E Matters

EES has been coordinating with PG&E's representative for the 2021 ERRR filing regarding BCE's load forecast. This is the forecast that will be used in calculating the exit fees for BCE customers. PG&E provided new load data for 2018 and 2019 for Unincorporated Butte County and the City of Chico. This information was utilized in the latest electric load forecast, provided to PG&E. We expect to finalize the load forecast with PG&E later this month.

E) Public Outreach/Presentations

Brian presented an update on the progress being made with BCEA to the City of Oroville at their February 18th City Council meeting.

Attachment:

- A. Updated implementation Timeline through September 2020

Butte Choice Energy Implementation Timeline (Updated March 2020)

| | Q4 2019 | | | | Q1 2020 | | | Q2 2020 | | | Q3 2020 | | | Q4 2020 | | | Q1 2021 | | | Q2 2021 | | | Q3 2021 | | | Q4 2021 | | | | | |
|---|---------|---|---|---|---------|---|---|---------|---|---|---------|---|---|---------|---|---|---------|---|---|---------|---|---|---------|---|---|---------|---|--|--|--|--|
| | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | | | | |
| Workplan Timeline by Task Area | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| JPA Administration/Project Management | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| First JPA Board Meeting (meets monthly) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Register JPA with Sec of State | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adopt and Submit Implementation Plan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issue RFP for Banking Svcs/Line of Credit | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issue RFP for Energy Service Provider | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issue RFP for Data Management and Call Center | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issue RFP for Marketing/Outreach | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Secure contract(s) for legal support services | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prepare and adopt Implementation budget; update and track | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Determine City staff support /roles; prepare cooperative services agreement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Continue weekly or bi-weekly planning team calls; include program vendors as needed | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Determine scope/selection of Board Committees and Advisory Committees | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CEO Recruitment/Hire | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Approve staffing plan/initial staff hires and employment policies | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Draft and Adopt Agency policies | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Secure office space, insurance, and other admin/operations needs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prepare reports, provide updates for Member Agency City Council(s) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manage JPA Board and committee meetings, vendor oversight and all aspects of Agency formation/operations | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Finance/Banking | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Develop list of potential bank partners and determine financing approach | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Finalize proforma budget and determine initial credit needs (working capital and credit for power contracts) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issue banking and credit services RFP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Select banking partner | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Secure necessary credit guarantees and establish access to credit line | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Develop and adopt FY 2020/2021 Budget | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Determine Agency financial and accounting policies | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Coordinate with PG&E and data management vendor to establish process/testing for deposits and controls | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Determine plan for annual audits/begin monthly financials | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Technical/Energy Services | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Secure contract with technical and energy services firm(s) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Review 2018 customer load data; verify load projections and proforma estimates | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prepare resource adequacy procurement plan and RA compliance filings | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RPS procurement plans (2019-2020)/Compliance Report | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prep and submit IRP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Based on target rate discount, determine power supply mix for 2-3 product options | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Determine customer phasing strategy based on economic projections and credit capacity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Support development of FY 20-21 operating budget | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Develop and issue power supply RFP(s) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Negotiate and finalize terms of initial power contracts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rate design & rate setting (incl PCIA, NEM and utility cost comparisons) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prepare Utility Service Agreement, Deposit and Bond Posting | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Develop related energy programs including FIT, NEM, EE, DR et al | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Complete all regulatory registrations for program compliance (CPUC, CAISO, WREGIS etc) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Coordinate with program staff and all other vendors as needed | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Regulatory/Legislative | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Join Cal-CCA; secure contract with regulatory attorney | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Continue tracking CCE-related regulatory activity and participating in statewide efforts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RA Proceeding: Central Procurement Entity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PCIA Proceeding: Working Groups 1, 2, and 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DA Proceeding: Expansion | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Integrated Resource Planning Proceeding | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Continue tracking CCE-related legislative activity and participating in statewide efforts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Register with the CPUC and obtain party status for priority regulatory proceedings | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Work with technical services vendor to ensure full regulatory/program compliance and reporting | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Data Management/Call Center | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Secure Data Mgmt and Call Center Contract | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Infrastructure and Application configuration | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EDI certification (utility and bank) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Call center training/go live | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| List of Phase 1/Phase 2 customers | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1st opt-out period (60 days out) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2nd opt-out period (30 days out) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Program rates and reports | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Utility account set up (dead period) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Account Switches/Customer enrollments | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1st Full Billing Cycle (Phase 1 and 2) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3rd opt-out period | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4th opt-out period | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2nd full billing cycle (phase 1 and 2) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Communications/Marketing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Develop initial website and basic program collateral | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Secure marketing firm; develop public outreach and marketing plan (including multi-lingual, multi cultural) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Messaging, branding and video (TBD) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Develop website 2.0 with translation and opt-out features | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Community education -- presentations to community groups, public workshops, tabling, stakeholder meetings, etc. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Press outreach/earned media (op-eds, feature stories, local radio and TV) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Develop and launch advertising campaign (paid media, social media, et al) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Develop call center script/Call center live in when first notice drops | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prepare/design customer enrollment notices | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manage Ph 1 customer enrollment printing and mailing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manage subsequent enrollments and develop ongoing community presence | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Develop post launch communications plan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

BUTTE CHOICE ENERGY AUTHORITY

Staff Report – Item 4b

To: Butte Choice Energy (BCE) Board of Directors

From: Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte
Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

Subject: Recommend Approval of Contract to Best, Best & Krieger for General Counsel/Legal Services

Date: March 9, 2020

Recommendations

1. Recommend approval to the County Board of Supervisors for a 12-month contract with Best Best & Krieger (BB&K) to provide General Counsel legal services for Butte Choice Energy commencing March 15, 2020 through March 14, 2021.
2. Authorize the Interim Executive Officer(s) to complete the contract terms with BB&K, retroactive to March 15, 2020 for inclusion on the March 24, 2020 County Board of Supervisors agenda.

Background

Butte Choice Energy Authority must appoint a General Counsel who shall be responsible for providing legal advice to the Board and overseeing all legal work for the Authority. To date, this role has been performed on an interim basis by Bruce Alpert, Butte County's County Counsel, but the role is now expanding and taking more time to support BCE's many start-up functions that require legal support.

Discussion and Analysis

Staff and consultants requested proposals/letters of engagement from several firms with relevant general counsel experience serving other CCAs in California. Three legal services proposals were received. Ultimately, Best Best & Krieger (BB&K) responded with both the availability and the expertise needed to provide general counsel legal services for BCE. BB&K has extensive experience with municipal/public agency clients as well as experience with Community Choice Aggregation programs in California. Please see attachment A of this staff report for BB&K's letter of engagement which includes a description of the firm and the assigned attorney's relevant qualifications.

Under the Legal Services Agreement, BB&K will serve as general counsel to Butte Choice Energy through a County contract that will transfer over to BCE once its line of credit is established and the Authority is able to pay its own bills. BB&K's role will be to provide legal oversight in establishing the organizational structure and necessary contractual relationships to launch BCE's CCA program. Under the Agreement, which specifies a 12-month term, legal services shall include the following:

- General legal support for Agency governance and operations including required legal filings with County or state agencies as may be required by law
- Preparation of bylaws or operating rules as may be desired by the Board
- Review of monthly Board agendas and materials, and attendance at all Board meetings and workshops.
- Provide Brown Act, Conflict of Interest and Public Records Act advice and representation
- Provide and/or review standard vendor contract terms and template for consultants and professional service providers. Draft/review contract for wholesale power services, data management and other high dollar, technical service contracts.
- Advice to the CEO and designated staff on administrative and operational matters
- Research and advice on operational/publc agency legal questions asked by the Board, Chief Executive Officer and designated staff
- Advice and assistance on other legal matters as may be assigned by the Chief Executive Officer.

The firm's billable rates are described in Attachment A. The contract will specify a not-to-exceed cap of 120,000 for one year of general counsel services unless otherwise approved by the Interim Executive Officer or CEO.

Fiscal Impact

The contract with BB&K will include a not-to-exceed cap of \$120,000, reimbursable to the County through BCE revenues.

Attachment A - BB&K Legal Services Proposal



BEST BEST & KRIEGER
ATTORNEYS AT LAW

www.BBKlaw.com

Proposal to Provide

General Counsel Services

Presented to:

Butte Choice Energy

March 2, 2020

INDIAN WELLS

IRVINE

LOS ANGELES

MANHATTAN BEACH

ONTARIO

RIVERSIDE

SACRAMENTO

SAN DIEGO

WALNUT CREEK

WASHINGTON, D.C.

Ryan Baron

500 Capitol Mall, Suite 1700

Sacramento, California 95814

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I. OVERVIEW OF FIRM EXPERIENCE

Best Best & Krieger LLP (BB&K) would be pleased to serve as General Counsel to Butte Choice Energy (BCE). As our proposal demonstrates, BB&K offers the experience required to advise BCE in its early stages as a joint powers authority (JPA) and the depth of knowledge and resources to work with BCE as an essential community choice aggregator (CCA) and JPA in Butte County.

Established in 1891, BB&K is the most experienced and largest full-service public agency law firm in California; and our attorneys are especially well qualified to provide the highest quality legal representation. Our professionals focus on virtually all practices of law that may confront a public agency. We help public clients successfully maneuver through legal complexities and government mandates. Because BB&K has a history of extensive involvement in all aspects of municipal law, we have pioneered methods to deliver advisory and litigation services in a comprehensive, efficient, and cost-effective manner. BB&K currently provides legal services to over 700 public agency clients in various capacities.

Our attorneys regularly provide general and special counsel services and advise public agency clients on coordination with federal, state, and local agencies that have regulatory and oversight roles related to the activities of JPAs. BB&K, and especially the legal team proposed, is particularly proficient in energy law and power procurement and providing general counsel services to municipalities; JPAs, including CCAs; and other special districts. Our clients rely on us to provide advice on all aspects of how to form, manage, and operate a JPA, from general governance structures and employment and contract issues to complex energy and finance strategies. Most of our attorneys work exclusively for public agencies, and many have previously served as in-house agency counsel. As a result, BB&K attorneys are well equipped to provide legal services to BCE. We are particularly adept at advising CCAs throughout the state on issues of both local and statewide significance.

Our current JPA/council of government clients include:

- Amador Regional Sanitation Authority
- Bay Area Regional Interoperable
- Big Bear Fire Authority
- Big Independent Cities Excess Pool JPA
- California Fire & Rescue Training Authority
- Coachella Valley Association of Governments
- Communications Systems JPA
- Community College League of California's Retiree Health
- CPS HR Consulting
- Delta Conveyance Design and Construction Authority
- Desert Community Energy
- Desert Mountain Special Education Local Plan Area
- Dixon Regional Watershed JPA
- Dixon Watershed Real Property Acquisition JPA
- East Valley Special Education Local Plan Area
- Independent Cities Finance Authority
- Kings Waste and Recycling Authority

- Lamorinda School Bus Authority
- Lassen Regional Solid Waste Management Authority
- March Joint Powers Authority
- Metro Wastewater JPA
- North City West School Facilities Financing Authority
- Rural County Representatives of California
- Sacramento Metropolitan Cable
- Salton Sea Authority
- San Diego Association of Governments
- San Diego Community Power
- San Jose Clean Energy
- Sonoma County Waste Management Agency
- Southern California Association of Governments
- Southern San Joaquin Valley Water Quality Coalition
- Special District Risk Management Authority
- State Water Project Contractors Authority
- Sweetwater Authority
- Television Commission
- Truckee Meadows Water Authority
- Valley Clean Energy Alliance
- Victor Valley Wastewater Reclamation Authority
- Water Conservation Garden Authority JPA
- Water Facilities Authority
- WestEd JPA
- Western Community Energy
- Western Riverside Council of Governments
- Western Riverside County Regional Conservation Authority
- Wheatland Fire Authority
- Woodland-Davis Clean Water Agency
- Yuba-Sutter Regional Waste Management

Our CCA experience consists of matters including JPA formation and governance, feasibility, implementation plans, CCA regulatory oversight, energy regulation, consultant contracts, power procurement and financing, project development, risk management, rate setting, CCA policies, and economic development. We have been actively involved in regulatory advocacy in front of the California Public Utilities Commission (CPUC) on matters involving Resolution E-4907, the power charge indifference adjustment (PCIA), resource adequacy, resource and revenue forecasts, and integrated resource planning, among other proceedings. BB&K advises and negotiates on all matters involving investor owned utilities (IOUs), including tariffs, data access, settlement agreements, CCA-related contracts, and Code of Conduct issues, and has extensive experience negotiating with investor-owned utilities.

BB&K's experience concerning CCA programs also includes CCA-related subjects such as the development and regulation of complex utility and infrastructure projects and the provision of energy and gas, including power purchase agreements, permitting and siting of generation facilities,

and alternative energy projects like natural gas-fired plants, substations, microgrids, solar energy, wind energy, waste to energy, fuel cells, and biogas. We have negotiated and reviewed a wide variety of development and project agreements and have advised clients on Public Utilities Code issues, renewable portfolio standard requirements, AB 32, and cap and trade.

We believe we can help BCE accomplish its goals by providing legal counsel for all requested services. Our proposal has been tailored to provide BCE with specialized counsel to fit its pressing needs. Our lawyers have outstanding experience assisting numerous, sophisticated JPAs and the background to provide a full suite of general counsel, power procurement, and energy regulatory services at cost-effective public agency rates.

Please note that proposed attorney Harriet Steiner currently represents Butte County. The only matter that is an actual or potential conflict to BCE is WaterFix. We have existing waivers on file, but would request updated waivers. No other conflicts exist that would not allow us from serving as General Counsel to BCE.

II. PROPOSED SCOPE OF WORK

If selected as BCE's General Counsel, BB&K and the proposed team are prepared to immediately provide all of the legal services described in the Request for Proposal.

We offer exhaustive guidance on all matters involving day-to-day operations, governance, and regulation. Pertinent matters include interpretation and application of the Ralph M. Brown Act (open meeting law), Public Records Act requirements, notices, agendas, rules regarding conducting meetings, and other governance and procedural matters. We advise on everything from the introduction and adoption of minute orders, resolutions, and ordinances to the timing and structure of public hearings and presentations and election laws. BB&K also has extensive experience with public finance and tax exempt structures including JPA and power plant financing, certificates of participation, tax exempt bonds, Mello-Roos districts, and associated tax issues.

A. Administrative and Operational Matters

BB&K has significant experience advising CCAs and cities that are considering starting or joining a CCA. Our CCA experience includes public agency governance and general counsel services, energy procurement, project development, and regulatory matters. BB&K currently represents the following:

- Desert Clean Energy, San Diego Community Power, Valley Clean Energy Alliance, Western Community Energy, and Sonoma Clean Power.
- Recently retained by the City of Irvine to form the forthcoming Orange County CCA.
- Start-up team for the Clean Power Alliance and negotiated the start-up governance and financial agreements for San Jacinto Power and the City of Pomona.
- Other clients include San Jose Clean Energy (under contract); County of San Diego (formation); City of Santee (formation); Cities of Vista, Escondido and San Marcos (feasibility); City of Goleta (Monterey Bay Community Power); City of Pleasant Hill (Marin Clean Energy); and the Cities of Lake Forest, San Juan Capistrano and San Clemente (feasibility exploration).

BB&K's experience with CCA programs also includes CCA-related subjects such as the development and regulation of complex utility and infrastructure projects and the provision of energy and renewable natural gas, including power purchase agreements, permitting and siting of generation facilities, and alternative energy projects like natural gas-fired plants, substations, microgrids, solar energy, wind energy, waste to energy, fuel cells, and biogas. We have negotiated and reviewed a wide variety of development and project agreements and have advised clients on Public Utilities Code issues, renewable portfolio standard requirements, AB 32, and cap and trade.

BB&K advises public agencies and CCAs on revenue matters associated with the adoption, imposition, levy, collection, and defense of fees and taxes. We take an active role in helping clients comply with the substantive and procedural requirements of Propositions 26 and 218, including the review of utility rate and fee studies and special tax reports.

On a related note, we assist our clients in complying with requirements for imposing new or increasing existing fees and charges and the election requirements for the adoption of special taxes, including the preparation of all required notices of public hearings for the adoption of fees and charges and ballot materials for the adoption and levy of special taxes. We were a major donor to the campaign to pass Proposition 1A and are now involved in helping our clients understand and implement the opportunities Proposition 1A presents. Our experience enables us to successfully facilitate the current shift of decision-making power regarding revenue matters from elected officials to property owners and registered voters.

B. Brown Act and Public Records Act

BB&K has extensive experience advising clients on the interpretation and application of the Brown Act. Advice often pertains to:

- Requirements for agenda preparation, posting, and distribution
- Closed session topics and reporting
- Notices and agendas for special and emergency meetings
- Adding agenda items after an agenda is posted
- Conducting meetings by teleconference
- Application of the Brown Act to committees of official bodies
- Avoiding violations and penalties

BB&K attorneys regularly advise clients on all aspects of California's Public Records Act (CPRA). We routinely brief our clients on pertinent pending legislation and cases. With the emergence of new technology, we regularly advise clients regarding the use of email, records retention, and the public's right to access electronic information. We often speak at seminars and workshops about updates to CPRA and email/technology issues.

BB&K's ARC combines legal acumen and experience with cutting-edge technology to provide comprehensive and cost-effective support for non-routine records-related matters. Upon request, the ARC team assists public agencies with non-routine CPRA processing and policy drafting as well as e-discovery advice.

C. Conflicts of Interest

BB&K frequently provides advice to elected and non-elected public officials regarding conflict of interest laws, such as the Political Reform Act (Government Code § 81000 et seq.), self-interested contracts (Government Code § 1090), campaign contribution conflicts (Government Code § 84308), and the incompatibility of public offices. Our services include all aspects of reviewing current policies; developing of ethics codes and compliance strategies; and conducting management audits, investigations, and training.

In addition, our attorneys conduct ethics training workshops for public agency officials in compliance with Assembly Bill (AB) 1234 and Government Code Section 53235. We speak regularly at seminars, conferences, and workshops on the most recent changes and trends in this area of law.

We make it a point to stay informed of the most recent decisions from the California Fair Political Practices Commission (FPPC). BB&K attorneys recently assisted in obtaining a favorable decision from the FPPC for one of its clients; the FPPC decided that a consultant performing work on a CCA

feasibility study could also participate in future CCA implementation efforts. BB&K also monitors statutory and common law changes, advises clients of changes, and provides training regarding these issues. To these ends, BB&K prepares innovative publications to educate and assist public officials confronted by these issues.

D. Contracts

BB&K has extensive experience handling contracts, including contracts for consultants and vendors. We have drafted thousands of contracts for public agency clients, ranging from simple real property acquisition, software license, and professional services agreements to more specialized types of agreements. Our public attorneys frequently deal with construction and public works contracts and issues. Our services include preparation and review of contract specifications and required bidding documents and negotiation and drafting of personnel services and construction management contracts.

BB&K often prepares a model set of contracts, including public works contracts, for agencies to utilize. In order to keep legal costs down, we have developed model contracts for virtually every contracting situation faced by our public agency clients. Our model contracts allow clients to operate effectively and with the highest level of legal protection. Of course, when litigation arises, our litigators are experienced in providing the best representation available.

E. Research and Advice on Legal Questions

BB&K strives to ensure that all its communications meet clients' needs as well as provide clear, easy to understand responses. Consequently, BB&K works with clients to ensure that appropriate communication is provided. Common communications include formal written legal opinions for the Board, Interim Chief Executive Officer, and designated staff. As city attorney and general counsel to a number of public agencies, we have extensive experience preparing, reviewing, and adopting legal opinions for their clients.

Further, we have an extensive library of existing opinion letters and memoranda analyzing legal issues that may be of benefit to BCE. Access to this library saves individual clients the cost of researching issues that are of common interest to our clients. In addition, BB&K regularly prepares and distributes — at no cost to our clients — e-bulletins on current legal topics, litigation, and legislation of interest to public agencies, including environmental, water, public contracting, and employment law matters.

III. ATTORNEY TEAM

BB&K proposes the Ryan Baron and Harriet Steiner to serve BCE on a regular basis. Ryan Baron will be the main contact person for all matters, will supervise all legal services provided by our firm. Both Ryan and Harriet will be available to the Board, CEO, and other staff by email and telephone.

Other key team members that may be used as needed and as BCE expands are **Joshua Nelson** and **Glen Price** Biographies for these attorneys can be found on our website at <http://www.bbklaw.com/our-team>.

A. Ryan M. F. Baron, Partner

| | | |
|---|----------------|--|
|  | Phone: | (949) 263-6568 |
| | Email: | ryan.baron@bbklaw.com |
| | Education: | The Catholic University of America, Columbus School of Law, J.D.; San Diego State University, B.A. <i>with distinction</i> |
| | CA Bar Number: | 226568 (2002) |

Ryan Baron offers strategic counsel to clients throughout California and the U.S. on utilities regulation, administrative law, environmental law and public agency governance matters. His practice spans regulatory, transactional, business and general counsel issues in the areas of energy, gas, water quality, air quality, wastewater, solid waste and climate change. He also has extensive experience with project development, entitlement and permitting matters, particularly with respect to large-scale infrastructure. Ryan is a former senior in-house counsel for a large county where he provided general and special counsel services to two large county agencies.

Energy, Gas & Utilities

Ryan represents clients on a broad array of utility governance, transactional, business and regulatory matters. He represents a number of California community choice aggregators, commonly known as CCAs, and communities exploring CCA on all aspects of formation. This includes governance, implementation, regulatory and procurement. Ryan advises clients on forming electric municipal owned utilities and acquiring utility assets, including recent efforts in Colorado. He negotiates regularly with utility companies and advises on utility rules and tariffs. Ryan's previous experience includes advising on telecommunications regulations and projects.

Project Development & Permitting

Ryan counsels clients on all aspects of the development of utility and large-scale infrastructure projects with significant experience in contracts and negotiation, including power purchase agreements, financial agreements, municipal cooperative agreements and real estate contracts. He has experience with the development of alternative energy projects, such as waste-to-energy, solar, fuel cell, wind, renewable natural gas and battery storage, as well as with the development of flood

control and water facilities, transportation corridors and master-planned developments. Ryan's experience includes funding and finance to real estate and entitlements to procurement and public-private partnerships, where he represents public agencies, land developers, renewable energy developers, an investment fund and start-up technology companies. Ryan has advised on billions of dollars in projects and development.

Government Service

Ryan is a former senior in-house counsel to the County of Orange, one of the largest counties in the nation. In a 70-attorney office, he oversaw the public works and regulatory team and managed outside counsel. Ryan was lead counsel to several large county agencies, including the county public works, flood control district, planning and landfill departments, and was counsel to several joint powers agencies and regional entities. In addition to energy and environmental law work, he advised on open meetings and public records, conflicts of interest, construction, real estate, land use and procurement.

Prior to government service, Ryan practiced in Washington, D.C. with Kellogg, Huber Hansen, Todd Evans & Figel, PLLC working on behalf of Fortune 100 companies on utility litigation and federal enforcement actions. During law school, Ryan was a law clerk and junior lobbyist for the global government relations office of an international telecommunications company and was a legal intern in the International Bureau of the Federal Communications Commission and for FCC Commissioner Gloria Tristani. Ryan was editor-in-chief of Catholic University's communications law journal and a graduate of the school's Institute for Communications Law Studies (now the Institute of Law & Technology).

Community Affiliations

- California Lawyer's Association, Treasurer, Board of Representatives; Chair, Budget & Finance Committee; Chair, Public Law Section Executive Committee (2016-17)
- California's Lawyers Foundation, Treasurer, Board of Directors
- Sustain SoCal, Chair, Board of Directors
- California Stormwater Quality Association (CASQA); Co-Chair, Policy & Permitting Subcommittee
- National Municipal Stormwater Alliance (NMSA)
- California Community Choice Association (CalCCA)

B. Harriet Steiner, Partner

| | | |
|---|----------------|---|
|  | Phone: | (916) 551-2821 |
| | Email: | harriet.steiner@bbklaw.com |
| | Education: | University of the Pacific, McGeorge School of Law, J.D.; State University of New York, M.A.; State University of New York, Harpur College, B.A. |
| | CA Bar Number: | 109436 (1983) |

Harriet Steiner’s practice focuses on public law, representing cities, special districts and joint powers agencies as city attorney, general counsel and special counsel. A partner in BB&K’s Municipal Law practice group, her background includes:

- Land use
- Environmental law
- Telecommunications law and cable television franchising
- Wastewater and municipal water
- Public financing
- Land Use and Environmental Utility Rate Setting

Harriet advises public agencies on land use approvals, including negotiation of development agreements, compliance with the California Environmental Quality Act, public financing and Proposition 218 compliance. She represented public agencies in CEQA and land use litigation, election challenges, public financing and development impact fee challenges, and Proposition 218 litigation.

Harriet represented the City of Davis in the restructuring of its water fees to facilitate a new surface water project; challenges to the fees included initiative measures, election issues and a Proposition 218 challenge in which the City prevailed in the trial court and then successfully settled the case, allowing the project and amended water fees to move forward.

Litigation matters she has handled include:

- *Knox v. Orland*, 4 Cal.4th 132, upholding Landscaping and Lighting District, 1992
- *Friends of Davis v. City of Davis*, 83 Cal.App.4th 1004 CEQA; design review approval challenge 2000
- *Oates v. City of Lincoln*, 93 Cal.App.4th 25, defense of refinancing of Marks Roos bonds, 2001
- *LandValue 77, LLC v. Board of Trustees Kashian*, Fifth District Court, 193 Cal.App.4th 673 Government Code section 1090, CEQA Challenge; Attorneys’ fees, 2011
- *City of Hayward v. CSU*, First District Court, 242 Cal.App.4th 833, 2015 Cal. Lexis 1371, petition for review denied - returned to trial court - CEQA challenge, 2015

- *Yolo Ratepayers for Affordable Public Utility Services v. City of Davis*, Yolo County Superior Court, Case No. CV 13-187, settled after mediation and dismissed, 2015
- *Supporters of Responsible Planning in Davis v. City of Davis*, Yolo County Superior Court, Case No. PT15-1442, pending trial court CEQA challenge, 2015

City Attorney

As city attorney for the City of Davis from 1986 until 2019, Harriet assisted the City on, among other matters, the development and implementation of its agricultural mitigation ordinance for farmland and habitat preservation; its Affordable Housing Ordinance; the creation of a joint powers agency with the County for Community Choice Electricity; and creation and implementation of water and sewer rates, associated with new water and sewer projects, including litigation challenging these rates under Proposition 218.

Prior to joining BB&K, she was a shareholder with McDonough Holland & Allen in Sacramento. She is admitted to practice in all federal courts located in California and the California Supreme Court.

Awards

- The Best Lawyers in America® Lawyer of the Year, Municipal Law & Municipal Litigation, 2018, 2020
- The Best Lawyers in America®, Municipal Law & Municipal Litigation, 2009-2020
- *Sacramento Magazine* Top Lawyers, State, Local & Municipal, 2015-2018
- Northern California Super Lawyers, State, Local & Municipal Law, 2009-2019
- *Sacramento Business Journal* Best of the Bar, 2015
- Super Lawyers Top Women Attorneys in Northern California, 2014

IV. COST FOR LEGAL SERVICES

BB&K recognizes the need to keep legal costs under control. We have a longstanding commitment to the affordable delivery of legal services to municipalities and public agencies. Given the depth and breadth of our experience, we often get the job done in much less time, resulting in lower costs

A. Hourly Rates

General Legal Services

For general legal services, we propose the following a rate of \$325 per hour for Partners and Of Counsel, \$275 per hour for Associates, and \$165 per hour for Paralegals.

General legal services will include attendance at meetings, agenda and document review, routine contracts, government ethics and open meetings laws, and entity incorporation.

Special Legal Services

If needed, for special legal services, we propose a rate of \$395 per hour for Partners and Of Counsel, \$315 per hour for Associates, and \$175 per hour for Paralegals.

Special legal services includes complex matters such as regulatory advice and advocacy, power procurement, litigation, CEQA document review, public finance, and other complex matters.

B. Reimbursements

BB&K does not charge for routine word processing, legal assistants, clerical costs, administrative support staff, secretarial costs, and office costs, including telephone and fax charges. Reimbursement of costs advanced by BB&K on behalf of the client as well as other expenses will be billed at actual cost. These currently include, but are not limited to, travel costs (mileage) at the IRS authorized rate; actual expenses for being away from our offices on the client business; postage; legal research; and any cost of printing or reproducing documents, photographs, or other items necessary for legal representation.

BB&K will not charge for Ryan's air travel when he is requested to attend meetings in person.

V. AVAILABILITY

Harriet Steiner and Ryan Baron will be available to attend BCE Board meetings as well as any special meetings. The team will return phone calls quickly, check email frequently, and promptly answer routine inquiries. The proposed team is prepared to provide the entire scope of services immediately. BB&K has pioneered methods to deliver legal services in a comprehensive and economical manner. The proposed attorneys are able to provide efficient and effective regulatory advice to BCE staff by utilizing a team approach.

We know that it is essential to maintain open lines of communication with BCE. One of our top priorities will be to keep BCE informed of all new developments and findings on a regular basis. BB&K is confident that our staff will effectively and efficiently meet BCE's daily legal needs.

VI. ADDITIONAL SERVICES

A. Energy Regulatory Matters

BB&K has in-depth understanding of electrical industry restructuring and regulation that affect IOUs, municipal owned utilities, electric service providers, and CCAs. We recognize that the current energy industry is undergoing radical change in retail markets due to the rapid expansion of CCAs and the potential for direct access to be re-opened. Our attorneys have worked with federal and state agencies including the Department of Energy, Federal Energy Regulatory Commission, CPUC, California Energy Commission, California Air Resources Board, local air quality management districts, and state and regional water boards. We are adept in administrative law and agency procedure and understand federal and state energy regulations, RPS, low carbon fuel standards, cap and trade, and applicable investor-owned utility and California Independent System Operator tariffs. The proposed team has actively participated in aspects of California industry restructuring from AB 1890 in the 1990s to the 2000 to 2001 California energy crisis, post-crisis litigation, and restructuring. Our attorneys have been involved in AB-1X, community choice enactments of AB 117, Senate Bill (SB) 790, and SB 350. Today, our team members are involved in matters such as CCA exit fees, microgrids, and other distributed energy resources and transportation electrification.

Our attorneys are well versed in utility related contracts. We have experience with power purchase agreements (PPAs), solar and waste to energy agreements, wind repowering, compressed natural gas (CNG) and renewable natural gas (RNG) projects and procurement, battery storage feasibility, complex public power financing, interconnection, and P3 energy development projects. We have represented counties, cities, school districts, transportation authorities, ports, and private companies in all aspects of energy contracts as well as the negotiation and drafting of professional services agreements, letters of intent, and non-disclosure agreements.

Furthermore, the proposed team has strong positive relationships with many local community and business groups, industry peers and participants, and regulatory agencies. Our firm strives to maintain strong working relationships with business, government, and regulatory communities and is known as a firm that outside entities can work with easily. Ryan, in particular, has worked cooperatively with business and non-governmental organizations and is Vice-Chair of the board of a large cleantech and sustainability trade association. He has positive relationships with energy companies, venture capitalists, universities, and environmental organizations; regulators and environmental groups have praised him for his ability to work cooperatively, even when opposition exists to his clients' programs or proposals.

B. Personnel Matters

BB&K provides public employers with a full range of legal counsel and litigation services for all types of workplace issues and needs. A wide range of public sector employers turn to BB&K for representation in all aspects of labor and employment law. When necessary, our lawyers provide a vigorous defense in discrimination, harassment, wrongful termination, wage and hour, and other labor and employment litigation.

Because labor and employment problems often involve high stakes and intense time pressure, we are committed to giving employers highly responsive service. We counsel our clients on all aspects of employment law and human resources management issues, including wage and hour standards, workers' compensation, layoffs, employee termination, discipline matters, and personnel policies.

When workplace concerns arise out of the collective bargaining process, we handle contract negotiations; impasse procedures; grievance and arbitration proceedings; union representation proceedings; and unfair labor practice charges before local, state, and federal agencies.

Our attorneys regularly represent employers before the National Labor Relations Board, the Public Employment Relations Board, the California Department of Fair Employment and Housing, the U.S. Equal Employment Opportunity Commission, the U.S. Department of Labor and State Labor Commissioner, and the Division of Occupational Safety and Health as well as before public agency personnel boards and civil service commissions. We are committed to being a part of the solution to our employer clients' labor issues whether through counseling, negotiations, or litigation.

C. Environmental law

BB&K has one of the most robust environmental teams in the state representing special district and municipal clients in environmental issues arising under CEQA, NEPA and the federal and California Endangered Species Acts (ESAs). We assist public agency clients with pre-project planning and strategy before CEQA is triggered to minimize costs and maximize environmental protection; we also have extensive CEQA, NEPA, and ESA litigation experience. We prepare local CEQA guidelines on behalf of over 70 public agency clients. Our attorneys assist public agency clients in all aspects of CEQA and NEPA compliance. If a legal challenge should arise, our lawyers are skilled in the procedural and substantive intricacies of litigating a CEQA or NEPA case, including the short statutes of limitations, administrative record requirements, and unique briefing and oral argument issues.

D. Litigation Services

BB&K offers its municipal and public agency clients a full range of litigation services on a variety of civil matters, including labor and employment, contracts, construction, energy, transportation, environmental issues, condemnation and eminent domain, assessment foreclosures, land use, CEQA, NEPA, and water. Having both public law and litigation "under one roof" affords BB&K the opportunity to tailor its litigation services to the particular needs of its public agency clients and promotes more effective litigation management.

Butte Choice Energy

Request for Proposals

For

Power Supply and Scheduling Services

Solicitation Number: 20-001

RFP Release Date: January 28, 2020

Response Deadline: February 13, 2020

**Butte Choice Energy
c/o EES Consulting, Inc.
570 Kirkland Way, Suite 100
Kirkland, WA 98033
(425) 889-2700
nyquist@eesconsulting.com**

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Overview

Butte Choice Energy (BCE) is requesting proposals for electric power supply and scheduling services to serve retail electric customers who will participate in BCE's Community Choice Aggregation Program. BCE is currently comprised of the County of Butte and the City of Chico. The Business Plan for BCE is available online at ButteChoiceEnergy.org.

On November 18, 2019, two jurisdictions joined together to form a Joint Powers Authority to provide electric retail service to customers within their jurisdictions pursuant to California's Community Choice Aggregation (CCA) statutes. BCE's service area is the geographical area of the City of Chico and unincorporated Butte County, the electric customers of which (Except for direct access customers) are currently service by Pacific Gas & Electric (PG&E). BCE's implementation objectives are to 1) provide electric generation rates that are 3-4% lower than the generation rates offered by PG&E 2) offer a default product that is between 36-40% RPS qualifying renewable content at competitive rates, 3) offer voluntary products that are 50% and 100% renewable at competitive rates for comparable PG&E products, and 4) include local/regional resources as much as possible.

It is anticipated that BCE will ramp up to full operation in one phase. This RFP is intended to fulfill the needs of all anticipated BCE accounts. Phase 1 will initiate the operations of BCE and include all residential service accounts in BCE's service area. A timeline and summary of the expected characteristics of this phase is presented below as well as a load curve for this phase.

Exhibit 1
Estimated Electric Consumption for Anticipated BCE Accounts

| BCE Demand | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------------------|------------|--------------|--------------|--------------|--------------|
| Retail Demand | 448 | 967 | 977 | 984 | 990 |
| Losses and UFE | 31 | 68 | 68 | 69 | 69 |
| TOTAL DEMAND | 479 | 1,035 | 1,046 | 1,053 | 1,060 |
| | | | | | |
| BCE Supply | | | | | |
| Total Renewable Resources | 157 | 368 | 391 | 482 | 436 |
| Total Conventional Resources | 322 | 668 | 655 | 571 | 624 |
| TOTAL SUPPLY | 479 | 1,035 | 1,046 | 1,053 | 1,060 |

| Exhibit 2 Butte Choice Energy | |
|----------------------------------|-------------------|
| BCE Customers | Eligible Accounts |
| Residential | 91,582 |
| Small Commercial | 9,671 |
| Medium Commercial | 672 |
| Large Commercial | 303 |
| Industrial | 10 |
| Street Lighting & Traffic | 1,479 |
| Agricultural & Pumping | 1,976 |
| Total | 105,694 |

Submissions, Questions, and Anticipated Schedule

The RFP will be conducted in accordance with the schedule set forth below.

| | |
|------------------------------------|-------------------------------|
| Release RFP | January 28, 2020 |
| Deadline for Question Submittal | February 7, 2020 |
| Responses posted to website | February 10, 2020 |
| Proposal Submission Deadline | February 13, 2020 |
| Finalist Selection/Interviews | February 13-February 20, 2020 |
| Finalize Staff Recommendations | February 20, 2020 |
| Award of Contract and Notification | February 26, 2020 |
| Contract Completion/Commence Work | March 1, 2020 |

Term of Agreement

Requested services are to be provided during BCE's CCA implementation and program enrollment period, anticipated to be March 2020 - December 2021. BCE reserves the right to extend the agreement by an additional 12 to 24 months for "Day 2" operational power services expected to commence on or about January 1, 2022. Respondents must respond to the initial '2020-2021' scope of work ending on or about December 31, 2021. We encourage respondents to provide a proposed scope of work and projected pricing for the additional 12-24 months of Day 2 operating services as well.

Proposal Information, Organization, and Content

If awarded, the bidder's proposal in response to this RFP will be incorporated into a final agreement between BCE and the selected contractor. All Proposals shall contain, at a minimum, the following information:

1. Cover Letter

The cover letter should be brief (two pages maximum) and provide a short synopsis of the Proposer's approach to completing tasks and delivering project products and services. Describe how the delivery of services will be provided. If a team arrangement is proposed, BCE will recognize the integrity and validity of Proposer's team provided that:

- The arrangements are clearly identified, and relationships are fully disclosed; **and** a primary (Lead) Proposer is designated who will be responsible for all contract performance.
- The signature of the individual authorized/obligated to commit the bidder to this project is included.
- In signing proposal, statement that the bidder agrees that the terms of proposal and the costs as submitted are firm for a period of 120 days from proposal due date, unless otherwise negotiated with BCE.

The cover letter should also include

- The RFP number and title
- Name and address of proposing firms and/or individuals
- Phone and email address of sole or lead proposer
- Primary contact person

2. Table of Contents

This section should include clear identification of the materials by section and. Page numbers.

3. Bidder's Capabilities

All Proposals must provide a comprehensive description of the Bidder's qualifications, as described in the Bid Evaluation Criteria section below, and capabilities applicable to the Scope of Work including but not limited to the following:

- Demonstrates direct experience within and understanding of the California energy and electrical markets, including relevant legislation and regulations applicable to BCE and its major participants – investor owned utilities, CA Independent System Operator, energy service providers and independent power producers, California Public Utilities Commission, and other key market players.

- Demonstrates experience in resource planning and energy procurement.
- Demonstrates experience in California energy compliance reporting as it relates to BCE.
- Demonstrates experience with CAISO and power scheduling
- Possess all licenses and professional credentials relevant to performing services as specified under this RFP.

4. Scope of Work

Please refer to the Scope of Work section for detailed requirements. Bidders are encouraged to propose enhancements or procedural or technical innovations to the Scope of Work that do not materially deviate from the objectives or content of services included in this RFP. Bidder(s) shall at a minimum include:

- Provide a narrative, which addresses the Scope of Work, and shows understanding of the needs and requirements of BCE.
- Describe the approach to completing the tasks specified in the Scope of Work. The work plan shall be of such detail to demonstrate the bidder's ability to accomplish the project objectives.
- Outline sequentially the activities that would be undertaken in completing the tasks and specify who would perform them and what the associated costs would be.
- Furnish a project schedule for completing the tasks in terms of elapsed weeks from the project commencement date.
- Identify methods that bidder(s) will use to ensure quality control as well as budget and schedule control for the project.
- Identify any special issues, problems or risks that are likely to be encountered in this project and how the bidder(s) would propose to address them.

5. Schedule

Please include a detailed schedule which lists milestones and estimated completion dates for each of the tasks.

6. Proposed Budget and Cost of Services

Please include an estimated budget and fee itemizations by year and task including travel expenses. Include all costs that may be relevant to the services proposed.

7. References

Please provide three (3) references, including names and contact information, for which you have performed similar work. References should not include any BCE member agencies, interim staff or Board members.

8. Project Team Staffing

Please include biographies and relevant experience of key staff and management personnel who would be assigned to the project.

9. Company Overview

Please provide the following for your company:

- Official registered name, address, main telephone number, and toll-free number(s).
- Primary key contact name, title, address (if different from above address), direct telephone number(s).
- Brief history, including year established, relevant financial information, and relevant experience with CCAs.
- The proposer or any guarantor must provide the following: (1) Audited financial statements from the prior two years of operations, (2) A credit rating from two of the following: Standard & Poors, Moody's, or Fitch Investor Services from the most recent rating agency report.

10. Statement of No Conflict/Anti-Trust

Please provide a statement that describes how bidder(s) will adhere to anti-trust and collusion laws while providing service to BCE. Also provide a statement that confirms that bidder(s) and any subconsultants responding to this RFP shall avoid organizational conflicts of interest which would restrict full and open competition in this procurement and subsequent procurements. An organizational conflict of interest means that due to other activities, business units, relationships or contracts that bidder(s) would be unable, or potentially unable, to render impartial assistance or advice to BCE consistent with the requirements of California Government Code section 1090; or that a bidder's objectivity in performing the work identified in the Scope of Work is or might otherwise be impaired; or bidders have an unfair competitive advantage.

Bid Evaluation Criteria

Proposals are being solicited from qualified service providers with demonstrated experience in California and western energy markets, as well as experience working with CCA programs in California. Qualified proposers may be a single company or a group of them that forms a team for purposes of this solicitation.

Bidders must possess the following minimum qualifications:

- 7-10 years experience with California energy markets, including CAISO market operations and regulations applicable to California energy programs
- 10 years experience in power procurement and portfolio planning and management services

- 10 years experience in the development and evaluation of risk management policies and regulations

Bidders should also demonstrate appropriate experience, knowledge and skills that include but are not limited to the following:

- Experience with electricity load forecasting and data analysis
- Experience in risk management and energy portfolio management
- Knowledge of CCA formation process in CA and knowledge of CA laws, regulations and compliance requirements governing CCAs in CA
- Experience with developing and evaluating bids for power resources including: financial and economic analysis and modeling and analysis of energy demand and market pricing
- Experience/knowledge of CA energy compliance reporting

BCE reserves the right to consider other factors than those specified above and to request additional information from suppliers. Through issuance of this RFP, BCE makes no commitment to any supplier that it will be awarded a contract to provide the solicited services. BCE reserves the right to discontinue this RFP process at any time for any reason. Proposals that fail to meet the RFP requirements may be rejected; however, BCE may waive minor irregularities in proposals if so doing would be in the best interest of BCE. BCE reserves the right to request additional information from any/all respondents as part of the selection process.

Proposals will be evaluated based on the following non-exhaustive factors and will be scored using a 100-point maximum.

| Evaluation Criteria | Points Possible |
|--|------------------------|
| Contractor Capability and Experience | 25 |
| Management, Personnel and Qualifications | 25 |
| References | 25 |
| Cost to BCE: Clarity and cost for pre-launch and post-launch services | 25 |

As reflected in the evaluation criteria, contract award will not be based solely on cost, but on a combination of factors as determined to be in the best interest of BCE. After evaluating the proposals and any oral interviews, BCE reserves the right to further negotiate the proposed work and/or method and amount of compensation.

Any award of a contract resulting from this RFP will be based upon the most responsive Proposal whose offer will be the most advantageous to BCE in terms of cost, functionality, effectiveness in meeting goals and objectives, and other factors as specified elsewhere in this RFP, as determined solely by BCE decision makers. BCE reserves the right to:

1. Disqualify any and all Proposals that are not submitted in accordance with the required format described in this RFP

2. Reject any and all Proposals submitted
3. Request additional information
4. Issue Addenda to this RFP
5. Award all, part, or none of the work contemplated in this RFP
6. Remedy errors in the RFP
7. Cancel the entire RFP
8. Issue a subsequent RFP
9. Approve or reject the use of a particular subcontractor/supplier
10. Negotiate with any, all or none of the Proposers. If BCE is unable to negotiate a final contract
11. Terms and Conditions that are acceptable to BCE, BCE reserves the right to award the contract to another Proposer
12. Accept other than the lowest priced Proposal
13. Award a contract without interviews, discussions or negotiations

Scope of Work

The services being requested by BCE under this RFP are described below. Service provider bids should incorporate all of these requested services.

California Independent System Operator (CAISO) Scheduling Coordination

All CAISO interface services, which includes the submission to the CAISO of all schedules and meter data reports required to be filed by the Scheduling Coordinator (service provider) for the meters enrolled in the BCE service territory, and the submission of schedules, bids, and other required information for BCE's shaped energy, renewable energy, and resource adequacy capacity in accordance with the obligations of a service provider as defined by the CAISO.

Service provider services include short-term forecasting of load (i.e., week-ahead, day-ahead, and hour-ahead), scheduling load into the CAISO day-ahead market, scheduling services, validating CAISO statements for load settlements, minimizing and managing real-time imbalance exposure, as well as the initial set-up and ongoing management of the Congestion Revenue Rights (CRR) portfolio through the CRR allocation and potentially bidding into the various CRR auctions. The CAISO required security deposit is the responsibility of the service provider. The cost of this deposit should be included in the bid price for the requested services.

Additionally, the service provider will be required to submit regulatory and compliance filings, such as monthly Resource Adequacy (RA) compliance reports, to the CAISO on behalf of BCE. It is expected that bidders will provide an approach and schedule for submitting compliance reports to the CPUC, CEC, and CAISO as they relate to powers supply and scheduling.

It is also expected that the service provider will be responsible for satisfying the various CAISO financial requirements and obligations (i.e., collateral obligations), as well as all applicable regulatory requirements imposed by the California Public Utilities Commission and the Federal Energy Regulatory Commission. Service providers must be certified by CAISO as a service provider, or must put forward a certified service provider that will be responsible for scheduling

loads and resources under the proposal. If the service provider is not a certified CAISO service provider and will be putting forward a third-party to serve in this capacity, BCE will require these proposers to submit responses that are co-signed by the anticipated service provider, verifying the intended business relationship and the anticipated scope of services to be provided.

Risk Management

Selected service provider will help develop and participate in a risk management process, as well as produce, maintain, and publish reports tracking BCE compliance with portfolio exposure, market risk and credit limits. Service provider will be expected to identify and present risk-mitigation strategies to BCE's risk management team and leadership. Particular attention will be paid to proposed approaches to manage the risk to rate competitiveness posed by the PCIA and how to incorporate those approaches within BCE's procurement strategies. Service provider may also assist with drafting, implementing and complying with appropriate Energy Risk Management Policies and will assist BCE management and staff in presenting various reports and results to the BCE Board.

Power Procurement

Service provider will be expected to prepare and issue power supply RFPs and negotiate power contracts on BCE's behalf, and/or assist BCE in procuring all requisite energy, resource adequacy (RA), capacity, renewable and greenhouse gas (GHG) free products to meet BCE's power supply portfolio requirements while fully complying with applicable regulatory and legislative mandates, CAISO rules and practices, and BCE Program goals and objectives, including its enterprise risk management policy. Activities will include issuing RFPs for multi-year off-take agreements, reviewing and evaluating bids, and negotiating bilateral power-purchase agreements with third-party power providers.

BCE will need a significant amount of new renewable resources and is required to purchase at least 65% of its RPS requirement from long-term contracts. Explain your approach to acquiring renewable resources that meet the state mandates. Also, explain your strategy for acquiring new renewable projects within Butte County.

Optional Add-on Services

Integrated Resource Plan (IRP)

As future load serving entity, BCE will likely be required to submit an IRP to the Commission on May 1, 2020. This optional task, if included in respondents' proposal, should be priced separately and pricing should include all services required to file an IRP to the Commission. The selected vendor will develop a long-term integrated resource plan that considers both demand-side reductions (through energy efficiency and demand response) as well as conventional and renewable supply. The resource plan will estimate the percentage of total electricity demand that will come from renewable and non-renewable resources. This should take into consideration SB 350's long-term eligibility requirements, electric storage requirements, and other relevant factors including an understanding of CPUC-jurisdictional IRP requirements for load serving entities and familiarity with CPUC IRP tools. Proposers should describe their

experience in developing IRPs for CCAs or other load serving entities, the modeling they would use, and a plan for optimizing resource attributes and values.

Supplier Proprietary Information

Information submitted in response to this RFP will be used by BCE or its designated representatives, including consultants, solely for the purpose of evaluating this RFP. Proprietary data should be specifically identified on every applicable page of the supplier's submittal; suppliers should mark or stamp applicable pages as "Confidential" or "Proprietary." Reasonable care will be exercised so that information clearly marked as proprietary or confidential will be kept confidential, except as required by law or regulatory authority. BCE and its employees and consultants will not be liable for the accidental disclosure of such data, even if it is marked.

Proposal Delivery

Statement of qualifications must be received by 5:00 PM Pacific Time on February 13, 2020. Responses must be emailed directly to Amber Nyquist at nyquist@eesconsulting.com. All questions regarding this RFP should be addressed to Amber Nyquist as well.

Appendix A

Questions for Power Supply and Scheduling Consultants

Details on Experience

- 1) Does your firm currently provide Scheduling Coordinator services to one or more CCAs? If yes, please list the CCAs.
- 2) Does your firm currently provide Scheduling Coordinator services to entities other than CCAs that reside within CAISO? If yes, please list the entities.
- 3) Does your firm currently provide scheduling services to entities outside CAISO? If yes, please list the entities.
- 4) Please provide the names of the entities for whom your firm has purchased Resource Adequacy Capacity? Please specify whether or not your firm has purchased designated system, local RA and/or flexible RA capacity for the entities.

Project Management

- 5) Out of which of your firm's offices would BCE real-time energy imbalances be managed?
- 6) Out of which of your firm's offices would CAISO settlement functions be managed?
- 7) What settlement software would your firm use to manage BCE's settlements?
- 8) Out of which of your firm's offices would risk management services be managed?
- 9) Would a representative of your firm be available to attend periodic power supply planning or risk oversight committee meetings at the BCE location? If so, please provide the name of the representative(s) that would be most likely to fulfill this service.

Power Resources

- 10) Does your firm have access to renewable energy resources or PPAs that could be used to serve BCE load beginning in 2021? If yes, please list the specific resources and quantity available or, if the information is confidential, the resource types and a range of quantities available. Also, specify whether any of the resources are within Butte County.
- 11) Does your firm have access to non-renewable energy resources or PPAs that could be used to serve BCE load beginning in 2021? If yes, please list the specific resources and quantity available or, if the information is confidential, the resource types and a range of quantities available. Also, specify whether any of the resources are within Butte County.
- 12) Does your firm have the ability to develop new renewable resources on behalf of the CCA within or outside of Butte County?
- 13) Does your firm have access to Renewable Energy Certificates that could be used to help BCE meet its renewable energy goals beginning in 2021? If yes, please provide REC prices by Portfolio Content Category (i.e. PCC 1, 2 and 3).

- 14) Does your firm currently hold long-term transmission contracts that could be used to wheel power to BCE's service territory? If so, please specify the transmission paths and capacities available on those paths.

Pricing and Terms

- 15) Please provide indicative pricing for hourly load shaped energy, inclusive and exclusive of ancillary services for the years 2021, 2022 and 2023. The expected mix of resource types should be provided as well and match BCE's Business Plan portfolio options. The CCA is planning on offering alternatives to its customers and therefore pricing should be provided for each of the following alternatives:
- a. Meeting RPS standards
 - b. 50% renewable
 - c. 100% renewable
- 16) Please provide indicative scheduling coordinator fees and any other service fees that would be assessed to BCE under a contract with your firm.
- 17) Please indicate your firm's proposed term for scheduling coordinator services. BCE envisions a 2-4 year term for this initial content but is flexible on duration.

Financing/Credit Issues

- 18) Is your firm willing to defer its internal fees during the 3-month start-up phase until BCE begins receiving revenue from customers? If so, would there be any added cost associated with this deferral?
- 19) Is your firm able to provide a delay in billing for power supply during part of the start-up phase until BCE begins receiving revenue from customers? If so, would there be any added cost associated with this deferral?
- 20) Does your firm have the ability to use its own credit facilities on behalf of BCE when procuring power for BCE?
- 21) What is required for CAISO security deposits and does your firm have the ability to provide the deposits upfront? If so, at what cost?
- 22) What level of security deposit is required for power supply purchases and does your firm have the ability to provide the deposits upfront?

Reporting

23. Please provide an outline of Business Intelligence and Reporting tools you will provide to BCE. Reporting tools can provide any of the following:
- a. Reporting for analytics,
 - b. Visualization and reporting,
 - c. Self-Service reporting,
 - d. Aggregation of data reporting,
 - e. Risk management and performance reporting.
 - f. Finance related reporting.

BUTTE CHOICE ENERGY AUTHORITY

Staff Report – Item 4c

To: Butte Choice Energy (BCE) Board of Directors

From: Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte
Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

Subject: Retain Power Portfolio and Risk Management Consultant

Date: March 9, 2020

The purpose of this item is to recommend a contract between Butte Choice Energy and Pilot Power Group for portfolio and risk management services. This action will allow BCE to begin the process of power procurement and to utilize Pilot Power Group for regulatory filings due beginning March 16, 2020.

Requested Actions:

1. For the BCE Board to authorize the interim executive officers to finalize negotiations with PPG for performing portfolio management services to BCE.

Background

An RFP for Power Supply Scheduling Coordinating Services was issued on January 28, 2020. The RFP was directly emailed to no less than 10 firms, many of whom had responded to a similar RFP released by another CCA. The RFP was also posted on the BCE website and an article published in the local paper directing interested parties to the BCE website for bid opportunities.

No questions were asked by the deadline and we received a total of 4 proposals. Three of these proposals were provided by the deadline (5 pm February 13, 2020), and one proposal was provided a day late. The late submission (NCPA) was disqualified. Background on the three on-time proposals are provided in the section below.

The Energy Authority

The Energy Authority (TEA) is a non-profit entity based in Jacksonville, FL with a western regional office in Bellevue, WA. TEA has been a service provider in wholesale markets since 1997. TEA currently provides load forecasting, wholesale power procurement and scheduling coordinator services to 5 CCAs: Redwood Coast Energy Authority, Monterey Bay Community

Power, Clean Power Alliance, Solana Energy Alliance, and Desert Community Energy. TEA also provides wholesale power services to dozens of publicly owned utilities in Washington, Oregon, and California.

Pilot Power Group

Pilot Power Group (PPG) is based in San Diego and has been a wholesale power service provider since 2001. PPG currently provides load forecasting, wholesale power procurement and scheduling coordinator services to two CCAs: Western Community Energy and King City Community Power. PPG also provides these services for various direct access customers and also provides services in other trading areas such as ERCOT and PJM. PPG also committed that they could produce a compliance Integrated Resource Plan (IRP) on BCE’s behalf for \$5,000.

ZGlobal

Established in 2005, ZGlobal is based out of Folsom, California and provides load forecasting, wholesale power procurement and scheduling services to several entities including Marine Clean Energy (MCE), Pioneer Community Energy, and Silicon Valley Clean Energy. ZGlobal was the start-up provider for Silicon Valley Clean Energy and Phase II MCE expansion. In addition to these CCAs, ZGlobal also provides scheduling coordinator services to SMUD, City of Long Beach, Corona, and Bear Valley Electric, among others. ZGlobal included a full IRP option in their proposal for an estimated cost of \$50,500.

Fee and Services Comparison

The fee schedules provided ranged in structure and services. The Table below provides a high-level comparison of the differences in the offers.

| Services | TEA | PPG | ZGlobal |
|--------------------------------|--------------------------------------|---|--|
| PPA Collateral | Included in \$1/MWh financing option | Issue RFP where collateral is not required; or \$1/MWh; or Financial Institution at % | 7-10% annual interest |
| Delay consulting costs 90 days | 4-5% interest | No cost | No cost until 90 days <i>post launch</i> |
| Regulatory Filings Included | Yes | \$4,500/yr | \$6,292 |
| IRP | No | \$5,000 | \$50,500 |
| Monthly Power Procurement | \$25,000 | \$11,000 | \$5,583 |

Both TEA and PPG indicated that portfolio management would be an ongoing process but that the fees were normalized.

Offer Comparison

| | TEA | PPG | Zglobal |
|-------------------------------------|----------|----------|----------|
| Monthly Portfolio Management Costs | \$25,000 | \$15,500 | \$11,875 |
| Integrated Resource Plan (per plan) | | \$5,000 | \$50,500 |

References

EES called references for each of the firms and received positive feedback for each. PPG and TEA had the strongest procurement and risk management references.

Scoring

All proposals were deemed responsive to the RFP as all firms have been providing the requested services for 10 or more years.

| Portfolio Management and Procurement Evaluation Criteria | TEA | PPG | ZGlobal | Points Possible |
|--|-----------|------------|-----------|-----------------|
| Contractor Capability and Experience | 25 | 25 | 15 | 25 |
| Management, Personnel and Qualifications | 25 | 25 | 25 | 25 |
| References | 25 | 25 | 15 | 25 |
| Cost to BCE: | | | | |
| Portfolio Management Value | 15 | 25 | 10 | 10 |
| Total | 90 | 100 | 65 | 100 |

Summary

Both TEA and PPG view portfolio management and procurement as an ongoing service. ZGlobal views these services as periodic and included these expenses in the 2020 budget estimate only. Future procurements will be additional cost. Two firms offered IRP services. PPG offered to file a compliance RFP on BCE’s behalf for only \$5,000 if selected as the portfolio manager. ZGlobal offered a comprehensive IRP for \$50,500.

Recommendation

We recommend Pilot Power Group be hired for portfolio management and procurement and that the BCE Board authorize the interim executive officers to finalize the negotiations with PPG.

Prior Action:

None.

Fiscal Impact

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachments:

1. Power Supply and Scheduling Coordinator RFP #20-001.
2. Pilot Power proposal for RFP #20-001



BUTTE CHOICE ENERGY

Proposal

Response to
**Request for Proposals
#20-001**

for
Power Supply and
Scheduling Services



PRIMARY CONTACT

Pilot Power Group, Inc.
8910 University Center Lane, Suite 520
San Diego, CA 92122
Contract: Denis Vermette, President and CFO
Phone: 858-678-0118 x101
Email: dvermette@pilotpowergroup.com

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Butte Choice Energy
Attn: Amber Nyquist
c/o EES Consulting, Inc.
570 Kirkland Way, Suite 100
Kirkland, WA 98033

Via email: nyquist@eesconsulting.com

Dear Ms. Nyquist:

Please accept this proposal (“Proposal”) in response to the REQUEST FOR PROPOSAL NO. 20-001 FOR POWER SUPPLY AND SCHEDULING SERVICES for Butte Choice Energy (“BCE”), referred to as the “RFP.”

The primary contact person for the Proposal is:

Name: Denis Vermette, President and Chief Financial Officer
Address: Pilot Power Group, Inc.
8910 University Center Lane Suite 520
San Diego, CA 92122
Telephone: (858) 678-0118 x101
Email: dvermette@pilotpowergroup.com

This Proposal is submitted by Pilot Power Group, Inc. (“Pilot Power”). Pilot Power, a California Corporation headquartered in San Diego, is the prime contractor submitting the Proposal and would be the prime contractor signing the Agreement. Pilot Power is prepared to meet all aspects of the RFP and our fee structure submitted are firm from a period of 120 days from the proposal due date, unless otherwise negotiated with BCE.

Pilot Power has provided innovative energy supply and energy management solutions to customers in California’s deregulated energy market since 2001. Our objectives are completely aligned to ensure BCE is getting the best possible product, service, and advice, unlike other partnerships whose objectives may conflict due to separately held, and potentially competing, management interests.

Pilot Power will work with the leadership and staff of BCE to fulfill the goals and meet its climate action objectives and requirements. Pilot Power’s Proposal includes, but is not limited to, procurement and portfolio optimization, forecasting, analysis, schedule coordination, settlements, long-term resource planning, financial and regulatory compliance.

Our CCA services model will not only provide the path to a successful CCA development, launch, and operation but will also provide:

- Industry Experience
- Transparency
- Accountability
- Superior Professional Service
- Price Discipline and Wholesale Energy Pricing

As outlined in the RFP, Pilot Power exceeds all the minimum qualifications. Moreover, our proposal will demonstrate Pilot Power possesses the experience, knowledge, and skills needed to make BCE's CCA program successful.

- Over 10 years of California energy market experience, including CAISO market operations and regulations applicable to the California energy market
- Over 10 years' experience in power procurement and portfolio management
- Over 10 years' experience in development and evaluation of risk management policies and regulations
- Experienced with electricity load forecasting and data analysis
- Experienced in risk management and energy portfolio management
- Experienced with CCA formation process in California, including regulations, laws and compliance requirements governing CCAs in California
- Experienced with developing and evaluating bids for power resources including financial and economic analysis and modeling of energy demand and market pricing
- Experienced with California energy compliance reporting

Our team of industry professionals has decades of profoundly relevant, high-quality experience in every facet of the energy industry that provides us with the qualifications necessary to ensure the successful development, launch, and operation of BCE's CCA. We are always available to deliver prompt, thoughtful, and expert advice to all CCA stakeholders, including the BCE officials, policymakers, staff, and community.

Thank you for the opportunity to submit this Proposal.

PILOT POWER GROUP, INC.

A handwritten signature in blue ink, appearing to read "Denis Vermette", written over a horizontal line.

Denis Vermette, President and CFO

A. Bidder's Capabilities

Experience with California Markets and Compliance Reporting

Founded in California in 2001, Pilot Power quickly became a leading provider of innovative energy supply and energy management solutions for customers in the deregulated energy market. Furthermore, with the formation of Community Choice Aggregation (“CCA”) in California and across the United States, Pilot Power has also provided our Full-Service Option (“FSO”) to local communities in establishing and operating CCAs.

For over eighteen years, Pilot Power has provided retail customers such as defense contractors, major retailers, property managers, and municipal agencies with an alternative to monopoly energy procurement. We provide provides customers with unique and customized services that can lower costs, reduce risks, and provide greater procurement flexibility. When assisting customers, Pilot Power acts as an independent energy advisor, ensuring customers obtain the energy supply best suited to their particular requirements.

Pilot Power offers a full suite of energy procurement solutions, as well as individually customized programs, providing value at any or all retail customer service points. We offer services which include, but are not limited to, procurement and energy portfolio optimization, forecasting, analysis, scheduling coordination, settlements, long-term resource planning, modeling, financial and regulatory accounting, legal and regulatory (including compliance), risk management, executive management, data management, billing, customer care, and a several of other professional services.

Experience with Resource Planning and Energy Procurement

Pilot Power provides an array of forecasting and procurement services that include, but are not limited to our Direct Access (“DA”) and CCA Clients:

- Engage in contracts and credit negotiation on behalf of our clients;
- Support for planning and executing of procurement for both standard and complex power products, renewables and capacity;
- Project costs and benefits of energy procurement contracts by tracking the historical performance of existing contracts (Examples – Bandwidth, exposure to imbalance, volatility avoidance, the realization of cost savings);
- Load profiling and various analytics/reporting around customer pricing, cost allocations by locations, and various charges breakdown.

Experience with Regulators and Compliance Reporting

With more than a combined 30 years of regulatory experience, Pilot Power's team is always keeping up to date on any changes from a state/federal, California Independent System Operator (“CAISO”), California Public Utilities Commission (“CPUC”), and utility level. We have an internal team of attorneys, regulatory professionals who are not only experienced in regulatory affairs but also across the United States. Furthermore, Pilot Power has retained external regulatory counsel that supports the regulatory functions to ensure that our clients and we stay in compliance and up to date on regulatory changes. They review municipal, state and federal regulatory changes to determine how

it impacts the CCA operations and what challenges they may pose so that we can advise our clients on the best options.

Pilot Power prepares and advises all Federal Energy Regulatory Commission (“FERC”) and California regulatory filings currently for Pilot Power, Western Community Energy (“WCE”), and King City Community Power (“KCCP”). Pilot Power completes all CCA compliance requirements on KCCP’s behalf. We draft all filings, carefully reviewed the filings with KCCP, and submitted the filings on KCCP’s behalf. Additionally, we have administered all communications with governing agencies. We provide KCCP with the ongoing monitoring of CCA related federal, state, and local legislative and regulatory changes. Furthermore, we have had multiple years of regulatory experience in the Direct Access market since 2001.

Regulatory Compliance Reports and related filings that we are making on behalf of Pilot Power and KCCP include, but not limited to, the following regulatory programs:

- CPUC Resource Adequacy
- CAISO Reliability Requirements
- CPUC Renewable Portfolio Standard
- CPUC GHG Emission Performance Standard
- CPUC Energy Storage Procurement
- California Energy Commission Power Source Disclosure
- California Energy Commission Integrated Energy Policy Report
- CAISO Audit
- ARB Retail Load Reporting
- DOE EIA-861 M
- FERC Quarterly Filing

[Experience with CAISO and Power Scheduling](#)

Pilot Power has been providing outstanding Schedule Coordination (“SC”) services to its’ direct access portfolio of clients since 2004. Furthermore, Pilot Power has provided scheduling services for KCCP since July 2018 at the launch of their CCA and has been selected by WCE to provide all scheduling coordination, portfolio management, forecasting, and CRR management beginning April 2020. Pilot Power has also provided scheduling coordination services for municipalities and DA entities such as the City of Corona and Tiger National Gas, Inc., respectively.

All activities, including real-time energy imbalances, CAISO settlement functions, and risk management consulting, are managed and provided out of the San Diego office. Settlements are administered through our Electronic Data Interchange (“EDI”) Transaction and Billing System.

As part of this Proposal, we will make available the main point of contact to attend necessary committee meetings at the BCE location. Also, representatives who most likely will attend such meetings to provide additional support and resources are:

- Sheetal Parr, Vice President Operations and Procurement
- Craig Martin, Vice President Origination

- Denis Vermette, President and CFO

SC services are conducted in compliance with all CAISO and Western Electricity Coordinating Council (“WECC”) requirements, as specified in, e.g., Tariff, Business Practice Manuals, Operational and other publications, and email and verbal interactions with relevant CAISO and WECC staff. We provide the entire range of SC and Settlements services, including preparation, submission, and validation of Day-Ahead Market (“DAM”) and Real-Time (“RT”) schedules. We actively prepare, submit, validate, and monitor both DAM and RT schedules on an ongoing basis. All pre-scheduling activities are conducted in cooperation with clients including the exchange of planned operations and outages, forecasted output (where provided), and bidding strategies.

Pilot Power utilizes all available and relevant CAISO systems to perform SC activities, including the following systems:

- Scheduling Infrastructure & Business Rules (SIBR)—to prepare, validate, submit and monitor DAM and RT Schedule bids;
- Automatic Dispatch System (“ADS”)—to receive and monitor CAISO dispatch instructions;
- Customer Market Results Interface (“CMRI”)—to review market results and relay operational and other information to each client’s operations counterpart;
- Customer Interface for Resource Adequacy (“CIRA”)—to manage and validate Resource Adequacy (“RA”)/Capacity allocations and transactions;
- Master File User Interface—to submit and validate physical and other operational characteristics of generation and load resources;
- Outage Management System (“OMS”)—to submit, monitor, manage and end planned and forced resource outages;
- and other CAISO systems as relevant.

We have developed direct interfaces to several CAISO systems for integration to our internal Scheduling and Settlements software platform.

In addition to providing full CAISO Settlements reporting and analysis services, where clients request, we can modify our standard Settlements reports to include Power Purchase Agreements (“PPA”) and other factors used to calculate gross profit and losses. Our standard reports include metered volume, forecast, schedule, curtailment, and outage information. Furthermore, we review PPA terms to determine scope and opportunities for a resource to participate in, e.g., decremental bidding.

Pilot Power has been a certified Scheduling Coordinator with CAISO since 2004 and has all the licenses and professional credentials relevant to perform the services as specified in the RFP.

B. Scope of Work

[CAISO Scheduling Coordinator Services](#)

Pilot Power has been an active participant in California energy markets since 2001. As a CAISO Scheduling Coordinator and market participant, we will submit all supply and load schedules as well as Settlement Quality Meter Data and other reports required by CAISO for the meters enrolled in the

BCE service territory, and the submission of schedules, bids, and other required information for BCE’s shaped energy, renewable energy, and RA in accordance with the obligations of the SC.

A short-term load forecast model will be developed for daily load forecasting activities associated with scheduling of resources and load. Pilot Power will be responsible for scheduling load on a short-term basis, submitting resources schedules into the day-ahead market, validating CAISO settlements for load settlements, managing real-time energy imbalance exposure, as well as managing Congestion Revenue Rights (“CRR”) annual and monthly allocation nominating process, and auctions if BCE elects to participate. Pilot Power will also prepare and submit regulatory and compliance filings to the CAISO, which include monthly RA compliance reports.

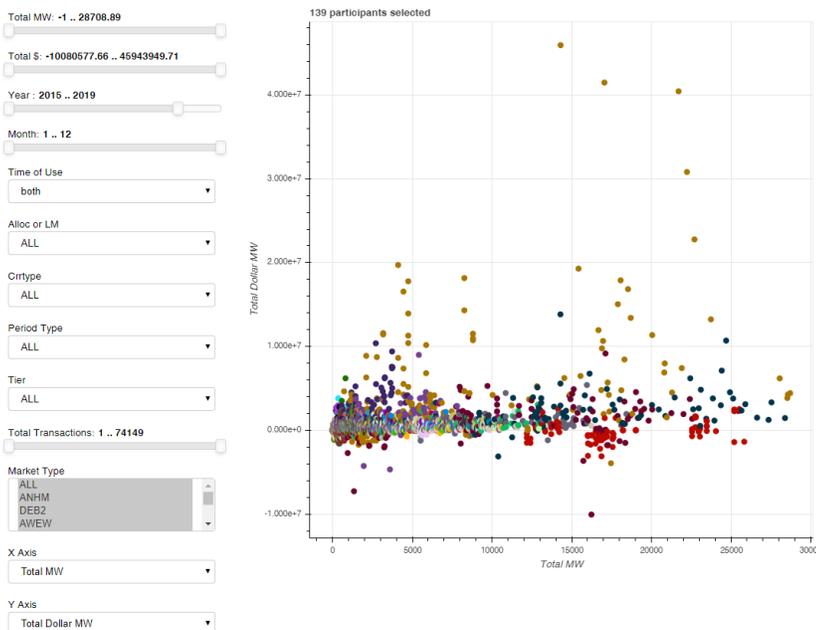
Pilot Power will manage the various financial requirements and obligations, including collateral deposits, as well as regulatory requirements imposed by the CPUC and FERC.

Congestion Revenue Rights

Pilot Power has extensive experience managing CRRs, which we can utilize to analyze and identify source-sink paths to optimize the CRR portfolio and mitigate congestion costs. We have established an algorithm to maximize the possible allocation, by the CAISO, of our client’s nomination, with the highest payout performance. Furthermore, we have a Data Scientist on staff analyzing all CRR market data and market participant performance, enhancing our algorithm, and identifying source-sink opportunities.

MONTHLY STATISTICS PER PARTICIPANT

Interact with the widgets on the left to query a subset of participant/companies to plot. Hover over the lines to see more information



CRR Stats by Participant

In 2004, Pilot became a registered SC with the CAISO. Furthermore, Pilot Power has over nine years of experience using the WREGIS for renewable energy requirements mandated by the state of California.

Regulatory and Compliance

Pilot Power has retained Ellison Schneider Harris & Donlan, LLP (“Ellison Schneider”) to monitor regulatory compliance of any CCA activity involving the CPUC, CEC, CAISO, and CARB. Ellison Schneider keeps Pilot Power informed of any decisions, proposed decisions, resolutions and interim orders, rulings, and directives impacting CCAs. Additionally, they monitor any actual decision that impacts CCA compliance obligations imposed by the CAISO and FERC. As well as advice on any new proposed rule changes and final resulting impacting CCAs imposed by CARB. Furthermore, with the ever-changing regulatory environment has not only retained outside support but also has added two full-time regulatory personnel to navigate the documentation and filings.

Pilot Power completes all CCA compliance requirements for KCCP. We have drafted the initial filings, carefully review the filings with KCCP, and submit the filings on KCCP’s behalf. Additionally, we have administered all communications with governing agencies. We provide KCCP with the ongoing monitoring of CCA related federal, state, and local legislative and regulatory changes.

Regulatory Compliance reports and related filings that we will make on behalf of the CCA include, but are not limited to, the following regulatory programs:

- CPUC Resource Adequacy
- CAISO Reliability Requirements
- CPUC Renewable Portfolio Standard
- CPUC GHG Emission Performance Standard
- CPUC Energy Storage Procurement
- California Energy Commission Power Source Disclosure
- California Energy Commission Integrated Energy Policy Report
- CAISO Audit
- ARB Retail Load Reporting

Risk Management

Pilot Power will work with BCE to develop Wholesale Power Procurement and Power Supply Risk Management policies. Due to the volatility risk inherent in energy commodity prices, an effective hedge strategy will be paramount to the success of the CCA. We will provide a thorough, written CCA Risk Analysis to BCE and work with stakeholders on multiple levels (e.g., public information sessions, individual meetings, website postings, etc.) to provide education and support regarding the CCA Risk Analysis. Pilot Power was instrumental in developing the risk management policy for KCCP and guidance on the risk management policy for WCE. In addition, Denis Vermette has had extensive experience facilitating an Energy Risk Management Policy, not only CCA but for energy service providers (“ESP”) and wholesale trading organizations, with energy portfolio in excess of 4.0 billion across commodities and countries.

The Risk Analysis will contain the following sections:

- Financial Risks
- Energy Market Risks
- Counterparty Credit and BCE Credit Risk
- Legal, Regulatory, and Legislative Risks
- Customer Retention (including rate competitiveness) Risks

We will also provide recommendations regarding measures to address, reduce, and mitigate these risks. We are also prepared to assist BCE with the preparation of a Reserve Policy and Bad Debt Policy

Power Procurement

Pilot Power will provide to general load forecast models to BCE. The first model will provide a long-term load forecast outlining total energy consumption and peak demand by rate class for future years. This will be used for planning and budgeting purposes. The second is a short-term model that will be provided for monthly, weekly, daily, and hourly load consumption. This will be used for activities associated with the scheduling of resources and load.

Forecasts will utilize actual historical load data provided by PG&E in BCE territory. Furthermore, Pilot Power will work with BCE to develop assumptions regarding the number of customers within each rate class, expected growth, and expected opt-out. This information will be used to adjust the expected customer loads at each rate class.

Pilot Power is in a unique position to also have a data manager as its sister company. As such, we are then able to consume the interval data of any Retail account type served by a CCA and run load analysis to profile the procurement needs. We will provide load forecast models to BCE. One model will provide a long-term load forecast outlining total energy consumption and peak demand by rate class for future years; this will be used for planning and budgeting purposes.

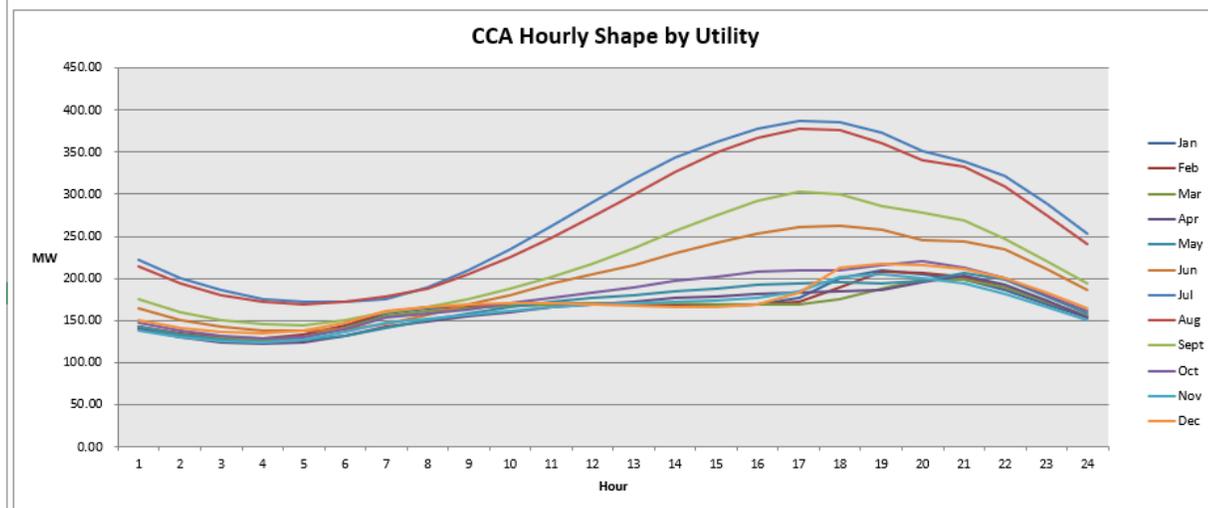
Additionally, a short-term forecast model will be provided for monthly, weekly, daily, and hourly load consumption. This will be used for activities associated with the scheduling of resources and load. Forecasts will utilize actual historical load data provided by PG&E in BCE territory. Furthermore, Pilot Power will work with BCE to develop assumptions regarding the number of customers within each rate class, expected growth, and expected opt-out. This information will be used to adjust the expected customer loads at each rate class.

Pilot Power will run updated load forecasts for the month and through day-ahead and schedule accordingly with the CAISO. Pilot Power uses a combination of models developed in-house, along with third-party load profiling algorithms to calculate hourly load requirements for the month ahead, week ahead, and day-ahead forecasts. The primary inputs for the forecasts include actual historical hourly load profiles, peak demand, and weather forecast. Additional factors include an understanding of and determining correlations of customer base and actual usage given season and temperature. Previous hour, day, or prior week's forecast errors are also analyzed to evaluate bias adjustments for the next day or next hour forecast.

Pilot Power utilizes power settlements as well as other applications to perform functions required for daily and same-day scheduling, dispatch and settlements including:

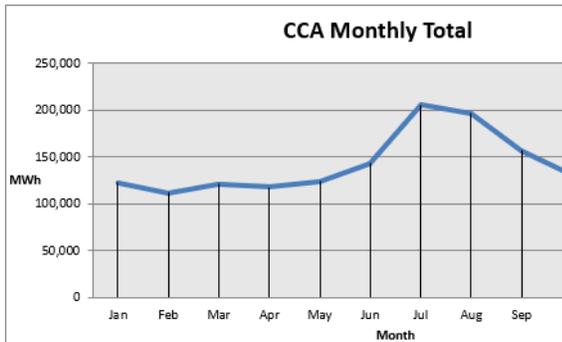
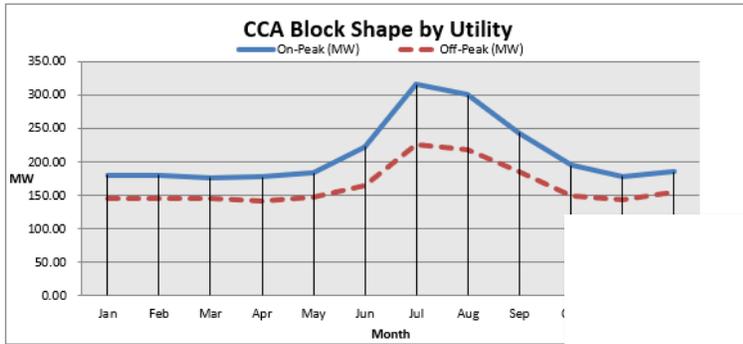
- Maintain operator logs,
- Manage and record outages from CAISO Outage Management System (“OMS”),
- Validate forecasted energy schedules against contracts and create schedules,
- Create and submit to the CAISO schedules and/or price-sensitive offers,
- Monitor prices,
- Monitor generating unit parameters and availability,
- Create and submit Day-Ahead and Real-Time Inter-SC Trades into CAISO,
- Execute and record transactions via Deal Capture, Pilot Power’s in-house built system for managing CAISO transactions.

| | | | | | | | | | | | | | |
|--------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|---------------------|
| Daily Total | 3,971.42 | 3,985.57 | 3,917.34 | 3,894.11 | 4,016.77 | 4,766.51 | 6,590.34 | 6,376.46 | 5,192.31 | 4,232.16 | 3,908.32 | 4,114.27 | Total |
| Days | 31 | 28 | 31 | 30 | 31 | 30 | 31 | 31 | 30 | 31 | 30 | 31 | 365 |
| Total MWh | 123,114.02 | 111,595.96 | 121,437.54 | 116,823.30 | 124,519.87 | 142,995.30 | 204,300.54 | 197,670.26 | 155,769.30 | 131,196.96 | 117,249.60 | 127,542.37 | 1,674,215.02 |

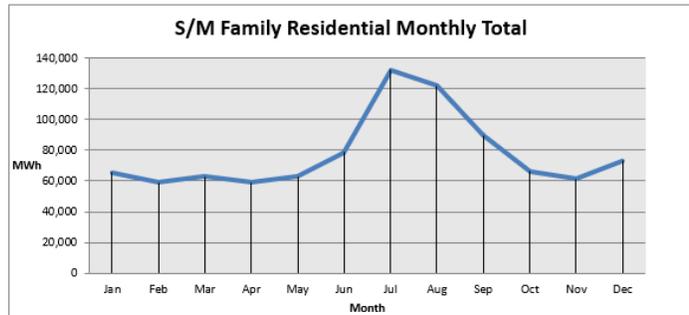
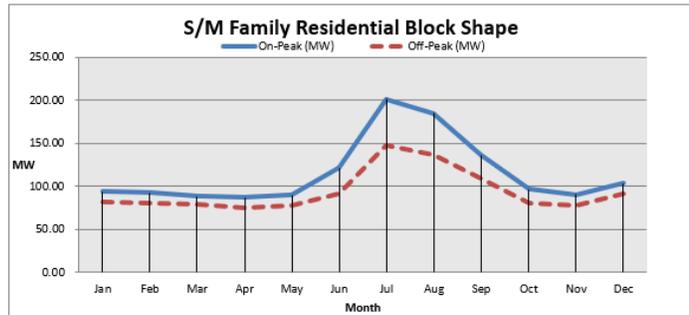


Forecasting Hourly Shape by Load Zone

| CCA by Utility | | | |
|----------------|--------------|---------------|---------------------|
| Month | On-Peak (MW) | Off-Peak (MW) | Monthly Total (MWh) |
| Jan | 180.96 | 145.84 | 122,552.96 |
| Feb | 180.85 | 146.36 | 111,598.08 |
| Mar | 176.52 | 144.86 | 121,308.10 |
| Apr | 178.18 | 142.35 | 117,397.28 |
| May | 183.70 | 146.65 | 123,927.60 |
| Jun | 222.65 | 165.70 | 142,995.20 |
| Jul | 315.48 | 227.06 | 205,715.36 |
| Aug | 300.21 | 217.88 | 196,352.00 |
| Sep | 243.68 | 185.11 | 156,707.20 |
| Oct | 195.29 | 150.10 | 130,473.44 |
| Nov | 178.60 | 143.15 | 117,391.15 |
| Dec | 185.89 | 154.62 | 128,045.60 |



| Single-Multi Family Residential | | | |
|---------------------------------|--------------|---------------|---------------------|
| Month | On-Peak (MW) | Off-Peak (MW) | Monthly Total (MWh) |
| Jan | 93.72 | 81.90 | 65,661.60 |
| Feb | 92.51 | 81.17 | 58,900.80 |
| Mar | 88.34 | 78.92 | 62,707.00 |
| Apr | 86.97 | 75.77 | 59,213.60 |
| May | 90.14 | 78.10 | 62,922.40 |
| Jun | 121.24 | 92.17 | 78,455.52 |
| Jul | 201.88 | 147.34 | 132,309.60 |
| Aug | 185.13 | 137.54 | 122,127.20 |
| Sep | 136.68 | 109.42 | 89,686.40 |
| Oct | 96.50 | 80.03 | 66,393.84 |
| Nov | 90.62 | 78.01 | 61,289.21 |
| Dec | 103.45 | 92.32 | 73,316.16 |



Forecast Block Shape by Utility

Forecasting Block Shape by Rate Class

Optional - Integrated Resource Plan (IRP)

Consistent with the requirements of applicable laws and regulations and tailored to the CCA's long-term goals and objectives, we prepare the annual update of the CCA's Long Term Integrated Resource Plan ("LT-IRP"). The LT-IRP will include, at a minimum, the following 5, 10 and 20-year forecasts for:

- Load
- Proforma performance
- Procurement
- Conventional, RPS, and Carbon-free market trends
- Demand side, storage, efficiency, and fuel switching forecasts
- Legal, regulatory and legislative activity

We will further assist the CCAs in ensuring that the LT-IRP is consistent with and provides guidance to nearer-term CCA planning and decision making.

C. Schedule

BCE's RFP did not provide a structure of the Scope of Work through a Phased approach, however, we have outlined the schedule in two phases: Pre-Launch and Launch and Operations. This is not an exhaustive list of responsibilities.

Pre-Launch

- Coordinate with selected data manager, vendors, BCE staff, and familiarize ourselves with the project timeline, and implementation plan
- Assist data manager with the collection, transformation, and analysis of historical meter data
- Prepare monthly load and supply forecast
- Design and develop Rate Setting structure for various rate classes
- Prepare for CAISO market participant requirements, agreements between BCE and CAISO
- Prepare for CCA Service Agreement with PG&E
- Prepare the Binding Notice of Intent with PG&E
- Registration with CARB
- Registration with WREGIS
- Prepare risk management policies
- Procurement RFP design, management, and selection
- Assist with negotiation and contracting services
- Procurement Services – identify and establish potential counterparties
- Design and develop FIT and NEM rates

Launch and Program Operations

- Power Purchases
- Regulatory and legislative monitoring related to CCAs
- Monthly and annual Resource Adequacy filings

- Monthly and annual load forecasting to regulatory agencies
- Annual Renewable Portfolio Standard reports and plans to regulatory agencies
- Annual ESP attestation and annual SSP filings
- Provide data required for financial accounting working with BCE Financial Advisor
- Scheduling Coordinator services
- Maintain credit facilities with CAISO
- Provide weekly forecasting of hourly forecast loads
- Submit demand bids to Day-Ahead market
- Submit supply bids to Day-Ahead market
- Settlement validation and allocation of costs
- Congestion Revenue Rights bid strategy development and implementation

| ID | Project Item | Duration | Start | Finish | Parties |
|-----------|---------------------------------------|--------------|-----------------|----------|-------------------|
| 1 | Technical and Supply Analysis | 4 weeks | 3/1/20 | 4/2/20 | PILOT |
| 2 | Load Data – Build Load Forecast | 2 weeks | 4/2/20 | 4/16/20 | PILOT |
| 3 | Develop Initial Revenue Forecast | 1 week | 4/16/20 | 4/23/20 | PILOT |
| 4 | Obtain Energy Costs | 1 week | 4/23/20 | 4/30/20 | PILOT |
| 5 | Finalize Operating Budget | 2 weeks | 4/30/20 | 5/13/20 | BCE, PILOT |
| 6 | Draft Proforma | 1 week | 5/13/20 | 5/20/20 | PILOT |
| 7 | Obtain SD&E Rates | 1 week | 5/20/20 | 5/27/20 | PILOT |
| 8 | Develop Rate Options | 2 weeks | 5/27/20 | 6/11/20 | BCE, PILOT |
| 9 | Finalize Rate Options | 2 weeks | 6/11/20 | 6/25/20 | BCE, PILOT |
| 10 | Review Rate Approval Process | 2 weeks | 6/25/20 | 7/8/20 | BCE, PILOT |
| 11 | Update Proforma | 1 week | 7/8/20 | 7/15/20 | PILOT |
| 12 | Draft Supply RFP | 2 weeks | 7/15/20 | 7/29/20 | PILOT |
| 13 | Release Supply RFP | 4 weeks | 7/29/20 | 8/29/20 | PILOT |
| 14 | Bid Evaluations | 2 weeks | 8/29/20 | 9/12/20 | BCE, PILOT |
| 15 | Short List Bidders | 1 day | 9/12/20 | 9/13/20 | BCE, PILOT |
| 16 | Draft Master Purchase Agreement | 2 weeks | 9/13/20 | 9/27/20 | PILOT |
| 17 | Negotiations with Suppliers | 4 weeks | 9/27/20 | 10/27/20 | PILOT |
| 18 | Finalize and Approval Contracts | 2 weeks | 10/27/20 | 11/11/20 | BCE, PILOT |
| 19 | CAISO Registration | 4 weeks | 11/11/20 | 12/11/20 | PILOT |
| 20 | PG&E Service Agreement | 4 weeks | 12/11/20 | 01/11/21 | PILOT |
| 21 | WREGIS and CARB Registration | 2 weeks | 01/11/21 | 01/25/21 | PILOT |
| 22 | Bond/Security Posting | 1 week | 01/25/21 | 2/1/21 | BCE, PILOT |
| 23 | Develop and File IRP | 4 weeks | 2/1/21 | 3/1/21 | PILOT |
| 24 | Obtain Updated PG&E Rates | 1 week | 3/1/21 | 3/8/21 | PILOT |
| 25 | Finalize Rate Options | 1 week | 3/8/21 | 3/15/21 | PILOT |
| 26 | 2020/2021 Final Rate Approval Process | 2 weeks | 3/15/21 | 4/1/21 | BCE, PILOT |
| 24 | BCE Launch Date | 1 Day | 4/1/2021 | | BCE, PILOT |

D. Proposed Budget and Cost of Services

In this Proposal, Pilot Power is offering RFP-compliant Day 1 and Day 2 services as well as enhanced additional services. Any out-of-pocket travel expenses will be billed at cost with no markup. Out-of-pocket expenses will be summarized monthly and submitted to BCE for reimbursement. Consultant time relating to travel will not be billed to BCE when related to the scope of this project and is included in the cost of the proposal. Any out-of-pocket fees associated with Utility or CAISO set-up will be billed at cost with no markup.

Day 1 Services – Prelaunch Fee Structure (Mar 1, 2020 - Mar 31, 2021)

| Task | Price | Frequency |
|--|----------------|-------------------------|
| Schedule Coordination and Settlement Services | \$1,000 | One-time |
| Regulatory Services | \$2,000 | Monthly not to exceed** |
| Risk Management Policy | \$5,000 | One-time |
| Portfolio Management, Power Procurement, and Power Supply RFPs | \$11,000 | Monthly not to exceed** |
| Integrated Resource Plan Services | \$5,000 | One-time |
| CRR Initial Set-up* | \$5,000 | One-time |
| CRR Deposit Credit Support Fee | WSJ Prime + 2% | Monthly |
| CAISO Collateral Support Fee‡ | WSJ Prime + 2% | Monthly |

***Fee will be charged at the hourly rate when services have been initiated to the cap indicated.*

Day 1 Services – Post Launch Fee Structure (Apr 1, 2021 - Dec 31, 2021)

| Task | Price | Frequency |
|--|------------------|------------|
| Schedule Coordination and Settlement Services | \$15,000 | Monthly |
| Regulatory Services | \$4,500 | Monthly |
| Risk Management Policy (Update) | \$1,000 | Per Update |
| Portfolio Management, Power Procurement, and Power Supply RFPs | \$11,000 | Monthly |
| Integrated Resource Plan Services (Update) | \$5,000 | Per Update |
| CRR Management† | 10% of Revenue** | Monthly |
| CRR Deposit Credit Support Fee† | WSJ Prime + 2% | Monthly |
| CAISO Collateral Support Fee‡ | WSJ Prime + 2% | Monthly |

***CRR Fee will be a profit-sharing approach, Pilot will charge 10% of the monthly CRR revenue.*

Day 2 Services (Jan 1, 2022 – Dec 31, 2023)

| Task | Price | Frequency |
|---|----------|------------|
| Schedule Coordination and Settlement Services | \$13,500 | Monthly |
| Regulatory Services | \$4,500 | Monthly |
| Risk Management Policy | \$1,000 | Per Update |

| | | |
|--|----------------|------------|
| Portfolio Management, Power Procurement, and Power Supply RFPs | \$11,000 | Monthly |
| Integrated Resource Plan Services | \$5,000 | Per Update |
| CRR Management† | 10% of Revenue | Monthly |
| CRR Deposit Credit Support Fee† | WSJ Prime + 2% | Monthly |
| CAISO Collateral Support Fee‡ | WSJ Prime + 2% | Monthly |

***CRR Fee will be a profit-sharing approach, Pilot will charge 10% of the monthly CRR revenue.*

†As an optional CRR service – Pilot Power will fund the \$500,000 deposit required to participate in the CAISO CRR market, in consideration for the funding the deposit with the CAISO and duties performed in the annual and monthly allocation process. Pilot Power shall be entitled to 25 percent of the revenues generated by the CRR allocation process, providing BCE with 75 percent of the revenues generated. Under this optional CRR services structure, BCE will not be required to pay the CRR Deposit Credit Support Fee.

‡CAISO Collateral Support - As part of managing BCE’s portfolio and SC services, Pilot Power will be posting credit support relating to the financial requirements and obligations with the CAISO on BCE’s behalf. The ongoing credit facility charge represents the cost associated with this benefit to BCE. This charge will be based on BCE collateral requirements with the CAISO, accrue interest at an APR equal to the published Wall Street Journal's current prime rate plus 2% and invoice for each month. At a future date after the CCA has been operational long enough to build up its own reserves and credit if BCE chooses to post its own collateral with the CAISO instead of utilizing Pilot Power’s then this charge would be eliminated.

Supplier Credit Support - Pilot Power has a relationship with a credit provider, who is a multinational investment-grade energy company, who would be open to the possibility of acting as BCE’s credit support provider (“Credit Provider”) for BCE energy and renewable supply. The Credit Provider is enabled with several major energy suppliers in the nation. This approach would relieve BCE from having to provide Letters of Credit or other forms of security to procure energy in the market. The fee for this service would be an adder per MWh on any volumes BCE utilizes credit support from the Credit Provider. If Pilot Power is shortlisted for an interview, and BCE is interested in the Credit Provider arrangement, the Credit Provider will be available at the interview to answer further questions regarding the structure.

Special Project Consulting Services - At the request and approval of BCE, personnel and travel time required for specials projects or consulting services outside of this Proposal will be billed at the rates outlined below, and any out of pocket expenses be billed at cost with no markup.

| Special Project Consulting Services | | | |
|-------------------------------------|----------------------|----------|-------------|
| Time & Material | Executive Consultant | \$280.00 | Hourly Rate |
| | Senior Consultant | \$230.00 | Hourly Rate |
| | Consultant | \$170.00 | Hourly Rate |
| | Analyst | \$90.00 | Hourly Rate |

E. References

The following organizations, partners, and customers are references that illustrate a sampling of the strong professional relationships that Pilot Power holds with those we work for and with to deliver value to our customers and community. The primary contact for each reference has been contacted and is ready and willing to talk with BCE staff should they be called upon.

City of King – CCA



Contact:

Steve Adams, City Manager

212 south Vanderhurst Avenue
 King City, CA 93930
 831-386-5917
 sadams@kingcity.com

Company Description:

King City is a city in Monterey County, California, United States. King City is located on the Salinas River 51 miles (82 km) southeast of Salinas, at an elevation of 335 feet (102 m). It lies along U.S. Route 101 in the Salinas Valley of the Central Coast. King City is a member of the Association of Monterey Bay Area Governments.

Scope:

Pilot Power provides an array of forecasting and procurement services for KCCP that include, but are not limited to:

- Support for planning and executing of procurements for power products, renewables and capacity
- Project costs and benefits of energy procurement contracts by tracking the historical performance of existing contracts
- Load profiling, analytics, reporting around Customer pricing, cost allocations by locations, and various charges breakdown
- Prepare and submit to the CPUC the required Integrated Resource Plan on behalf of KCCP

Western Community Energy



Contact:

Barbara Spoonhour, Deputy Executive Director

Western Community Energy
 Riverside CA 92501
 Phone: (951) 405-6760

Company Description:

Western Community Energy (WCE) is a CCA program developed by WRCOG to serve interested communities in Western Riverside County. Offering its community with competitive energy rates compared to those offered by Southern California Edison (SCE). WCE is scheduled to launch in April 2020.

Scope:

Pilot Power provides an array of forecasting and procurement services for WCE that include, but are not limited to:

- Support for prepare and issue RFPs, contract negotiations, and executing of procurements for power products, renewables and capacity
- Project costs and benefits of energy procurement contracts by tracking the historical performance of existing contracts ((Examples – Bandwidth, exposure to Imbalance, volatility avoidance, the realization of cost savings)
- Load profiling, analytics, reporting around Customer pricing, cost allocations by locations, and various charges breakdown

Irvine Company



Contact:

Rich Bluth, Vice President Energy Management

Irvine Company Office Properties
111 Innovation
Irvine, CA 92617
Telephone: (949) 720-2216
Email: rbluth@irvinecompany.com

Company Description:

Irvine Company is one of California’s oldest and most respected companies. In the early 1960s, Irvine Company started to master plan and develop the ranch land, which stretched from the Santa Ana Mountains to the Pacific Coast. Today, Irvine Company plans and brings life balanced, sustainable communities throughout coastal California.

Scope:

Pilot Power provides an array of forecasting and procurement services for Irvine Company that include, but are not limited to:

- Support for planning and executing of procurements for power products, renewables and capacity
- Project costs and benefits of energy procurement contracts by tracking the historical performance of existing contracts ((Examples – Bandwidth, exposure to Imbalance, volatility avoidance, the realization of cost savings)
- Load profiling, analytics, reporting around Customer pricing, cost allocations by locations, and various charges breakdown

Northrop Grumman



Contact:

James Vicedomine, Energy Manager

Northrop Grumman Systems Corporation
100 Brickstone Square
Andover, MA 01810
Email is the preferred method of contact:
Telephone: (978) 247-7842
Email: james.vicedomine@ngc.com

Company Description:

Northrop Grumman is an American global aerospace and defense technology company. Northrop Grumman is made up of four main business sectors: Aerospace Systems, Mission Systems, Technology Services, and Innovation Systems.

Scope:

Pilot Power provides an array of forecasting and procurement services for Northrop Grumman that include, but are not limited to:

- Support for planning and executing of procurements for power products, renewables and capacity
 - Project costs and benefits of energy procurement contracts by tracking the historical performance of existing contracts ((Examples – Bandwidth, exposure to Imbalance, volatility avoidance, the realization of cost savings)
- Load profiling, analytics, reporting around Customer pricing, cost allocations by locations, and various charges breakdown

F. Project Team Staffing

Denis Vermette, MBA

President and Chief Financial Officer

Pilot Power Group, Inc.
8910 University Center Lane, Suite 520
San Diego, CA 92122
Phone: 858-678-0118 x101
Email: dvermette@pilotpowergroup.com

Educational Background

B.A., Economics, University of Calgary, Canada
MBA, Mays Business School at Texas A&M

As President and Chief Financial Officer, Mr. Vermette is responsible for Pilot Power's business development, financial, and accounting functions. He has over twenty-five years of leadership experience in the energy industry, with over ten years of retail energy experience.

Before joining Pilot Power, Mr. Vermette was the CFO and Corporate Treasurer at several electric and natural gas retail energy companies with operations throughout the United States. Other positions held by Mr. Vermette include finance, credit, and market risk positions at investor-owned utilities such as AGL Resources, Dominion Resources, and Ameren Corporation. Mr. Vermette is also a leader in the credit community, having served various board and committee positions with the International Energy Credit Association (IECA), including the position of President.

Mr. Vermette holds a Master of Business Administration from the Mays Business School at Texas A&M University and a B.A. in Economics from the University of Calgary.

Sheetal Parr, MBA

Vice President, Operations and Procurement

Pilot Power Group, Inc.
8910 University Center Lane, Suite 520
San Diego, CA 92122
Phone: 858-678-0118 x125
Email: sparr@pilotpowergroup.com

Ms. Parr joined Pilot Power in May 2017 as Vice President of Operations managing day to day operations, procurement responsibilities, and regulatory filings. Ms. Parr has over 16 years of experience in both North American Natural Gas and Power markets, holding various trading, marketing, operations, and functional support roles. Prior to joining the team, Ms. Parr worked at Power Costs Inc., where her primary responsibilities were product development for their Natural Gas ETRM system. During her term at PCI, she was also responsible for project management and system implementation for their clients.

Ms. Parr also worked at Shell Energy North America for 10 Years. During her tenure at Shell,

Educational Background

B.S., Business Administration, Finance, State of New York University at Buffalo
MBA, Regis University, Denver, Colorado

she held various roles in Management, Sales, and Accounting. She was awarded Shell Commitment Award in 2011 for being the lead for the commercial and industrial team for the successful implementation of the Single Gas Platform. She was also chosen as a candidate for Shell Project Better World in Sirsi, India, in 2015. She participated in the program collecting various research data and working closely with the scientists to explore the impacts of fragmentation, degradation, and climate change on the forests of the Western Ghats and their associated human and wildlife communities.

Ms. Parr started her career in accounting with a Natural Gas Utility based out of Buffalo, NY. During this time, she advanced into trading, scheduling, and market planning. Ms. Parr holds a Master of Business Administration degree from Regis University in Denver, Colorado and a B.A. in Finance from the State University of New York at Buffalo.

Angela Gregory

Manager, Regulatory Affairs

Pilot Power Group, Inc.
8910 University Center Lane, Suite 520
San Diego, CA 92122
Phone: 713-253-9891
Email: agregory@pilotpowergroup.com

Ms. Gregory has worked in the energy industry for almost 15 years with experience in upstream and downstream markets for electricity and natural gas. Most recently, Angela's experience has been focused on regulatory affairs for deregulated markets. Prior to Pilot Power, Ms. Gregory worked for EDF Trading North America and Direct Energy. She is a graduate of Texas A&M University

Educational Background

B.S. Human Nutrition, Texas A&M University, College Station, TX

Andy Anderson

Regulatory Analyst

Pilot Power Group, Inc.
8910 University Center Lane, Suite 520
San Diego, CA 92122
Phone: 858-678-0118 x 116
Email: aanderson@pilotpowergroup.com

Educational Background

M.A. Sociology, San Diego State University,
San Diego, California
B.A. English, Metropolitan State University
of Denver, Denver, Colorado

Mr. Anderson joined EDMS, LLC. in March 2017 as an Operations Analyst assisting with day to day operations, including processing and submitting Settlement Quality Meter Data to the CAISO, as well as conducting regulatory matters for both Direct Access and Community Choice Aggregation customers. Prior to joining EDMS, Mr. Anderson worked at ClosingCorp in San Diego, California, where his primary responsibilities were data governance and compliance research and verification. Mr. Anderson holds an M.A. degree in Sociology from San Diego State University in San Diego, California, and a B.A. in English from the Metropolitan State University of Denver in Denver, Colorado.

Reina Amo, MBA

CCA Operations Lead

Pilot Power Group, Inc. / EDMS, LLC
8910 University Center Lane, Suite 520
San Diego, CA 92122
Phone: 858-678-0118 x 120
Email: ramo@edms-llc.com

Educational Background

B.S., Entrepreneurship, University of San
Carlos, Cebu, Philippines
MBA, California International Business
University, San Diego, CA

Ms. Amo joined EDMS LLC in August 2018 and manages a customer portfolio with over 90 customers and over 8,000 service locations. She has over 4 years of experience in Gas and Commercial Fuel markets. Prior to joining the team, Ms. Amo worked at Shell Philippines and Qatar Petroleum, where she handled various marketing, operations, and support roles. In her current role as CCA Operations Lead, Ms. Amo has helped ensure the success of their CCA in Northern

California, where her team is responsible for account maintenance, billing, and troubleshooting meter communication issues with utilities and clients. Ms. Amo holds a Master of Business Administration degree from California International Business University in San Diego, California, and a B.S. in Entrepreneurship from the University of San Carlos in Cebu, Philippines.

G. Company Overview

Founded in California in 2001, Pilot Power Group, Inc. quickly became a leading provider of innovative energy supply and energy management solutions for customers in the deregulated energy market. Furthermore, with the formation of CCA in California and across the United States, Pilot Power has also provided our Full-Service Option (“FSO”) to local communities in establishing and operating CCAs, including Schedule Coordination services and Load Forecasting services.

For over 18 years, Pilot Power has provided customers with unique and customized services that can lower costs, reduce risks, and provide greater procurement flexibility. When assisting customers, Pilot Power acts as an independent energy advisor, ensuring customers obtain the energy supply best suited to their particular requirements. Pilot Power offers a full suite of energy procurement solutions, as well as individually customized programs, providing value at any or all retail customer service points. Pilot Power offers services which include, but are not limited to, procurement and energy portfolio optimization, forecasting, analysis, scheduling coordination, settlements, long-term resource planning, modeling, financial and regulatory accounting, legal and regulatory (including compliance), risk management, executive management, data management, billing, customer care, and a number of other professional services.

In 2004, Pilot became a registered SC with the CAISO. Furthermore, Pilot Power has over nine years of experience using WREGIS for renewable energy requirements mandated by the state of California.

To maximize efficiencies while minimizing the CCA resource impacts, we provide comprehensive, seamless, and complete services to our CCA customers. Nearly all of our services are staffed in-house, eliminating the need for additional time and resource-consuming RFPs, the coordination of multiple service contracts, and the potential for vendor-to-vendor miscommunications and conflicts.

| Organization | Principal Officers |
|--|--|
| <p>Pilot Power Group, Inc. 8910 University Center Lane, Ste. 520 San Diego, CA 92122 Phone: 858-678-0118 Toll-Free: 1-855-42ENERGY (3-6374)</p> <p>Legal Structure: California Corporation</p> <p>Established: 2001</p> <p>Certified CAISO SC: Yes</p> <p>DUNS #: 930453365 SIC #: 8748</p> | <p>Primary Contact: Denis Vermette Telephone: (858) 678-0118 Fax Number: (858) 678-0353 E-Mail: dvermette@pilotpowergroup.com</p> <p>Principal Officers: John P. Mellor, <i>Chief Executive Officer</i> Denis Vermette, <i>President and CFO</i> Ian Middleton, <i>Chief Operating Officer</i> Tom R. Darton, J.D., <i>VP and General Counsel</i> Sheetal Parr, <i>Vice President, Operations and Procurement</i></p> |

We have utilized our long-established relationships with various energy wholesalers to procure energy products for KCCP, WCE, and our other DA clients in all 3 utility territories, eliminating the need for the CCA to engage in this resource- and credit-consuming endeavor. Furthermore, we were selected to serve WCE in the SCE territory to perform portfolio management and schedule coordinating services, which is scheduled to launch in April 2020. Moreover, our unique procurement model ensures that our clients receive independent procurement advice and transparent, disciplined pricing. Since 2001, we have served the wholesale energy needs of California's commercial and industrial DA customers using this model and continue to use it for CCAs. This experience has led to Pilot Power retaining its current client list at an exemplary ninety-plus percent retention rate.

H. Statement of No Conflict/Anti-Trust

Pilot Power Group, Inc. and its staff members shall at all times exercise good faith in all matters relating to their duties and responsibilities to BCE, act in the best interest of BCE when discharging their duties and comply with BCE's Code of Ethics and the requirements of California Government Code section 1090.

Each Pilot Power employee is responsible for recognizing a potential conflict-of-interest and for disclosing it pursuant to the procedures described below.

If a conflict of interest exists or may exist whenever Pilot Power or its staff member has any involvement, interest or relationship, directly or indirectly, in a proposed transaction with BCE from which the Pilot Power or the staff member receives, or may be perceived as receiving, financial or other benefits. Pilot Power employees are required to report any conflicts of interest, or potential conflicts of interest, regardless of whether preceding transactions have been reviewed and approved.

To Pilot Power's knowledge, Pilot Power does not have any grounds for assuming any conflict of interest exists in responding to this RFO or working with the BCE in any manner, whatsoever.

I. Additional Questions (CONFIDENTIAL – Not for Public Release)

Details on Experience

- 1) Does your firm currently provide Scheduling Coordinator services to one or more CCAs? If yes, please list the CCAs.

Yes, in addition to serving as a CAISO certified Scheduling Coordinator since 2004, we have or will provide scheduling coordination services to the following CCA:

King City Community Power

Western Community Power - starting April 1, 2020

- 2) Does your firm currently provide Scheduling Coordinator services to entities other than CCAs that reside within CAISO? If yes, please list the entities.

Yes, we have provided scheduling coordination services to the following customers:

Pilot Power Group (our own book of DA customers)

Northrup Grumman

Irvine Corporation

Tiger Energy

City of Corona

- 3) Does your firm currently provide scheduling services to entities outside CAISO? If yes, please list the entities.

Yes, we are approved to provide scheduling services in the following ISOs:

ERCOT

PJM

NYISO (Pending)

ISO-NE (Pending)

- 4) Please provide the names of the entities for whom your firm has purchased Resource Adequacy Capacity? Please specify whether or not your firm has purchased designated system, local RA and/or flexible RA capacity for the entities.

Yes, we have purchase local RA, system and flex RA in various regions throughout California.

Pacific Gas and Electric

SoCal Edison

San Diego Gas and Electric

Calpine

Conoco

Middle River Power

NRG

Shell Energy

Project Management

- 5) Out of which of your firm's offices would BCE real-time energy imbalances be managed?

Will be managed out of the San Diego office.

- 6) Out of which of your firm's offices would CAISO settlement functions be managed?

Will be managed out of the San Diego office.

- 7) What settlement software would your firm use to manage BCE's settlements?

Pilot Power uses a platform developed by its sister company, EDMS, LLC, for all phases of CAISO operations. EDMS has spent more than a decade developing and refining their platform to the best in class offering that it is today.

- 8) Out of which of your firm's offices would risk management services be managed?

Will be managed out of the San Diego office.

- 9) Would a representative of your firm be available to attend periodic power supply planning or risk oversight committee meetings at the BCE location? If so, please provide the name of the representative(s) that would be most likely to fulfill this service.

Absolutely, we are available to attend in-person meetings. The individuals who are most likely to attend are:

Denis Vermette

Sheetal Parr

Power Resources

- 10) Does your firm have access to renewable energy resources or PPAs that could be used to serve BCE load beginning in 2021? If yes, please list the specific resources and quantity available or, if the information is confidential, the resource types and a range of quantities available. Also, specify whether any of the resources are within Butte County.

Yes, Pilot Power has access to renewable energy resources and is working with multiple suppliers and developers in the California market. Several renewable projects are currently in flight with Planned COD as early as 2022. None of the developers we are working with are located in Butte county.

- 11) Does your firm have access to non-renewable energy resources or PPAs that could be used to serve BCE load beginning in 2021? If yes, please list the specific resources and quantity available or, if the information is confidential, the resource types and a range of quantities available. Also, specify whether any of the resources are within Butte County.

Yes, Pilot Power has access to non-renewable energy resources that could be used to serve BCE load. We have several large suppliers available how would be interested in working with BCE size of the load.

- 12) Does your firm have the ability to develop new renewable resources on behalf of the CCA within or outside of Butte County?

Yes, Pilot Power multiple relationships with renewable resource developers and who would be interested in working with BCE on a development project.

- 13) Does your firm have access to Renewable Energy Certificates that could be used to help BCE meet its renewable energy goals beginning in 2021? If yes, please provide REC prices by Portfolio Content Category (i.e. PCC 1, 2 and 3).

Pilot Power would be extending RFP to multiple suppliers to obtain the best price possible for BCE. Prices today would not be applicable to prices at the time an RFP is extended.

- 14) Does your firm currently hold long-term transmission contracts that could be used to wheel power to BCE's service territory? If so, please specify the transmission paths and capacities available on those paths.

We do not have long-term transmission contracts that could be used to wheel power to BCE service territory.

Pricing and Terms

- 15) Please provide indicative pricing for hourly load shaped energy, inclusive and exclusive of ancillary services for the years 2021, 2022 and 2023. The expected mix of resource types should be provided as well and match BCE's Business Plan portfolio options. The CCA is planning on offering alternatives to its customers and therefore pricing should be provided for each of the following alternatives:

- a. Meeting RPS standards
- b. 50% renewable
- c. 100% renewable

Pilot Power would be extending RFP to multiple suppliers to obtain the best price for possible for BCE. Prices today would not be applicable to prices at the time an RFP is extended.

- 16) Please provide indicative scheduling coordinator fees and any other service fees that would be assessed to BCE under a contract with your firm.

Fees for all services, including SC are outlined in the Proposed Budget and Cost of Services section.

- 17) Please indicate your firm's proposed term for scheduling coordinator services. BCE envisions a 2-4-year term for this initial content but is flexible on duration.

We are flexible for our term structure; preference is a minimum of 2 years but open to a 5-year term for ongoing SC services.

Financing/Credit

- 18) Is your firm willing to defer its internal fees during the 3-month start-up phase until BCE begins receiving revenue from customers? If so, would there be any added cost associated with this deferral?

We are open to the concept of deferring our fees during the 3-month start-up phase until BCE begins receiving revenue from its customers. There are a couple of approaches that can be taken either term out the deferred fees over a specified time frame or lag due date from the month the revenue was accrued. Either approach would incur a Credit Support fee as outlined in the Cost Section of the proposal.

- 19) Is your firm able to provide a delay in billing for power supply during part of the start-up phase until BCE begins receiving revenue from customers? If so, would there be any added cost associated with this deferral?

Pilot Power has a relationship with a credit provider, who is a multinational investment-grade energy company, who would be open to the possibility of deferring the billing of power supply as part of BCE's start-up phase. There would be an adder per MWh added to the volumes deferred for payment.

- 20) Does your firm have the ability to use its own credit facilities on behalf of BCE when procuring power for BCE?

Pilot Power has a relationship with a credit provider, who is a multinational investment-grade energy company, who would be open to the possibility of providing the credit support needed to procure power for BCE.

- 21) What is required for CAISO security deposits and does your firm have the ability to provide the deposits upfront? If so, at what cost?

Pilot Power has the ability to provide the security deposit required with the CAISO. The cost would be the Credit Support fee outline in the Cost Section of the proposal.

- 22) What level of security deposit is required for power supply purchases and does your firm have the ability to provide the deposits upfront?

Pilot Power has a relationship with a credit provider, who is a multinational investment-grade energy company, who would be open to the possibility of providing the credit support needed to procure power for BCE.

Reporting

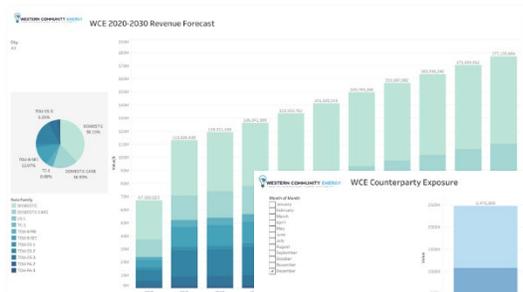
- 23) Please provide an outline of the Business Intelligence and Reporting tools you will provide to BCE. Reporting tools can provide any of the following:

- a. Reporting for analytics
- b. Visualization and reporting
- c. Self-Service Reporting
- d. Aggregation of data reporting
- e. Risk management and performance reporting.
- f. Finance related reporting.

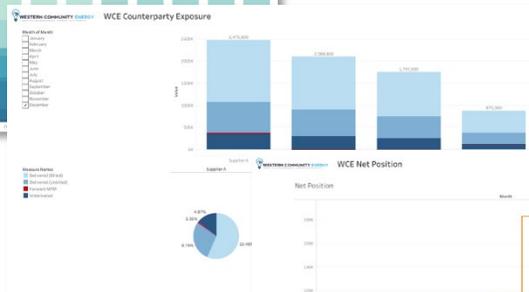
Pilot Power is assisting CCA with its community program, providing data analysis of their load for forecasting, analytics, program design and financial performance. For example, Pilot Power, nor EDMS, LLC, is the data manager; however, Pilot Power will be consuming all the load data and EDI files for WCE to provide staff and board members with online tools to monitor their performance and analytics on any device, computer, tablet, or phone. A sample of a few of the visualization tools provided to WCE, which can be accessed by any staff or board member of WCE at their leisure.

Pilot Power will facilitate the same level of reporting and analytics for BCE.

Reporting Visualization Sample



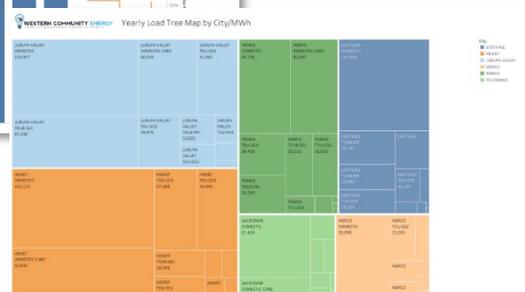
Revenue by Rate Class



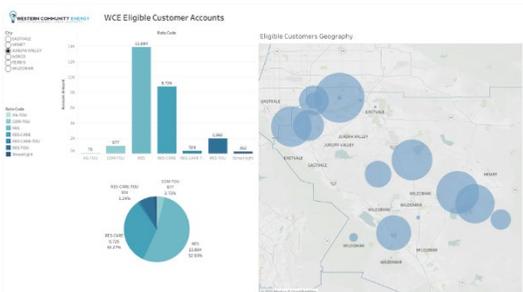
Supplier Exposure



Hedge Effectiveness



Load by City Tree Map



Customer and Load Map

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BUTTE CHOICE ENERGY AUTHORITY

Staff Report – Item 4d

To: Butte Choice Energy (BCE) Board of Directors

From: Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte

Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

Subject: Retain Power Scheduling Coordinator Consultant

Date: March 9, 2020

The purpose of this item is to recommend a contract between Butte Choice Energy and ZGlobal for scheduling coordinator services. This action will allow BCE to begin the process of registering with the CAISO and becoming a wholesale power market participant.

Requested Actions:

1. For the BCE Board to authorize the interim executive officers to finalize negotiations with ZGlobal for scheduling coordinator services to BCE.

Background

An RFP for Power Supply Scheduling Coordinating Services was issued on January 28, 2020. The RFP was directly emailed to no less than 10 firms, many of whom had responded to a similar RFP released by another CCA. The RFP was also posted on the BCE website and an article published in the local paper directing interested parties to the BCE website for bid opportunities.

No questions were asked by the deadline and we received a total of 4 proposals. Three of these proposals were provided by the deadline (5 pm February 13, 2020), and one proposal was provided a day late. The late submission (NCPA) was disqualified. Background on the three on-time proposals are provided in the section below.

The Energy Authority

The Energy Authority (TEA) is a non-profit entity based in Jacksonville, FL with a western regional office in Bellevue, WA. TEA has been a service provider in wholesale markets since 1997. TEA currently provides load forecasting, wholesale power procurement and scheduling coordinator services to 5 CCAs: Redwood Coast Energy Authority, Monterey Bay Community

Power, Clean Power Alliance, Solana Energy Alliance, and Desert Community Energy. TEA also provides wholesale power services to dozens of publicly owned utilities in Washington, Oregon, and California.

Pilot Power Group

Pilot Power Group (PPG) is based in San Diego and has been a wholesale power service provider since 2001. PPG currently provides load forecasting, wholesale power procurement and scheduling coordinator services to two CCAs: Western Community Energy and King City Community Power. PPG also provides these services for various direct access customers and also provides services in other trading areas such as ERCOT and PJM. As the Schedule Coordinator, PPG offers value-added reporting capabilities through EDMS LLC. The reporting allows CCA board and staff members to view performance analytics from any online device. This service is unique to PPG’s proposal.

ZGlobal

Established in 2005, ZGlobal is based out of Folsom, California and provides load forecasting, wholesale power procurement and scheduling services to several entities including Marine Clean Energy (MCE), Pioneer Community Energy, and Silicon Valley Clean Energy. ZGlobal was the start-up provider for Silicon Valley Clean Energy and Phase II MCE expansion. In addition to these CCAs, ZGlobal also provides scheduling coordinator services to SMUD, City of Long Beach, Corona, and Bear Valley Electric, among others.

Fee and Services Comparison

The fee schedules provided ranged in structure and services. The Table below provides a high-level comparison of the differences in the offers.

| Services | TEA | PPG | ZGlobal |
|--|---------------------|--|--|
| Option to Finance CAISO Security Deposit (\$500,000) | \$1/MWh | At either PRIME+2% or CRR Rev. sharing | 7% annual interest |
| CPUC Bond \$147,000 | Included in \$1/MWh | NA | NA |
| Delay consulting costs 90 days | 4-5% interest | No cost | No cost until 90 days <i>post launch</i> |
| Data Analytics Tool/UI | No | Yes | No |
| Monthly Scheduling Coordinator Costs | \$12,000 | \$15,000 | \$9,950 |
| CRR Management | Included | 10% CRR Revenue | Included |

To better understand the all-in costs, total annual costs are estimated for the first three years of operation. These costs include only scheduling services and set-up costs.

| | 2020 | 2021 | 2022 |
|----------------------------|----------|-----------|-----------|
| TEA¹ | \$15,000 | \$144,000 | \$148,320 |
| PPG² | \$16,000 | \$180,000 | \$162,000 |
| ZGlobal³ | | \$119,400 | \$121,788 |

1. Include a one-time payment of \$15,000 for SC and CRR management services in 2021. Fees include an annual escalation factor of the greater of the CPI or 3 percent.
2. Includes data analytics app that can be separated in negotiations.
3. SC services escalate by 2 percent annually.

For contracts with a term of at least 60 months, ZGlobal would reduce the service fee by 5% and waive the annual 2% escalation.

References

EES called references for each of the firms and received positive feedback for each.

Scoring

All proposals were deemed responsive to the RFP as all firms have been providing the requested services for 10 or more years.

| Schedule Coordinator Evaluation Criteria | TEA | PPG | ZGlobal | Points Possible |
|---|------------|------------|----------------|------------------------|
| Contractor Capability and Experience | 25 | 20 | 25 | 25 |
| Management, Personnel and Qualifications | 25 | 25 | 25 | 25 |
| References | 25 | 25 | 25 | 25 |
| Cost to BCE: | | | | |
| Scheduling Coordinator | 15 | 10 | 25 | 25 |
| Total | 90 | 80 | 100 | 100 |

Recommendation

We recommend ZGlobal be hired for Scheduling Coordinator Services and that the BCE Board authorize the interim executive officers to finalize the negotiations with ZGlobal.

Prior Action:

None.

Fiscal Impact

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachments:

1. Power Supply and Scheduling Coordinator RFP #20-001.
2. ZGlobal Response to RFP #20-001

Butte Choice Energy

Request for Proposals

For

Power Supply and Scheduling Services

Solicitation Number: 20-001

RFP Release Date: January 28, 2020

Response Deadline: February 13, 2020

**Butte Choice Energy
c/o EES Consulting, Inc.
570 Kirkland Way, Suite 100
Kirkland, WA 98033
(425) 889-2700
nyquist@eesconsulting.com**

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Overview

Butte Choice Energy (BCE) is requesting proposals for electric power supply and scheduling services to serve retail electric customers who will participate in BCE's Community Choice Aggregation Program. BCE is currently comprised of the County of Butte and the City of Chico. The Business Plan for BCE is available online at ButteChoiceEnergy.org.

On November 18, 2019, two jurisdictions joined together to form a Joint Powers Authority to provide electric retail service to customers within their jurisdictions pursuant to California's Community Choice Aggregation (CCA) statutes. BCE's service area is the geographical area of the City of Chico and unincorporated Butte County, the electric customers of which (Except for direct access customers) are currently service by Pacific Gas & Electric (PG&E). BCE's implementation objectives are to 1) provide electric generation rates that are 3-4% lower than the generation rates offered by PG&E 2) offer a default product that is between 36-40% RPS qualifying renewable content at competitive rates, 3) offer voluntary products that are 50% and 100% renewable at competitive rates for comparable PG&E products, and 4) include local/regional resources as much as possible.

It is anticipated that BCE will ramp up to full operation in one phase. This RFP is intended to fulfill the needs of all anticipated BCE accounts. Phase 1 will initiate the operations of BCE and include all residential service accounts in BCE's service area. A timeline and summary of the expected characteristics of this phase is presented below as well as a load curve for this phase.

Exhibit 1
Estimated Electric Consumption for Anticipated BCE Accounts

| BCE Demand | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------------------|------|-------|-------|-------|-------|
| Retail Demand | 448 | 967 | 977 | 984 | 990 |
| Losses and UFE | 31 | 68 | 68 | 69 | 69 |
| TOTAL DEMAND | 479 | 1,035 | 1,046 | 1,053 | 1,060 |
| | | | | | |
| BCE Supply | | | | | |
| Total Renewable Resources | 157 | 368 | 391 | 482 | 436 |
| Total Conventional Resources | 322 | 668 | 655 | 571 | 624 |
| TOTAL SUPPLY | 479 | 1,035 | 1,046 | 1,053 | 1,060 |

| Exhibit 2 Butte Choice Energy | |
|----------------------------------|-------------------|
| BCE Customers | Eligible Accounts |
| Residential | 91,582 |
| Small Commercial | 9,671 |
| Medium Commercial | 672 |
| Large Commercial | 303 |
| Industrial | 10 |
| Street Lighting & Traffic | 1,479 |
| Agricultural & Pumping | 1,976 |
| Total | 105,694 |

Submissions, Questions, and Anticipated Schedule

The RFP will be conducted in accordance with the schedule set forth below.

| | |
|------------------------------------|-------------------------------|
| Release RFP | January 28, 2020 |
| Deadline for Question Submittal | February 7, 2020 |
| Responses posted to website | February 10, 2020 |
| Proposal Submission Deadline | February 13, 2020 |
| Finalist Selection/Interviews | February 13-February 20, 2020 |
| Finalize Staff Recommendations | February 20, 2020 |
| Award of Contract and Notification | February 26, 2020 |
| Contract Completion/Commence Work | March 1, 2020 |

Term of Agreement

Requested services are to be provided during BCE's CCA implementation and program enrollment period, anticipated to be March 2020 - December 2021. BCE reserves the right to extend the agreement by an additional 12 to 24 months for "Day 2" operational power services expected to commence on or about January 1, 2022. Respondents must respond to the initial '2020-2021' scope of work ending on or about December 31, 2021. We encourage respondents to provide a proposed scope of work and projected pricing for the additional 12-24 months of Day 2 operating services as well.

Proposal Information, Organization, and Content

If awarded, the bidder's proposal in response to this RFP will be incorporated into a final agreement between BCE and the selected contractor. All Proposals shall contain, at a minimum, the following information:

1. Cover Letter

The cover letter should be brief (two pages maximum) and provide a short synopsis of the Proposer's approach to completing tasks and delivering project products and services. Describe how the delivery of services will be provided. If a team arrangement is proposed, BCE will recognize the integrity and validity of Proposer's team provided that:

- The arrangements are clearly identified, and relationships are fully disclosed; **and** a primary (Lead) Proposer is designated who will be responsible for all contract performance.
- The signature of the individual authorized/obligated to commit the bidder to this project is included.
- In signing proposal, statement that the bidder agrees that the terms of proposal and the costs as submitted are firm for a period of 120 days from proposal due date, unless otherwise negotiated with BCE.

The cover letter should also include

- The RFP number and title
- Name and address of proposing firms and/or individuals
- Phone and email address of sole or lead proposer
- Primary contact person

2. Table of Contents

This section should include clear identification of the materials by section and. Page numbers.

3. Bidder's Capabilities

All Proposals must provide a comprehensive description of the Bidder's qualifications, as described in the Bid Evaluation Criteria section below, and capabilities applicable to the Scope of Work including but not limited to the following:

- Demonstrates direct experience within and understanding of the California energy and electrical markets, including relevant legislation and regulations applicable to BCE and its major participants – investor owned utilities, CA Independent System Operator, energy service providers and independent power producers, California Public Utilities Commission, and other key market players.

- Demonstrates experience in resource planning and energy procurement.
- Demonstrates experience in California energy compliance reporting as it relates to BCE.
- Demonstrates experience with CAISO and power scheduling
- Possess all licenses and professional credentials relevant to performing services as specified under this RFP.

4. Scope of Work

Please refer to the Scope of Work section for detailed requirements. Bidders are encouraged to propose enhancements or procedural or technical innovations to the Scope of Work that do not materially deviate from the objectives or content of services included in this RFP. Bidder(s) shall at a minimum include:

- Provide a narrative, which addresses the Scope of Work, and shows understanding of the needs and requirements of BCE.
- Describe the approach to completing the tasks specified in the Scope of Work. The work plan shall be of such detail to demonstrate the bidder's ability to accomplish the project objectives.
- Outline sequentially the activities that would be undertaken in completing the tasks and specify who would perform them and what the associated costs would be.
- Furnish a project schedule for completing the tasks in terms of elapsed weeks from the project commencement date.
- Identify methods that bidder(s) will use to ensure quality control as well as budget and schedule control for the project.
- Identify any special issues, problems or risks that are likely to be encountered in this project and how the bidder(s) would propose to address them.

5. Schedule

Please include a detailed schedule which lists milestones and estimated completion dates for each of the tasks.

6. Proposed Budget and Cost of Services

Please include an estimated budget and fee itemizations by year and task including travel expenses. Include all costs that may be relevant to the services proposed.

7. References

Please provide three (3) references, including names and contact information, for which you have performed similar work. References should not include any BCE member agencies, interim staff or Board members.

8. Project Team Staffing

Please include biographies and relevant experience of key staff and management personnel who would be assigned to the project.

9. Company Overview

Please provide the following for your company:

- Official registered name, address, main telephone number, and toll-free number(s).
- Primary key contact name, title, address (if different from above address), direct telephone number(s).
- Brief history, including year established, relevant financial information, and relevant experience with CCAs.
- The proposer or any guarantor must provide the following: (1) Audited financial statements from the prior two years of operations, (2) A credit rating from two of the following: Standard & Poors, Moody's, or Fitch Investor Services from the most recent rating agency report.

10. Statement of No Conflict/Anti-Trust

Please provide a statement that describes how bidder(s) will adhere to anti-trust and collusion laws while providing service to BCE. Also provide a statement that confirms that bidder(s) and any subconsultants responding to this RFP shall avoid organizational conflicts of interest which would restrict full and open competition in this procurement and subsequent procurements. An organizational conflict of interest means that due to other activities, business units, relationships or contracts that bidder(s) would be unable, or potentially unable, to render impartial assistance or advice to BCE consistent with the requirements of California Government Code section 1090; or that a bidder's objectivity in performing the work identified in the Scope of Work is or might otherwise be impaired; or bidders have an unfair competitive advantage.

Bid Evaluation Criteria

Proposals are being solicited from qualified service providers with demonstrated experience in California and western energy markets, as well as experience working with CCA programs in California. Qualified proposers may be a single company or a group of them that forms a team for purposes of this solicitation.

Bidders must possess the following minimum qualifications:

- 7-10 years experience with California energy markets, including CAISO market operations and regulations applicable to California energy programs
- 10 years experience in power procurement and portfolio planning and management services

- 10 years experience in the development and evaluation of risk management policies and regulations

Bidders should also demonstrate appropriate experience, knowledge and skills that include but are not limited to the following:

- Experience with electricity load forecasting and data analysis
- Experience in risk management and energy portfolio management
- Knowledge of CCA formation process in CA and knowledge of CA laws, regulations and compliance requirements governing CCAs in CA
- Experience with developing and evaluating bids for power resources including: financial and economic analysis and modeling and analysis of energy demand and market pricing
- Experience/knowledge of CA energy compliance reporting

BCE reserves the right to consider other factors than those specified above and to request additional information from suppliers. Through issuance of this RFP, BCE makes no commitment to any supplier that it will be awarded a contract to provide the solicited services. BCE reserves the right to discontinue this RFP process at any time for any reason. Proposals that fail to meet the RFP requirements may be rejected; however, BCE may waive minor irregularities in proposals if so doing would be in the best interest of BCE. BCE reserves the right to request additional information from any/all respondents as part of the selection process.

Proposals will be evaluated based on the following non-exhaustive factors and will be scored using a 100-point maximum.

| Evaluation Criteria | Points Possible |
|--|------------------------|
| Contractor Capability and Experience | 25 |
| Management, Personnel and Qualifications | 25 |
| References | 25 |
| Cost to BCE: Clarity and cost for pre-launch and post-launch services | 25 |

As reflected in the evaluation criteria, contract award will not be based solely on cost, but on a combination of factors as determined to be in the best interest of BCE. After evaluating the proposals and any oral interviews, BCE reserves the right to further negotiate the proposed work and/or method and amount of compensation.

Any award of a contract resulting from this RFP will be based upon the most responsive Proposal whose offer will be the most advantageous to BCE in terms of cost, functionality, effectiveness in meeting goals and objectives, and other factors as specified elsewhere in this RFP, as determined solely by BCE decision makers. BCE reserves the right to:

1. Disqualify any and all Proposals that are not submitted in accordance with the required format described in this RFP

2. Reject any and all Proposals submitted
3. Request additional information
4. Issue Addenda to this RFP
5. Award all, part, or none of the work contemplated in this RFP
6. Remedy errors in the RFP
7. Cancel the entire RFP
8. Issue a subsequent RFP
9. Approve or reject the use of a particular subcontractor/supplier
10. Negotiate with any, all or none of the Proposers. If BCE is unable to negotiate a final contract
11. Terms and Conditions that are acceptable to BCE, BCE reserves the right to award the contract to another Proposer
12. Accept other than the lowest priced Proposal
13. Award a contract without interviews, discussions or negotiations

Scope of Work

The services being requested by BCE under this RFP are described below. Service provider bids should incorporate all of these requested services.

California Independent System Operator (CAISO) Scheduling Coordination

All CAISO interface services, which includes the submission to the CAISO of all schedules and meter data reports required to be filed by the Scheduling Coordinator (service provider) for the meters enrolled in the BCE service territory, and the submission of schedules, bids, and other required information for BCE's shaped energy, renewable energy, and resource adequacy capacity in accordance with the obligations of a service provider as defined by the CAISO.

Service provider services include short-term forecasting of load (i.e., week-ahead, day-ahead, and hour-ahead), scheduling load into the CAISO day-ahead market, scheduling services, validating CAISO statements for load settlements, minimizing and managing real-time imbalance exposure, as well as the initial set-up and ongoing management of the Congestion Revenue Rights (CRR) portfolio through the CRR allocation and potentially bidding into the various CRR auctions. The CAISO required security deposit is the responsibility of the service provider. The cost of this deposit should be included in the bid price for the requested services.

Additionally, the service provider will be required to submit regulatory and compliance filings, such as monthly Resource Adequacy (RA) compliance reports, to the CAISO on behalf of BCE. It is expected that bidders will provide an approach and schedule for submitting compliance reports to the CPUC, CEC, and CAISO as they relate to powers supply and scheduling.

It is also expected that the service provider will be responsible for satisfying the various CAISO financial requirements and obligations (i.e., collateral obligations), as well as all applicable regulatory requirements imposed by the California Public Utilities Commission and the Federal Energy Regulatory Commission. Service providers must be certified by CAISO as a service provider, or must put forward a certified service provider that will be responsible for scheduling

loads and resources under the proposal. If the service provider is not a certified CAISO service provider and will be putting forward a third-party to serve in this capacity, BCE will require these proposers to submit responses that are co-signed by the anticipated service provider, verifying the intended business relationship and the anticipated scope of services to be provided.

Risk Management

Selected service provider will help develop and participate in a risk management process, as well as produce, maintain, and publish reports tracking BCE compliance with portfolio exposure, market risk and credit limits. Service provider will be expected to identify and present risk-mitigation strategies to BCE's risk management team and leadership. Particular attention will be paid to proposed approaches to manage the risk to rate competitiveness posed by the PCIA and how to incorporate those approaches within BCE's procurement strategies. Service provider may also assist with drafting, implementing and complying with appropriate Energy Risk Management Policies and will assist BCE management and staff in presenting various reports and results to the BCE Board.

Power Procurement

Service provider will be expected to prepare and issue power supply RFPs and negotiate power contracts on BCE's behalf, and/or assist BCE in procuring all requisite energy, resource adequacy (RA), capacity, renewable and greenhouse gas (GHG) free products to meet BCE's power supply portfolio requirements while fully complying with applicable regulatory and legislative mandates, CAISO rules and practices, and BCE Program goals and objectives, including its enterprise risk management policy. Activities will include issuing RFPs for multi-year off-take agreements, reviewing and evaluating bids, and negotiating bilateral power-purchase agreements with third-party power providers.

BCE will need a significant amount of new renewable resources and is required to purchase at least 65% of its RPS requirement from long-term contracts. Explain your approach to acquiring renewable resources that meet the state mandates. Also, explain your strategy for acquiring new renewable projects within Butte County.

Optional Add-on Services

Integrated Resource Plan (IRP)

As future load serving entity, BCE will likely be required to submit an IRP to the Commission on May 1, 2020. This optional task, if included in respondents' proposal, should be priced separately and pricing should include all services required to file an IRP to the Commission. The selected vendor will develop a long-term integrated resource plan that considers both demand-side reductions (through energy efficiency and demand response) as well as conventional and renewable supply. The resource plan will estimate the percentage of total electricity demand that will come from renewable and non-renewable resources. This should take into consideration SB 350's long-term eligibility requirements, electric storage requirements, and other relevant factors including an understanding of CPUC-jurisdictional IRP requirements for load serving entities and familiarity with CPUC IRP tools. Proposers should describe their

experience in developing IRPs for CCAs or other load serving entities, the modeling they would use, and a plan for optimizing resource attributes and values.

Supplier Proprietary Information

Information submitted in response to this RFP will be used by BCE or its designated representatives, including consultants, solely for the purpose of evaluating this RFP. Proprietary data should be specifically identified on every applicable page of the supplier's submittal; suppliers should mark or stamp applicable pages as "Confidential" or "Proprietary." Reasonable care will be exercised so that information clearly marked as proprietary or confidential will be kept confidential, except as required by law or regulatory authority. BCE and its employees and consultants will not be liable for the accidental disclosure of such data, even if it is marked.

Proposal Delivery

Statement of qualifications must be received by 5:00 PM Pacific Time on February 13, 2020. Responses must be emailed directly to Amber Nyquist at nyquist@eesconsulting.com. All questions regarding this RFP should be addressed to Amber Nyquist as well.

Appendix A

Questions for Power Supply and Scheduling Consultants

Details on Experience

- 1) Does your firm currently provide Scheduling Coordinator services to one or more CCAs? If yes, please list the CCAs.
- 2) Does your firm currently provide Scheduling Coordinator services to entities other than CCAs that reside within CAISO? If yes, please list the entities.
- 3) Does your firm currently provide scheduling services to entities outside CAISO? If yes, please list the entities.
- 4) Please provide the names of the entities for whom your firm has purchased Resource Adequacy Capacity? Please specify whether or not your firm has purchased designated system, local RA and/or flexible RA capacity for the entities.

Project Management

- 5) Out of which of your firm's offices would BCE real-time energy imbalances be managed?
- 6) Out of which of your firm's offices would CAISO settlement functions be managed?
- 7) What settlement software would your firm use to manage BCE's settlements?
- 8) Out of which of your firm's offices would risk management services be managed?
- 9) Would a representative of your firm be available to attend periodic power supply planning or risk oversight committee meetings at the BCE location? If so, please provide the name of the representative(s) that would be most likely to fulfill this service.

Power Resources

- 10) Does your firm have access to renewable energy resources or PPAs that could be used to serve BCE load beginning in 2021? If yes, please list the specific resources and quantity available or, if the information is confidential, the resource types and a range of quantities available. Also, specify whether any of the resources are within Butte County.
- 11) Does your firm have access to non-renewable energy resources or PPAs that could be used to serve BCE load beginning in 2021? If yes, please list the specific resources and quantity available or, if the information is confidential, the resource types and a range of quantities available. Also, specify whether any of the resources are within Butte County.
- 12) Does your firm have the ability to develop new renewable resources on behalf of the CCA within or outside of Butte County?
- 13) Does your firm have access to Renewable Energy Certificates that could be used to help BCE meet its renewable energy goals beginning in 2021? If yes, please provide REC prices by Portfolio Content Category (i.e. PCC 1, 2 and 3).

- 14) Does your firm currently hold long-term transmission contracts that could be used to wheel power to BCE's service territory? If so, please specify the transmission paths and capacities available on those paths.

Pricing and Terms

- 15) Please provide indicative pricing for hourly load shaped energy, inclusive and exclusive of ancillary services for the years 2021, 2022 and 2023. The expected mix of resource types should be provided as well and match BCE's Business Plan portfolio options. The CCA is planning on offering alternatives to its customers and therefore pricing should be provided for each of the following alternatives:
- a. Meeting RPS standards
 - b. 50% renewable
 - c. 100% renewable
- 16) Please provide indicative scheduling coordinator fees and any other service fees that would be assessed to BCE under a contract with your firm.
- 17) Please indicate your firm's proposed term for scheduling coordinator services. BCE envisions a 2-4 year term for this initial content but is flexible on duration.

Financing/Credit Issues

- 18) Is your firm willing to defer its internal fees during the 3-month start-up phase until BCE begins receiving revenue from customers? If so, would there be any added cost associated with this deferral?
- 19) Is your firm able to provide a delay in billing for power supply during part of the start-up phase until BCE begins receiving revenue from customers? If so, would there be any added cost associated with this deferral?
- 20) Does your firm have the ability to use its own credit facilities on behalf of BCE when procuring power for BCE?
- 21) What is required for CAISO security deposits and does your firm have the ability to provide the deposits upfront? If so, at what cost?
- 22) What level of security deposit is required for power supply purchases and does your firm have the ability to provide the deposits upfront?

Reporting

23. Please provide an outline of Business Intelligence and Reporting tools you will provide to BCE. Reporting tools can provide any of the following:
- a. Reporting for analytics,
 - b. Visualization and reporting,
 - c. Self-Service reporting,
 - d. Aggregation of data reporting,
 - e. Risk management and performance reporting.
 - f. Finance related reporting.



Response to Request for Proposals

Power Supply & Energy Scheduling

PREPARED EXCLUSIVELY FOR:

Butte Choice Energy

**Delivered
Thursday, February 13, 2020**

Submitted By:

ZGlobal, Inc.
604 Sutter Street, Suite 250
Folsom, California 95630



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Thursday, February 13, 2020

Butte Choice Energy
Atten: Amber Nyquist
nyquist@eesconsulting.com

604 Sutter Street, Suite 250
Folsom, CA 95630
Phone: (916)985-9461
Fax: (916)985-9467
ziad@zglobal.biz

Subject: Butte Choice Energy RFP – Power Supply & Scheduling Services

Dear Ms. Nyquist:

ZGlobal Inc. is pleased to submit our qualifications in response to Butte Choice Energy's (BCE) Request for Proposal for Power Supply & Scheduling Services. We have provided our response in accordance with the requirements outlined in the RFP and look forward to the possibilities of working with BCE.

Our qualifications and experience are well matched as it relates to the identified scope of services. We currently manage energy delivery to over 7 million Californians, 58 cities and 8 counties, 24 hours a day, 7 days a week, 365 days a year. Our CCA clients include Marin Clean Energy, Pioneer Community Energy and Silicon Valley Clean Energy, which makes 21.4% of the existing CCA's currently in operation. In addition, ZGlobal provides similar services to MWD, City of Corona, Bear Valley Electric and the City of Anaheim.

We have a proven track record of successfully launching the first wholesale energy market in the West – (California ISO) as well as the start-up of Silicon Valley CCA and Phase II of Marin Clean Energy incorporating Contra Costa County. We provided energy related technical advisory services to entities such as the California University Regent, California Department of Water and Power, Caltrain, City of Long Beach, Anaheim, Victorville and Corona, IID, SMUD, Bureau of Reclamation, Western and the Nebraska municipals utilities. Our involvement in these highly visible, complex projects had extremely tight timelines, and we've consistently delivered as promised at or below projected costs.

We understand as the energy sector expands into many technical areas. With the CCAs having leading-edge operations will have an advantage over the traditional operations. Energy pricing is all about using grid and institution knowledge to avoid high congestion, imbalance and curtailment, so the less technical operations will always be paying more for electricity and being outperformed by the more sophisticated operations. In order to guarantee reduced consumer energy prices, a CCA must have a proven and experienced energy advisor with decades of experience in operating and managing within the California energy sector.

ZGlobal agrees that the terms of the proposal and costs submitted herein are firm for 120 days from the proposal due date. I have designated Mr. Kevin Coffee P.E., ZGlobal VP Market Operations, as the point of contact should there be any questions regarding our submission. Mr. Coffee can be reached by e-mail kcoffee@zglobal.biz or by telephone (916) 985-9461.

We wish Butte Choice Energy much success and are eager to assist.

Sincerely,



Ziad Alaywan, P.E.
President and CEO

1 BIDDERS CAPABILITIES

ZGlobal is a certified CAISO Scheduling Coordinator (SC), including certifications for Congestion Revenue Rights (CRRs). Our El Centro real-time center is staffed around-the-clock, 7 days a week and our operations center in Folsom is staffed 12 hours per day based on the WECC approved prescheduling calendar. Both centers are secure and staffed by a team headed by NERC-certified personnel.

ZGlobal schedules over 10,484 GWh of energy while managing another 1,500 GWh of CRRs annually on behalf of clients. Our clients include community choice aggregators, variable energy resources, base-loaded renewable energy generators, a reserve sharing group and municipal load serving entities.

Our staff has roots based in electric utility operation, CAISO market development and operation, and energy portfolio management and economics. We’ve been involved and played instrumental roles as the California energy market has evolved from a vertically integrated, incumbent utility centric industry to a dynamic model that opens the door to competition for electricity supply and retail customers. Some of the major roles performed by ZGlobal staff include:

- Establishing and running the CAISO markets and electric operations.
- Establishing and running the CAISO settlement systems.
- Establishing and running Pacific Gas and Electric’s (PG&E) energy procurement desk after the California energy crisis.
- Developing and implementing Imperial Irrigation District’s (IID) plan for complying with Federal Energy Regulatory Commission’s (FERC) requirements in response to findings in the September 2011 Southern California/Desert Southwest electricity blackout.
- Led the effort as project manager to transition the CAISO market from zonal-based to nodal-based pricing
- Worked with the Municipal Energy Agency of Nebraska (MEAN) to develop a risk management program for participating in organized markets in the Midwest and Southwest.

ZGlobal currently provides CCAs and other LSEs with CAISO SC services. A sampling of clients is listed below in Table 1.

| LSE | CAISO Scheduling | SCME | CAISO Settlement Verification | CAISO Shadow Settlement | Load Forecasting | CRR Management | RA Implementation | WECC Scheduling | Performance Reporting |
|-----------------------------|------------------|------|-------------------------------|-------------------------|------------------|----------------|-------------------|-----------------|-----------------------|
| Silicon Valley Clean Energy | X | X | X | X | X | X | X | X | X |
| Marin Clean Energy | X | X | X | X | X | X | X | X | X |
| Pioneer Community Energy | X | X | X | X | X | | X | | X |
| City of Anaheim | X | | | | | | | X | |
| City of Corona | X | X | X | X | | | | X | X |
| City of Victorville | X | X | X | X | X | | | X | X |
| Bear Valley Electric | | | | | | X | | | |

Table 1. Scheduling Coordinator Services that ZGlobal Currently Provides to LSEs

As a certified CAISO SC, ZGlobal provides comprehensive services starting with load forecasting, energy procurement, transaction management including deal capture and net open position analysis, scheduling, e-tagging, counterparty checkout, CRR management, Resource Adequacy (RA) management and implementation, settlements and reporting. The services that ZGlobal provides its current load serving entity clients are consistent with those described herein this RFP.

In addition to SC services, ZGlobal offers a wide array of services geared toward providing clients with market and economic analyses, engineering and regulatory guidance. Figure 1 below outlines our entire suite of services.

| CONSULT | | | | | |
|---|--|--|---|---|--|
| Power Engineering | | Market Analytics & Asset Valuation | | Expert Testimony | |
| Planning & Studies | Design & Analysis | Forecasting & Analytics | Asset Valuation | Federal & State Regulators | Arbitration & Litigation Technical Support |
| <ul style="list-style-type: none"> Transmission and distribution planning Site assessments Power flow analysis and feasibility studies System impact and facility studies Renewable generation and energy storage integration Regulatory assessments Generation interconnection support Curtailment and deliverability analysis | <ul style="list-style-type: none"> Preliminary design and engineering Independent engineering analysis System protection coordination Reactive power and short circuit analysis Transmission path rating | <ul style="list-style-type: none"> LMP forecasts and market assessments Congestion market assessments and optimization Infrastructure utilization and constraints ISO market assessments | <ul style="list-style-type: none"> Production cost and revenue modeling/forecasting Cost benefit analysis Acquisition valuation and analytics Energy, ancillary services and capacity valuation | <ul style="list-style-type: none"> Reliability and cost FERC/NERC compliance Project costs and benefits analysis FERC transmission rates analysis Transmission risk assessment Root cause analysis Energy and interconnection contracts | <ul style="list-style-type: none"> Regulatory and rates Balancing authority/grid integration ISO market design and pricing PUC retail rate structure analysis Transmission and distribution utility tariff and rates |
| DESIGN | | | OPERATE | | |
| Infrastructure Development | | Program & Construction Management (PCM) | Energy Scheduling | Power Settlements | Portfolio & Risk Management |
| Project Design & Implementation | Asset Management | | | | |
| <ul style="list-style-type: none"> Detailed electrical, civil, and mechanical engineering Site plans and elevation layouts Environmental studies and permitting Detailed substation and interconnection design Project costs and financial analysis Owner's engineering | <ul style="list-style-type: none"> EPC contract management Operations and maintenance services Performance guarantees 24/7 energy production monitoring Power purchase agreements, contracts and compliance Owner's representative | <ul style="list-style-type: none"> Project planning and management Change order management Value engineering Dispute resolution Testing and commissioning Budget development Design management Cost estimate Delivery and contracting strategies Warranty management | <ul style="list-style-type: none"> CRR allocations and auctions e-Tagging Outage coordination Forecast solar generation Wind Bilateral transactions OATT schedules EIM operations Forecast load Resource adequacy management WREGIS REC accounting CARB GHG accounting Dynamic scheduling Load balancing | <ul style="list-style-type: none"> Front, middle, and back office integration Shadow settlements Settlement verification and education Cost allocation and risk monitoring | <ul style="list-style-type: none"> Portfolio modeling and optimization Financial settlements and billing Risk assessment and policy review Operating procedure development Risk policy development and implementation Power purchase agreement verification and optimization Portfolio performance monitoring and reporting |

Figure 1. ZGlobal Business Services

ZGlobal is headquartered in Folsom, CA with offices in El Centro, CA and Mexicali, Baja California. We are an S Corporation with approximately 42 fulltime employees. Work performed for BCE would be done at the Folsom and El Centro location(s), or onsite as needed.

Northern California:

604 Sutter Street, Suite 250
Folsom, CA 95630
Phone: (916) 985-9461

Southern California:

750 W. Main Street
El Centro, CA 92243
Phone: (760) 355-0288

2 SCOPE OF WORK

The objective of ZGlobal's Power Supply and Scheduling Services is to integrate risk management, power procurement, energy scheduling and settlements so that the entire process is seamless and allows for continuous improvement by providing feedback from operations and market results to the front-end procurement and risk management functions. The steps that ZGlobal would take to provide this integrated approach is summarized in the following steps.

1. Develop BCE's Risk Management program and associated policy and procedures.
2. Obtain the most recent historical load readings for BCE's customers from PG&E.
3. Project BCE's load at an hourly granularity for 2021 and the next 5 years and then an additional 15 years.
4. Determine the supply products needed to cover BCE's load in the near-term and beyond based on BCE's overarching renewable portfolio standard (RPS), carbon, local generation and price objectives.
5. Issue RFOs for supplies, including energy, financial hedges, RPS, carbon-free, and Resource Adequacy (RA).
6. Evaluate RFO responses and begin contract negotiations with short-listed suppliers using industry-mature enabling agreements such as Western Systems Power Pool (WSPP) and Edison Electric Institute (EEI) umbrella agreements with corresponding confirmation agreements.
7. Upon executing supply contracts, enter data into deal capture system for documentation and operationalizing.
8. Calculate BCE's net open position based on projected load and executed supply contracts and compare with net open position targets specified by BCE's Risk Management policy.
9. Forecast and schedule load and supply into CAISO markets.
10. Settle BCE's participation in the CAISO markets and bilaterally with suppliers by ensuring that all load and supply is accounted for correctly.
11. Provide regular operational reports to BCE staff as directed by BCE.
12. Provide feedback loop to risk management and procurement from settlement results.
13. Adjust procurement as needed to stay within BCE's net open position tolerance bands.

ZGlobal uses a combination of proprietary applications that were developed in house and vendor procured software for portfolio management and operation.

The primary applications are PowerSettlements, YES Energy and PLEXOS. PowerSettlements is ZGlobal's deal capture system that contains all executed transactions. Those transactions are scheduled and settled with the CAISO via an API that interfaces with the CAISO's scheduling and settlement systems. PowerSettlements uses meter data, schedules and CAISO market data to perform shadow settlements to provide an indication of what to expect from CAISO invoices or payment notices to verify CAISO accuracy. This also allows for assessing the cost effectiveness of the transaction in providing energy to the load serving entity's load. YES energy scrapes data from the CAISO and houses it into a data warehouse which allows ZGlobal to efficiently analyze market trends and events. PLEXOS is a cost production model that ZGlobal uses to model the CAISO system to analyze the CAISO market to determine drivers of market prices and congestion.

The primary applications that were developed in house are load forecasting and CRR hedging. ZGlobal's load forecasting application is a ground-up approach that utilizes the total number of retail customers, aggregates them and forecasts hourly load to be submitted to the CAISO. The CRR hedging application assesses the client's basis risk to determine what CRRs are needed to hedge that basis risk. The CRRs needed to hedge that risk are

acquired in the CAISO's CRR allocation/auction process and monitored to determine effectiveness and provide a feedback loop to the CRR management process.

2.1 CAISO Scheduling Coordination

A summary of ZGlobal's SC services are listed below.

- Provide real-time desk services 24 hours per day, 7 days a week,
- Forecast load on a daily, weekly and monthly basis and provide regular reports comparing forecasts with actual load including financial impacts of forecast error,
- Schedule or bid load, generation resources, imports/exports and Inter-Scheduling Trades (ISTs) in the Day-Ahead and Intra-Day markets,
- Implement and apply on a daily and real-time basis the approved bidding and self-scheduling strategies into appropriate CAISO markets or other WECC bilateral processes to meet hourly demand forecasts,
- Submit to the CAISO and/or other Balancing Authorities, and Transmission Owners/Operators schedules consistent within the timelines prescribed by relevant tariffs and protocols,
- Provide all e-Tagging to the CAISO and other Balancing Authorities, Transmission Owners/Operators and Purchasing/Selling Entities and checkout of schedules consistent within applicable timelines,
- Submit outages and de-rates to the CAISO, Balancing Authorities and Transmission Owners/Operators or coordinate outage notification with generator owners for submittal,
- Submit Resource Adequacy (RA) plans and schedule resources consistent with RA requirements,
- Ensure that generation resources establish Net Qualifying Capacity (NQC) consistent with interconnection agreement,
- Acquire RA import capability,
- Monitor CAISO Day-Ahead and Real-Time market clearing prices and ensure that resources are dispatched consistent with their bids or self-schedules including curtailment of resources to avoid exposure to negative prices,
- Utilizing our PowerSettlements Deal Capture, Scheduling and Settlement System, monitor generator instructed and uninstructed energy imbalance costs and report results to BCE,
- Work with developers to ensure that resources comply with the CAISO's New Resource Integration (NRI) process,
- Assess basis risk, correlate Congestion Revenue Rights (CRR) positions with basis, determine CRRs needed to hedge basis risk, acquire CRRs annually and monthly, and monitor CRR performance hedging effectiveness,
- Monitor actual usage and schedules for load and resources (as data availability exists) in support of meeting load requirements through real-time,
- Act in emergency situations,
- Provide regular communications to staff and management regarding status and performance of operations,
- Perform all settlement verification and shadow settlements,
- Provide access to CAISO settlement statements and ZGlobal-generated summary settlement reports,
- Provide CAISO Day-Ahead and Real-Time Locational Marginal Prices (LMPs) specific to BCE's load and supply schedules,

- Provide pertinent Balancing Areas, Transmission Owners/Operators and CAISO with data to satisfy planning criteria, and
- Perform all services in a professional manner consistent with good industry practices and applicable laws.

ZGlobal utilizes PowerSettlements as the integrated Deal Capture, Energy Scheduling and Settlement software along with other applications to perform functions required for daily and same day scheduling, dispatch and settlements. These functions include:

- Maintaining operator logs,
- Managing and recording outages from CAISO's Outage Management System (OMS),
- Validating forecasted energy schedules against contracts and creating schedules,
- Creating and submitting to the CAISO schedules and/or price-sensitive bids and offers,
- Monitoring prices,
- Monitoring generator unit parameters and availability,
- Monitoring generator performance,
- Creating and submitting Day-Ahead and Real-Time Inter-SC Trades into CAISO markets,
- Creating, modifying and submitting e-tags to the appropriate transmission operator,
- Recording transactions in the Deal Capture module and
- Calculating expected settlement amounts (shadow settlement).

For load, ZGlobal would work with BCE to determine how to schedule load based on BCE's objective. Load can be self-scheduled in its entirety into the CAISO's day-ahead market based on the most recent forecast or bid into the day-ahead market with price sensitive bids. There may be periods when BCE may not to be short and exposed to high real-time energy prices or others when BCE may not want to be long and be exposed to low or negative real-time energy prices. BCE will dictate how the load is scheduled or bid for ZGlobal to implement. ZGlobal will provide input regarding viable approaches for BCE to review as it determines the approach best suited to its objectives.

ZGlobal compares load schedules against metered load consistent with the CAISO's meter submittal and settlement cycle. The first meaningful load settlement cycle is at t+12 business days whereby ZGlobal is able to compare the scheduled load with estimated load that is submitted by the load serving entity's meter data management agent. Final load data is submitted to the CAISO at t+55 business days when meter data is acquired and submitted by the meter data management agent. Figure 2 is an example of the data that ZGlobal uses when monitoring load data.

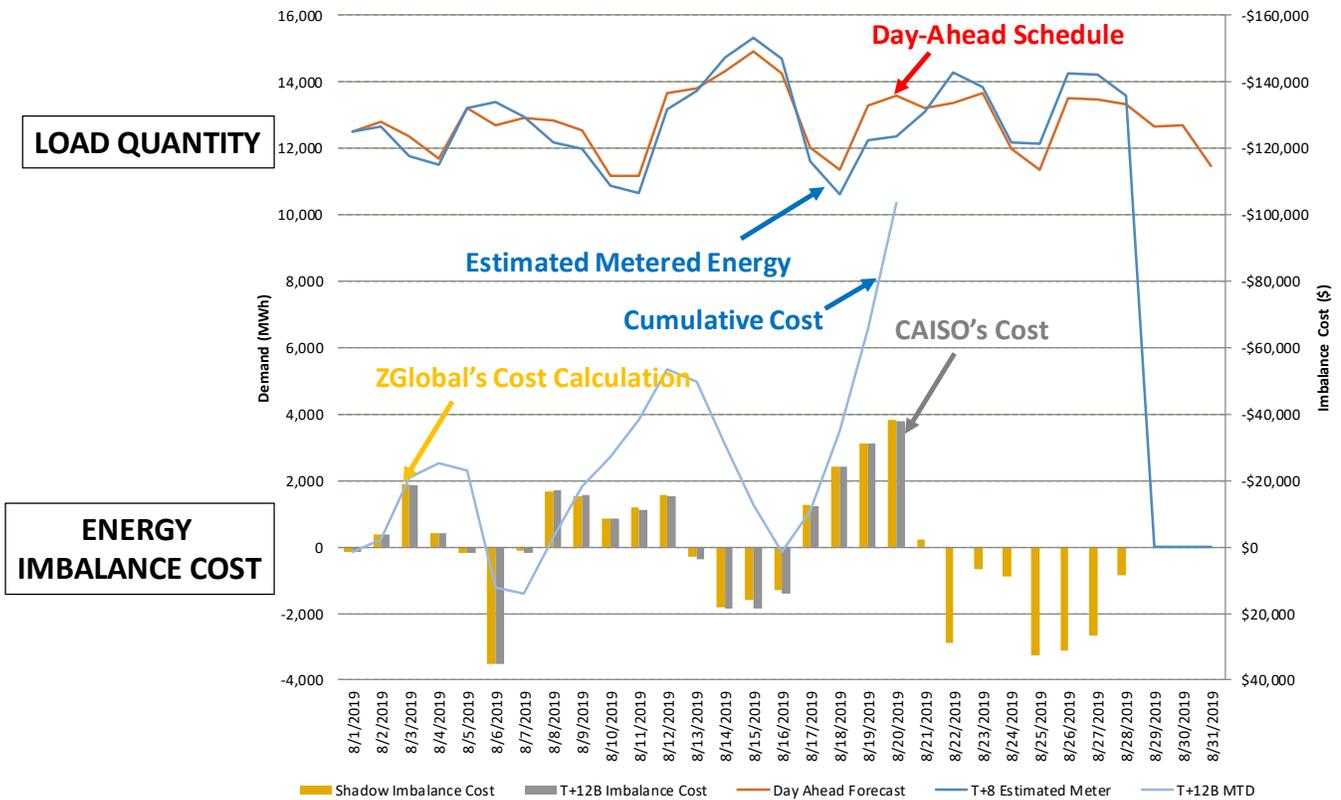


Figure 2. Load Monitoring During a Calendar Month

The top half of Figure 2 shows the difference in scheduled load and estimated meter load quantities by day for a calendar month. The second half provides the daily and monthly cumulative cost of imbalance energy as a result of the difference between metered and scheduled quantities multiplied by the imbalance energy price in the real-time market.

2.1.1 Variable Energy Resource Scheduling and Performance Monitoring

ZGlobal schedules Variable Energy Resources (VERs) in both the CAISO’s Day-Ahead and Real-Time markets using the CAISO’s VER forecasts. Depending upon the objective, the VERs are bid or self-scheduled first in the Day-Ahead market (if directed to do so by BCE), and then the residual (the bid volume that was not awarded in the Day-Ahead market) into Real-Time market. ZGlobal monitors performance of these resources intra-day and post-CAISO settlement. Figure 1 in Section 2.1.1 is an example of intra-day monitoring of VER performance. The sample report below in Figures 3, 4, 5 and 6 are examples of post-CAISO settlement monitoring and reporting.

| 7/31/2019 | | Wind Unit Revenue Report | | | | | | ZG | | |
|-----------|-----------------|--------------------------|-----------------|-----------|-----------------|------------|-----------------|----------|-----------------------------|-----------|
| Daily: | DA MWh | 38 | FMM MWh | 36 | RT05 MWh | 18 | Metered MWh | 16 | Average Gen Effective Price | \$44.49 |
| | Avg. DA Price | \$34.80 | Avg. FMM Price | \$33.02 | Avg. RT05 Price | \$29.72 | Avg. RT Price | \$29.72 | Count of Breakers | 0 |
| | DA Revenue | \$1,418 | FMM Revenue | -\$126 | RT05 Revenue | -\$517 | Metered Revenue | -\$79 | Sum of Negative RT Pricing | \$0 |
| | Effective Price | \$37.17 | Effective Price | \$33.60 | Effective Price | \$29.65 | Effective Price | \$29.67 | Net Market Revenue (Gen) | \$697 |
| MTD: | DA MWh | 2103 | FMM MWh | 2436 | RT05 MWh | 1385 | Metered MWh | 1319 | Average Gen Effective Price | \$30.12 |
| | Avg. DA Price | \$30.98 | Avg. FMM Price | \$30.14 | Avg. RT05 Price | \$30.64 | Avg. RT Price | \$30.64 | Count of Breakers | 1 |
| | DA Revenue | \$66,780 | FMM Revenue | \$5,999 | RT05 Revenue | -\$30,376 | Metered Revenue | -\$2,689 | Sum of Negative RT Pricing | -\$2 |
| | Effective Price | \$31.75 | Effective Price | \$27.96 | Effective Price | \$28.78 | Effective Price | \$28.18 | Net Market Revenue (Gen) | \$39,715 |
| QTD: | DA MWh | 2103 | FMM MWh | 2436 | RT05 MWh | 1385 | Metered MWh | 1319 | Average Gen Effective Price | \$30.12 |
| | Avg. DA Price | \$30.98 | Avg. FMM Price | \$30.14 | Avg. RT05 Price | \$30.64 | Avg. RT Price | \$30.64 | Count of Breakers | 1 |
| | DA Revenue | \$66,780 | FMM Revenue | \$5,999 | RT05 Revenue | -\$30,376 | Metered Revenue | -\$2,689 | Sum of Negative RT Pricing | -\$2 |
| | Effective Price | \$31.75 | Effective Price | \$27.96 | Effective Price | \$28.78 | Effective Price | \$28.18 | Net Market Revenue (Gen) | \$39,715 |
| YTD: | DA MWh | 11242 | FMM MWh | 16676 | RT05 MWh | 10628 | Metered MWh | 9481 | Average Gen Effective Price | \$27.27 |
| | Avg. DA Price | \$35.90 | Avg. FMM Price | \$35.16 | Avg. RT05 Price | \$37.02 | Avg. RT Price | \$37.02 | Count of Breakers | 74 |
| | DA Revenue | \$352,367 | FMM Revenue | \$191,531 | RT05 Revenue | -\$230,824 | Metered Revenue | \$54,506 | Sum of Negative RT Pricing | -\$1,263 |
| | Effective Price | \$31.34 | Effective Price | \$31.41 | Effective Price | \$32.74 | Effective Price | \$30.95 | Net Market Revenue (Gen) | \$258,568 |

Figure 3. VER Performance Monitoring and Report Example

Figure 3 depicts a wind generator’s MWh and net revenue settlement amount for Day-Ahead, Fifteen-Minute, and Five-Minute schedules and final metered amounts. In addition, each market period contains summary per unit prices in \$/MWh. The information is summarized by most recent day, month, quarter and year-to-date.

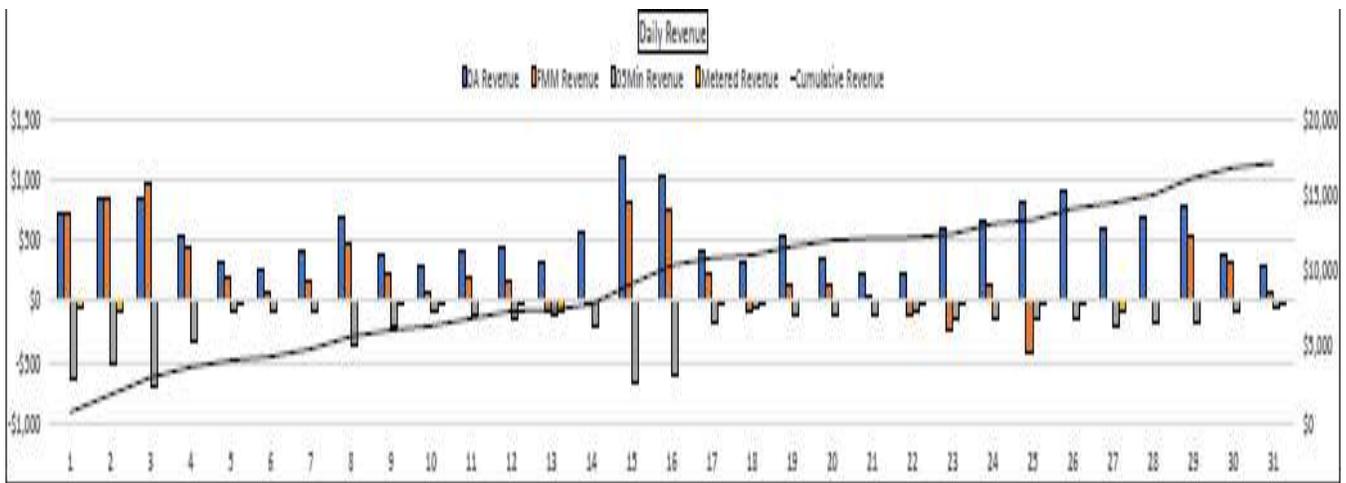


Figure 4. VER Performance Current Month Monitoring and Report Example Summarized by Day

Figure 4 provides a daily graphical summary of the current month’s operation from data in Figure 3. The x-axis is 31 days in the month of July. The left-side y-axis is dollars for the day and the right-side y-axis is cumulative dollars for the month. The blue bars are revenue from the Day-Ahead market, orange bars are revenue from the Fifteen-Minute market, the gray bars are revenue from the Five-Minute market and the yellow bar is revenue from the metered amount. The line is the cumulative revenue for the month.

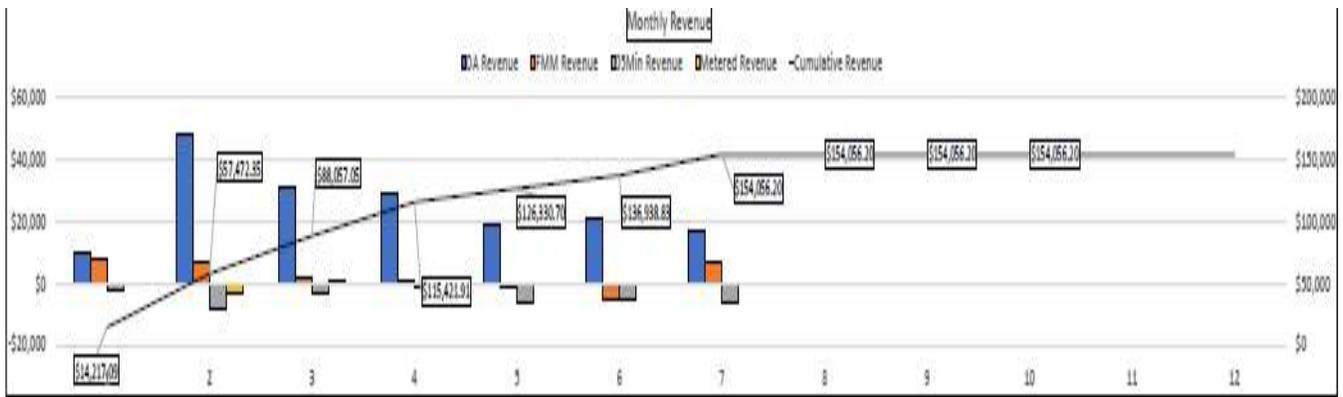


Figure 5. VER Performance Current Year Monitoring and Report Example Summarized by Month

Figure 5 provides a monthly summary of the current year’s operation. The x-axis is 12 months in the year. The left-side y-axis is dollars for the month and the right-side y-axis is cumulative dollars for the year. The blue, orange, gray and yellow bars are consistent with the markets described in Figure 4.

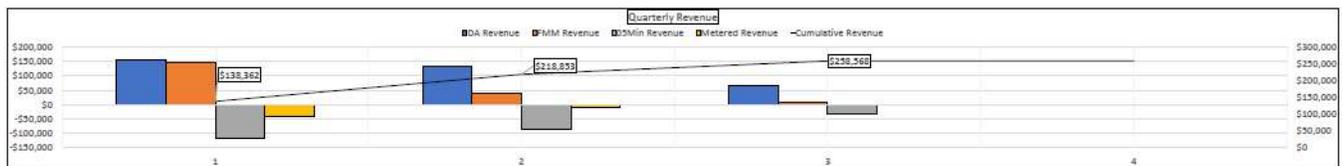


Figure 6. VER Performance Current Year Monitoring and Report Example Summarized by Quarter

Figure 6 provides a quarterly summary of the current year’s operation. The x-axis is 4 quarters in the year. The left-side y-axis is dollars for the quarter and the right-side y-axis is cumulative dollars for the year. The blue, orange, gray and yellow bars are consistent with the markets described in Figure 4.

ZGlobal would work with BCE to develop reports or monitoring for BCE’s specific needs and interests.

2.1.2 Shadow Settlement Calculations

ZGlobal’s processes and systems integrate scheduling, market and settlement functions. The PowerSettlements software application houses market data, schedules and meter data and utilizes that data to perform CAISO shadow calculations by charge type to compare against the CAISO’s settlement statements. Discrepancies that are in excess of a dollar threshold are flagged for further review. In addition, anomalies that may not be discrepancies but are unexpected results are also flagged for further review with schedulers and management to ensure that scheduling actions are consistent with expectations.

2.1.3 Submittal of Inquiries and Disputes

When ZGlobal discovers discrepancies or anomalies, the first step is to try to figure out what is causing the discrepancy or anomaly. If after completing internal review, the issue is not understood or resolved, ZGlobal will then submit an inquiry ticket to the CAISO to formally log the issue and seek response from the CAISO. If the inquiry does not resolve or explain the issue to our satisfaction, ZGlobal will then submit a dispute to the CAISO. The dispute is bird-dogged until resolution, which sometimes takes a few iterations of discussions, clarifications and data exchanges between ZGlobal and the CAISO.

2.1.4 Monthly Reporting and Access to CAISO Statements, OASIS and CRR Systems

A component of the operational process that ZGlobal employs is to develop operational reports that we review with clients weekly, every two weeks or monthly depending upon the client’s requests. Operational report information includes the following:

- Load forecast results based on CAISO settlements for both t+8 day and t+48-day settlements for the current month and year-to-date
 - Load forecast Mean Average Percent Error (MAPE)
 - Comparison of costs for procurement of load in the CAISO market for a perfect forecast and the actual forecast results
 - Percentage of energy imbalance costs related to total procurement costs
- Cost of load forecast error
- Load vs supply balance by hour and month
 - Total volume and cost of load settled in the CAISO markets
 - Total volume and value of supply settled in the CAISO markets
 - Per unit prices for load and supply
- Hourly price distribution for the current period
- Seven-day forward look of load/supply balance (both hourly volume and cost)
- Balance-of-month forward look of load/supply balance (both hourly volume and cost)
- Performance of hedges compared to CAISO market results
- Performance of resources compared to load
 - Generation effective per unit price compared to load per unit price
 - Generator revenue
 - Generator energy produced
- Congestion Revenue Rights performance
 - Congestion costs incurred from the CAISO markets
 - Congestion Revenue Rights revenue received from the CAISO
 - Uplift payments or revenue received from the CAISO Congestion Revenue Rights balancing account
 - Total net revenue
- Summary of CAISO costs highlighting the largest contributors to costs

ZGlobal will customize the report to BCE's areas of interest and will provide such at a frequency directed by BCE.

ZGlobal provides clients with direct access to CAISO statements, OASIS and CRR systems via the CAISO's certificate access process. Because BCE would be a stand-alone Scheduling Coordinator with a unique SCID, BCE staff will have access to the CAISO's systems directly from the CAISO using their access certificates.

2.1.5 Load Forecasting

ZGlobal uses a combination of models developed in-house and load profiling algorithms to calculate hourly load requirements for month-ahead, balance-of-month, week-ahead, and day-ahead forecasts (note that the day-ahead forecast approach can also be utilized to forecast intra-day, but has not been incorporated because clients have not had the ability or inclination to act on intra-day load forecasts). The primary inputs for the forecasts include actual historical hourly load profiles, peak demand, and weather forecast. Additional factors include an understanding of and determining correlations of customer base and actual usage given season and temperature. Previous hour, day or prior week's forecast errors are also analyzed to evaluate bias adjustments for next day or next hour forecast.

ZGlobal tracks accuracy of forecasts both volumetrically and financially. The primary objective is to drive the cost of the day-ahead load forecast error compared to a perfect day-ahead forecast (that is, all load was scheduled in the CAISO's day-ahead market) to \$0. In addition to tracking MAPE, cost is also tracked and closely monitored. ZGlobal's aggregate client MAPE and percentage of load forecast accuracy cost compared to perfect forecasts for calendar year 2018 was 6.6% and 0.7% respectively.

2.2 Risk Management

ZGlobal's approach to risk management and power procurement is to work with BCE to ensure that an overarching objective that governs planning, energy procurement, risk assessment and management, and operation is established, understood, communicated, and adhered to. That way, procurement is consistent with BCE's Risk Management Program that is developed to satisfy BCE's objective. That structure allows for integrating discrete functions into a seamless program which is illustrated in the diagram below.

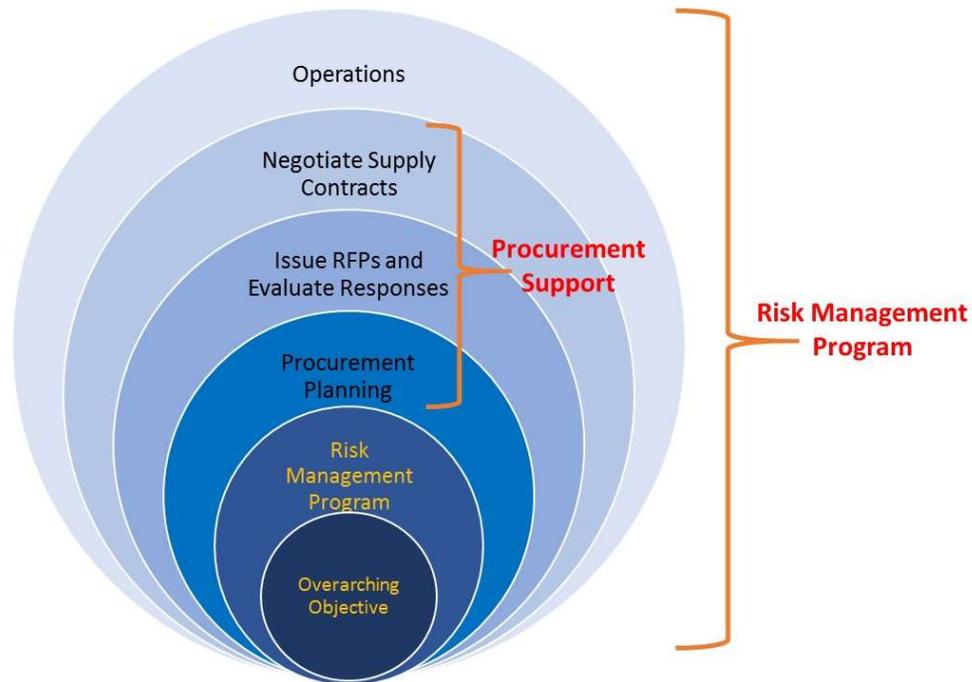


Figure 7. Integrated Energy Procurement and Risk Management Functions

We propose to begin by collaborating with BCE to understand BCE's overarching objective for providing electricity to its customers and reviewing BCE's long-term planning assessment that describes the BCE's long-term power procurement needs based on customer demand, price to customers, and balance between utility-scale procurement and locally produced energy from distributed energy resources. From there, our team of market analysts and risk assessors will develop a comprehensive Energy Risk Management Program designed to establish a structure under which to operate. The Energy Risk Management Program would include the following functions.

Development of a comprehensive Risk Management policy for approval by BCE's Oversight Committee and Board of Directors including:

1. Overarching objective
2. Training needed for personnel to perform their functions
3. Roles and Responsibilities of the Front, Middle and Back Offices
4. Net Open Position (NOP) valuation and hedging targets
5. Authorized products, authorized transaction personnel and limits on each
6. Analytics
 - a. Mark-to-market
 - b. Value-at-risk
7. Counterparty credit risk assessment
8. Reporting

9. Process for monitoring the effectiveness of the Risk Program and the ability to modify as needed

Once the Risk Program is established, we can then develop the procurement processes for energy, renewable energy, carbon-free energy, Resource Adequacy (RA), Congestion Revenue Rights (CRRs), energy storage, Distributed Energy Resources (DERs), Energy Efficiency (EE) and ancillary services capacity. In our current capacity, we quantify various financial risks to our clients ranging from fluctuating market prices to varying regulatory and technology dynamics and develop strategies for mitigating those risks. Based on the risk assessment and mitigation strategy, we will work with BCE to issue Requests for Supply Offers, evaluate those offers based on criteria designed to mitigate risk and negotiate binding power purchase agreements. For CRRs, we provide in-depth analysis of positions inherited from PG&E, and those needed to be acquired to hedge supply contracts. And when it comes time to implement operations on behalf of the CCA, we will perform the operational functions to implement RA and CRRs strategies.

The benefits of our proposal to BCE is our team's depth and breadth having first-hand, operational experience that has seen fundamental regulatory changes, extreme market volatility and technology advancement that allows us to provide a comprehensive approach to establishing and implementing a solid Risk Management Program and energy procurement process.

2.3 Power Procurement

Once the power procurement targets and risk program are established, ZGlobal will work with BCE to develop RFPs, negotiate contracts, obtain approval for execution of contracts for energy products shown below.

1. Renewable energy
2. Resource adequacy capacity
3. Fixed price financial hedges
4. Carbon-free Energy

2.4.1 Development of RFPs and Assessment of Responses

The logistics of developing and issuing a standard supply or demand-side RFP is straight-forward. Because the products are mature and well-defined, responses can be objectively assessed by reviewing a handful of standard characteristics of the offers as shown below.

- | | |
|---|-----------------------------------|
| 1. Counterparty | 5. Delivery Point |
| 2. Volume | 6. Term |
| 3. Price | 7. Scheduling obligation (if any) |
| 4. Resource type (capacity, energy, RPS, carbon-free) | |

Successful offers would be determined by how much BCE values each of the characteristics and how they mitigate prioritized risks. Those suppliers then move forward to the next phase of procurement, negotiating supply contracts.

2.4.2 Negotiating Supply Contracts

The products that are to be negotiated are separated into two categories. The first, homogenous market-based products that are already operational that are looking for a short-term off-taker. These products are governed by standard industry-accepted enabling agreements, such as WSPP (Western Systems Power Pool), EEI (Edison Electric Institute) or other standard contracts. These contracts simplify transacting as they have been well vetted. There is little to negotiate. If there are issues that need to be addressed, they can be singled out as exceptions to the standard agreement and noted.

The second category is new project based which carries development risk. These contracts require provisions to account for supplier failure to operationalize the new facility on-time or at all.

2.4.3 Products

2.4.3.1 Renewable Energy

Renewable energy will be procured to meet the target levels stipulated by BCE's risk management program. The primary component of renewable energy will be from Portfolio Content Category 1 (PCC1) and if directed by BCE and economically available, supplemented by Portfolio Content Category 2 (PCC2) and if deemed appropriate Portfolio Content Category 3 (PCC3). These products can be procured from existing portfolio of resources on a short-term basis and new resources on a long-term basis. Prices can either be fixed at a \$/MWh level providing BCE with a price hedge against spot market prices for energy procured for its load, or at an index plus a fixed Renewable Energy Credit (REC) price. This will be determined by BCE's net open position, availability of products and overall portfolio management.

Short-term procurement may be the most expedient way to obtain renewable energy in the initial phase of BCE's launch. Long-term procurement of projects that are under development can be done in parallel.

2.4.3.2 Resource Adequacy (RA) Capacity

Ideally, RA capacity will be obtained as a bundled product under renewable energy project power purchase agreement whereby the project has obtained full capacity deliverability status through the CAISO's interconnection cluster process. To the extent that RA capacity has to be purchased as a separate product, there are three approaches.

First is to solicit RA from suppliers through an RFP. These suppliers have portfolios of resources some of which have not been sold as bundled products with RA. The goal of the RFP is to find those resources and obtain RA at a reasonable price.

The second is from the incumbent investor-owned utilities that are now long RA and renewable energy given the loss of customers via CCA and direct access. However, this process has been difficult as evidenced in the cost of procuring RA.

The third is to obtain RA import capacity on the interties through the CAISO's RA import allocation process. This allows load serving entities to nominate transmission capacity on the CAISO's interties to other utilities outside the CAISO and receive RA credit for imports. Once the transmission capacity is obtained, the buyer still has to find a seller of RA capacity to match the RA import capacity.

Different types of RA would need to be procured. System RA, which can come from anywhere on the grid or import allocations is the largest component. Local RA, which must come from specific sources located in CAISO designated local areas is a subcomponent that has to be met. Flexible RA, which allows the CAISO to respond to intra-hour and inter-hour changes in net load is a second subcomponent that has to be satisfied.

2.4.3.3 Fixed Price Financial Hedges

Financial hedges protect buyers of energy from spot market price volatility. The product is procured in the same manner that energy is procured. The only difference is that no energy is delivered, rather the supplier of the fixed price financial hedge is guaranteeing that BCE will pay a fixed price for energy that it buys from the CAISO energy market. The product can be scheduled into the CAISO market as an Inter-Scheduling Trade (IST) or settled bilaterally with the seller.

2.4.3.4 Carbon-Free Energy

Depending upon BCE's goals regarding carbon content in its energy supply portfolio, BCE may want to procure energy from resources that are not eligible to be counted as PCC1 supply but are carbon-free. These resources are typically large hydro but can be other resources that produce energy without carbon emissions. This product is also procured via RFP using standard contracts and deal confirmations.

2.4 Optional Add-on Services - Integrated Resource Plan (IRP)

ZGlobal has experience in Integrated Resource Planning (IRP) since the mid-80's. While at PG&E, Ziad Alaywan, P.E. led a team to perform an IRP efforts, and the impact of PG&E divesting of their gas plants along with the deregulation impact on their resources to meet loads. While at the CAISO, Ziad and several of the ZG team led the efforts in working with the FERC, CEC and PUC/Governor office to establish the first capacity requirement on generator under the "Must Offer Obligation". This led to the establishment of the Resource Adequacy (RA) program by the PUC/CAISO.

In addition, Brian Rahman led the implementation of the Locational Marginal Pricing (LMP) while at the CAISO including the implementation of the RA provision on the CAISO market software.

While at ZGlobal, we have performed IRP for LADWP and IID, and have assisted multiple entities in various aspects of IRP efforts, including Silicon Valley Clean Energy, MCE Clean Energy, CDWR, SMUD and the City of Long Beach, and Nebraska Public Utilities. Our IRP process is listed in Figure 8. Below:

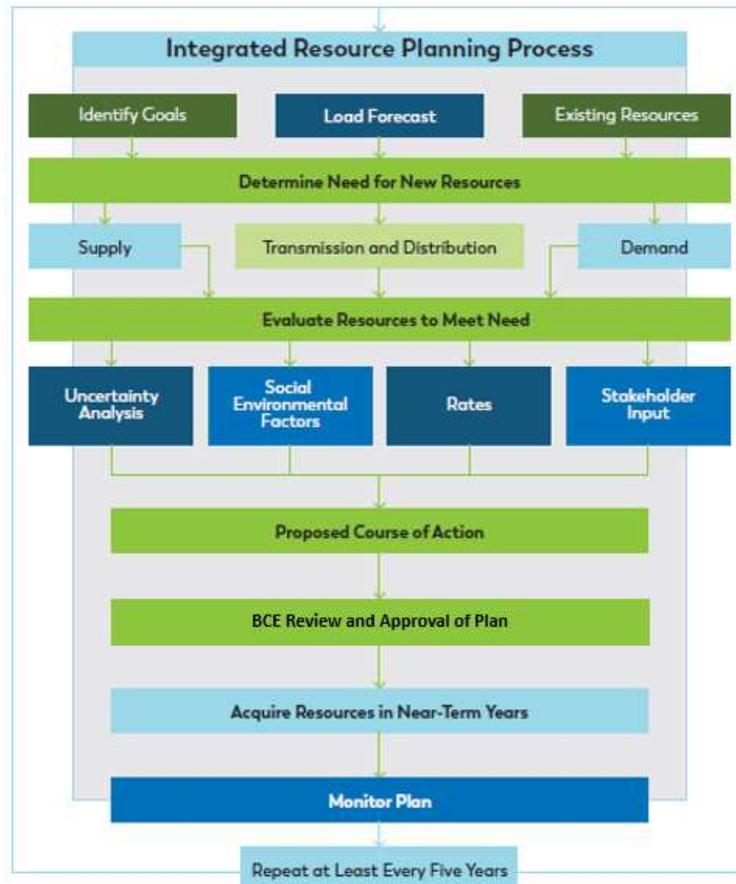


Figure 8. Integrated Resource Planning Process

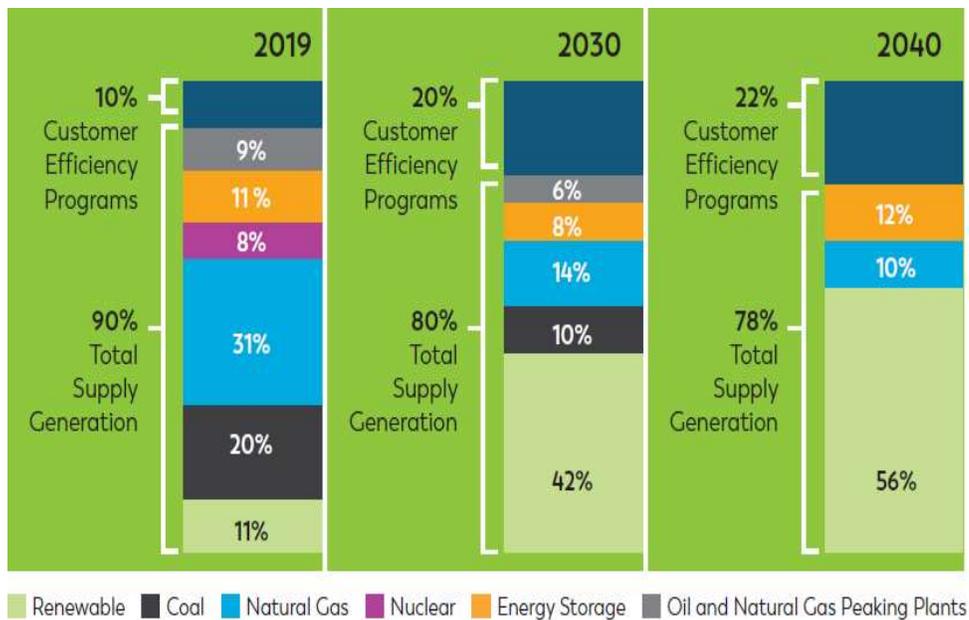
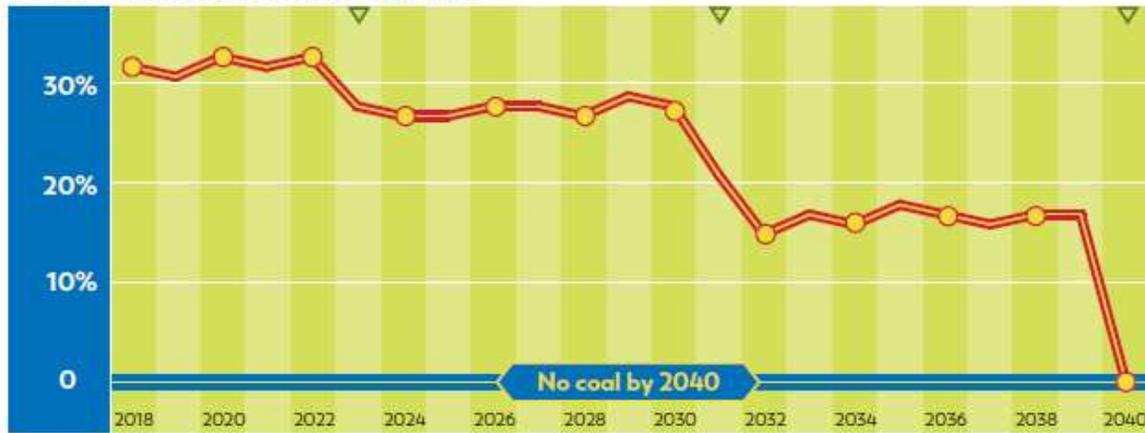


Figure 9. Clean Energy Plan Electric Capacity by Fuel Source (MW)

The objective of the IRP presented below as an example was to identify the resource mix that could serve the loads to comply with regulatory requirements:

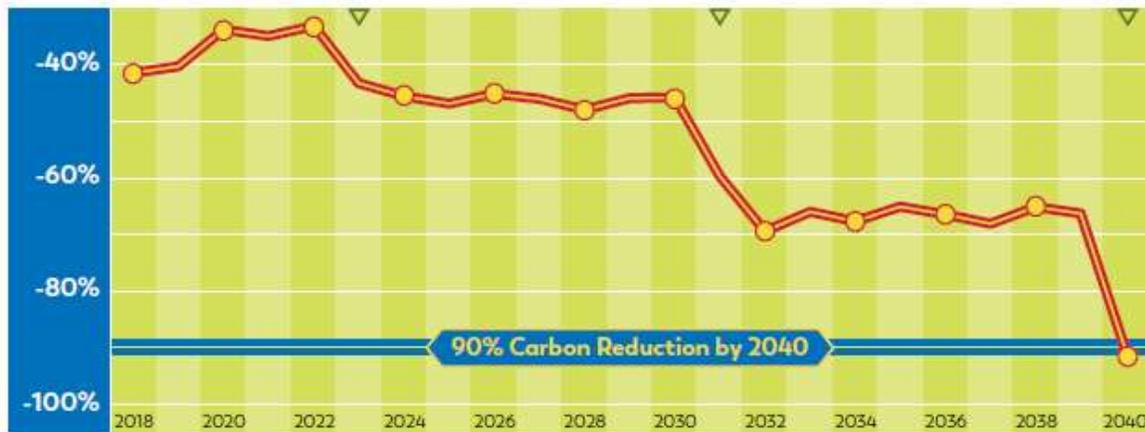
1. Transition to Zero Coal
2. More Demand Reduction
3. More Renewable Energy and RPS and Emission Gals
4. Affordability and impact on rate
5. Economic Development

Coal Generation Percentage



▼ Coal Generating plant retirement

Carbon Emissions Reduction



▼ Coal Generating plant retirement

Percent of Renewable Energy



Figure 10. IRP Examples of Resource Mix



Figure 11. Replacement or Power Supply MW

As part of the CPUC filing process, we implemented a comprehensive stakeholder engagement plan that included a series of widely promoted public forums to give stakeholders an opportunity to provide input. These types of technical conferences similar to the ones we have done while at the CAISO and recently with some of our CCA and public power clients are extremely valuable.

Forums could be open to the general public and designed as basic informational sessions with the chance to ask wide-ranging questions about topics such as renewable energy, energy efficiency, cost and emerging technology. Technical conferences will be tailored to meet the needs of stakeholder groups with deeper knowledge of energy issues and the planning process.

Prior to CPUC filing, we propose to engage closely with key stakeholders from government, customer groups, environmental groups and non-utility energy providers with a variety of positions, opinions and energy-related goals. These technical conferences will provide better understand what stakeholders believe would make the best plan for BCE and communicate BCE's desire to work collaboratively in the best interests of the County and its customers.

The final IRP plan will comply with CPUC requirements. In addition, ZGlobal would recommend calculating the impact of the proposed IRP, on the energy rates to its customers. The need to make critical decisions such as the "exit fee" projection and the impact of potential lost revenue from PSPS events can have a major impact. ZGlobal has experience from October 2019 and November 2019 PSPS events in estimating potential impact to BCE's revenue stream.

2. SCHEDULE

Proposed high-level schedule is below.

| Day 1: Risk Management and Power Procurement Schedule | | | |
|--|---|-----------|-----------|
| 1 | Meet with BCE to document objectives | 1-Apr-20 | 10-Apr-20 |
| 2 | Develop BCE's Risk Management Policy and Procedures | 10-Apr-20 | 31-May-20 |
| 3 | Obtain BCE's most recent load readings from PG&E | 1-May-20 | 31-May-20 |
| 4 | Using data on-hand and PG&E updates project load | 1-Jun-20 | 15-Jun-20 |
| 5 | Determine supply plan to meet BCE's targets | 1-May-20 | 31-Oct-31 |
| 6 | Issue RFP's for RA, RPS and Financial Hedges | 15-May-20 | 31-Jan-20 |
| 7 | Negative supply contracts | 1-Jun-20 | 31-Oct-20 |
| 8 | Develop and submit Annual RA Plan | 1-Aug-20 | 31-Jan-21 |
| Day 2: Energy Scheduling | | | |
| 1 | Submit CAISO SC Application and Fee | 1-Aug-20 | 31-Aug-20 |
| 2 | Submit Information Request Sheets | 1-Sep-20 | 15-Sep-20 |
| 3 | Electronic Transfer Funds | 1-Sep-20 | 31-Oct-20 |
| 4 | Officer Certification Form | 1-Jan-21 | 15-Jan-21 |
| 5 | CAISO Affiliate and Resource Control Disclosure Form | 1-Sep-20 | 31-Oct-20 |
| 6 | Network Connectivity Agreement | 1-Sep-20 | 31-Oct-20 |
| 7 | User Access Agreement | 1-Sep-20 | 31-Oct-20 |
| 8 | Contact List | 1-Jan-21 | 15-Jan-21 |
| 9 | Scheduling Coordinator Agreement | 1-Sep-20 | 31-Oct-20 |
| 10 | SQMD Plan and Template | 1-Jan-21 | 31-Jan-20 |
| 11 | Submit Risk Management Policy | 1-Jan-21 | 31-Jan-20 |
| 12 | CAISO Financial Security | 1-Jan-21 | 31-Jan-20 |
| 13 | Establish Network Interface with CAISO | Complete | Complete |
| 14 | Execute UAA Agreement with CAISO | 1-Sep-20 | 31-Dec-20 |
| 15 | Attend CAISO Training | Complete | Complete |
| 16 | Submit SC Emergency Plan | 1-Jan-21 | 31-Jan-20 |
| 17 | Provide CAISO with Contact Information | Complete | Complete |
| 18 | Complete Electronic Funds Transfer Test | 1-Jan-21 | 31-Jan-20 |
| 19 | Acquire Load Data from SDGE for Load and Forecasting | 1-Aug-20 | 31-Aug-20 |
| 20 | Register Interchange ID for Imports and Exports | 1-Jan-21 | 31-Jan-20 |
| 21 | Establish ADS Interface | Complete | Complete |
| 22 | Establish WebOMS Interface | Complete | Complete |
| 23 | Establish SQMD Interface | Complete | Complete |
| 24 | Submit SC Selection Letter | 1-Jan-21 | 15-Jan-21 |
| 25 | Verify SC ID is in Master File | 1-Jan-21 | 15-Jan-21 |
| Integrated Resource Plan Schedule | | | |
| 1 | Meet with BCE Staff and Management/ Stakeholders to document objectives, assumptions, deliverables and project schedule | 5-Apr-20 | 20-Apr-20 |

| | | | |
|----|---|-----------|-----------|
| 2 | Prepare and present goals and IRP objective to internal management and staff | 30-Apr-20 | 30-Apr-20 |
| 3 | Perform and Coordinate/Present IRP objective to stakeholders and obtain feedback (proposed 5 sessions) | 1-May-20 | 1-Jul-20 |
| 4 | Determine hourly loads shape for 3-5 years | 1-May-20 | 30-May-20 |
| 5 | Identify and present five supply scenarios that meet the BCE and stakeholders' objectives a. Calculate the supply cost and rate impact of each of the five scenarios b. Calculate emission and RA | 15-Aug-20 | 15-Sep-20 |
| 6 | Perform uncertain analysis; include at least: a. Impact of existing fee on rate b. Impact of power shutoff on rate c. Distributed Generation Impact Transmission and Distribution Impact of Supply Delivery | 15-Sep-20 | 30-Sep-20 |
| 7 | Evaluate and present the results of step 6 | 1-Oct-20 | 15-Oct-20 |
| 8 | Perform reiteration between step 5 and 6 based on BCE an stakeholders' input | 10-Oct-20 | 25-Oct-20 |
| 9 | Present draft report of the final IRP. Should include: a. final best cost/best fit supply stack to meet need b. Impact on rates c. Uncertainty analysis results d. Social/Environmental Impact | 10-Nov-20 | |
| 10 | Final draft report | 30-Nov-20 | |
| 11 | Obtain Approval | 1-Dec-20 | 31-Dec-20 |
| 12 | File with regulatory agencies | 1-Dec-20 | 31-Dec-20 |

Table 2. Implementation Schedule

3. PROPOSED BUDGET AND COST OF SERVICES

ZGlobal has prepared a proposed cost of services by areas listed herein and is willing to defer all costs for three months post operation. Minimum term is 24 months, but ZGlobal would prefer a term of 60 months.

For a term of 60 months, ZGlobal will reduce the service fee by 5% and waive the 2% annual escalation.

| Task Area | Details | Monthly | Annually |
|----------------------------------|--|---------|------------|
| Day One Services: | Risk Management | | \$61,800 |
| | Power Procurement | | \$67,000 |
| Day Two Services: | CAISO Energy Scheduling Services (include Load forecast, CRR, 7/24 Scheduling and settlements) | \$9,950 | \$119,400* |
| Optional Add-on Services: | Integrated Resource Plan | | \$50,500 |

*These fees are escalated at 2% annually.

4. REFERENCES

References are listed below.

Silicon Valley Clean Energy – Don Eckert, CFO
Phone: (408) 721-5301 X1003
Email: Don.Eckert@svcleanenergy.org

City of Anaheim – Elden Krause, Principal Integrated Resources Planner
Phone: (714) 765-4923
Email: EKrause@anaheim.net

MCE Clean Energy – Lindsay Saxby, Manager of Power Resources
Phone: 415-464-6655
Email: lsaxby@mceCleanEnergy.org

Pioneer Community Energy – Jenine Windeshausen, Executive Director
Phone: 530-889-4148
Email: JWindesh@placer.ca.gov

5. PROJECT TEAM STAFFING

| DAY ONE TEAM | DAY TWO TEAM | IRP & PROCUREMENT TEAM |
|---|---------------------------|---------------------------|
| Kevin Coffee, P.E. | Kevin Coffee, P.E. | Ziad Alaywan, P.E. |
| Robin Smutny-Jones | Jesse Montano | Brian Rahman, P.E. |
| Joy Li | Eric Vaa | Kevin Ballard |
| Dhayanesh Velusamy, P.E. | Jamil Labban | Dick Ferreira |
| Blessen Jacob | Joy Li | Christine Vangelatos |
| Josh Cain | Kyle Hoffman | |
| | Deane Lyon | |
| <i>Note: A full staff listing of our 24x7 Energy Schedulers is not listed herein.</i> | | |

Figure 12. ZGlobal Power Supply and Scheduling Services Team

Key individuals by and their areas of expertise are listed below.

Day One Team:

Kevin Coffee P.E. Leads the ZGlobal’s market operations team. Kevin’s 25-years plus of broad experience in the energy sector allows him to effectively lead ZGlobal’s portfolio managers, planners, schedulers, engineers, analysts, risk managers and other subject matter experts. Kevin has worked at ZGlobal since 2010 after spending his previous ten years leading the team responsible for scheduling all of PG&E’s load and managing and optimizing its portfolio of hydroelectric, renewable, thermal-fired resources. In addition, Kevin was responsible for implementation of risk management operating procedures for both portfolio management and counterparty credit risk management. Kevin oversees ZGlobal’s market operations functions, which provide portfolio management, energy procurement, energy scheduling and settlements, risk management and market analytics services for our clients.

Robin Smutny-Jones is the Vice President of Regulatory Affairs with over 25 years of experience in the energy industry in various capacities including policy and regulatory positions primarily in California and including engagement with western regulatory bodies. She has worked directly for three of the major decision-making bodies in California responsible for energy reliability and policy (legislature, California Independent System Operator, and California Energy Commission)—as well as working directly with the fourth primary entity—the California Public Utilities Commission. She has a good understanding of the overall California market structure as well as the major energy policies administered by the CPUC, CEC and the California Air Resources Board (CARB).

Robin is responsible for developing a strategy for diversifying ZG clientele. In addition, she is responsible for providing technical assistance to field programs on global marketing initiatives, strategic communications, media relations and crisis communications.

Joy Li is the Senior Power Markets Engineer at ZGlobal. Joy provides engineering support to the Day-Ahead and Real-Time Energy and Ancillary Services markets. Joy ensures applications software is functional to operate these markets in accordance with market rules and reliability criteria. Joy also manages clients’ Congestion Revenue Rights (CRR) portfolios to ensure that supply portfolios are adequately hedged. She holds a Master of Science in

Electrical Engineering with a major in Power Systems Control from Illinois Institute of Technology in Chicago, Illinois, and a Bachelor of Science degree in Electrical Engineering with a major in Power Systems Control from Nanjing Institute of Technology in Nanjing, China.

Dhayanesh Velusamy, P.E. is a Sr. Power Engineer with ZGlobal and is responsible for conducting highly complex engineering studies of the transmission systems within WECC, with a special focus on California. With experience in developing designs for high voltage transmission lines as well as PV string inverters, he has provided thorough power flow steady state, transient and short circuit studies, analyzed the reliability impact of new generator and network interconnections to large utilities power system and proposed upgrades and modifications as required. Prior to joining ZGlobal, Dhayanesh developed functional software and adapter packages for BMW, Volkswagen, Toyota and Honda.

Blessen Jacob is an Energy Market Analyst with a focus on performing statistical data analysis to aide in developing strategy recommendations related to CAISO market activities such as generation offers, load bidding, and congestion hedging, as well as developing data-driven reports for clients and other applicable regulatory agencies. His work involves assessment of electricity assets using statistics and operations research methodologies to quantify possible financial impacts for projects. Prior to joining ZGlobal, Blessen worked as an Electrical Engineer on commercial and residential high-rise building projects for facility and project management related companies.

Joshua Cain is a Market Settlements Analyst at ZGlobal. Prior to joining our team, Joshua worked in the Market Settlements Design & Configuration department at CAISO. This project-based contract focused on the analysis of energy market settlement calculations to improve efficiency and reduce processing time. Joshua also led the initiative to identify and address unnecessary or redundant charge code equations and created a visual model of the CAISO Settlement System to aid in analysis.

Day Two Team:

Kevin Coffee P.E. Leads the ZGlobal's market operations team. Kevin's 25-years plus of broad experience in the energy sector allows him to effectively lead ZGlobal's portfolio managers, planners, schedulers, engineers, analysts, risk managers and other subject matter experts. Kevin has worked at ZGlobal since 2010 after spending his previous ten years leading the team responsible for scheduling all of PG&E's load and managing and optimizing its portfolio of hydroelectric, renewable, thermal-fired resources. In addition, Kevin was responsible for implementation of risk management operating procedures for both portfolio management and counterparty credit risk management. Kevin oversees ZGlobal's market operations functions, which provide portfolio management, energy procurement, energy scheduling and settlements, risk management and market analytics services for our clients.

Jesse Montaña is the Vice President of Asset Management at ZGlobal with thirty years of experience in the energy industry. Jesse began his career in generation operations where he spent thirteen years commissioning and managing renewable generating facilities in Southern California. From there he went to work at the Imperial Irrigation District (IID) where he developed a standard distributed generator interconnection process and supporting documentation and net energy metering processes. In addition, Jesse was instrumental in developing retail rate structures designed to satisfy IID's revenue requirement.

Eric Vaa is the Director of Energy Scheduling at ZGlobal and oversees our Real-Time and Day-Ahead operations. Eric is primarily responsible for the day-to-day activities required for scheduling our clients' resources into

Independent System Operator (ISOs) organizations or the WECC bi-lateral market, executing interchange transactions between and among Balancing Authority Areas and ISOs. Eric provides training to ZGlobal's portfolio management and scheduling team for all asset optimization services including; portfolio management, CRR's/FTR's, system monitoring, resource scheduling, and the execution of real-time energy transactions on behalf of clients. Eric also works closely with clients to help integrate new resources into their respective markets, including the CAISO New Resource Implementation process.

Jamil Labban is a Senior Market Analyst focusing on Market Analysis; CAISO Operations, Tariff and Procedures, Power Supply and Demand, Markets and Customers bid -to- bill Business, Metering, Scheduling, Regulatory Contracts, Compliance, Settlements and Billing. Jamil has a broad ranging and diverse skill set developed over twenty (20) years of experience at the CAISO, across Client Services, Regulatory Contracts, Compliance, Market and Grid Operations, Power Supply, Settlements and Billing Divisions.

Joy Li is the Senior Power Markets Engineer at ZGlobal. Joy provides engineering support to the Day-Ahead and Real-Time Energy and Ancillary Services markets. Joy ensures applications software is functional to operate these markets in accordance with market rules and reliability criteria. Joy also manages clients' Congestion Revenue Rights (CRR) portfolios to ensure that supply portfolios are adequately hedged. She holds a Master of Science in Electrical Engineering with a major in Power Systems Control from Illinois Institute of Technology in Chicago, Illinois, and a Bachelor of Science degree in Electrical Engineering with a major in Power Systems Control from Nanjing Institute of Technology in Nanjing, China.

Kyle Hoffman is a Principal Advisor to ZGlobal's Electric Operations team. Kyle Hoffman previously served as the Manager of Scheduling at the CAISO. He has extensive experience in Balancing Authority areas, natural gas pipeline and electric utility operations. At the CAISO, Kyle was one of three operations managers responsible for Balancing Authority interchange scheduling, Balancing Authority area operations (inclusive of the energy management system), outage coordination, NERC reliability standards compliance and the annual self-certification process. Kyle was the lead CAISO negotiator for transmission contracts and served as an expert witness for both grid and market operations before FERC. Kyle brings the experience of dealing with WECC and NERC scheduling rules and procedures, including tagging, unaccounted for energy and transmission accounting.

Deane Lyon is a Principal Advisor to our System Operations team. He joined ZGlobal having over forty years of experience in the energy industry with Pacific Gas and Electric Co. (PG&E) and the California Independent System Operator (CAISO). His twenty-plus years with PG&E include hands-on experience in real-time distribution, transmission, substation and bulk interconnected system operations, with significant time in operations management and training. He managed PG&E's Oakland, CA switching center, which was the clearing house for all distribution, transmission and substation maintenance outages and trouble operations (i.e., storms, line and equipment failure). His last seven years with PG&E and the majority of his twenty years with the CAISO were spent working in real-time bulk system (60kV – 500kV) and interconnected Balancing Area operations. As Shift Supervisor in PG&E's Energy Control Center, Deane managed a team responsible for all facets of near-horizon and real-time operation of PG&E's portion of the grid. As Shift Manager with the CAISO, his responsibilities expanded to include real-time operation of the entire ISO Controlled Grid, which, in addition to PG&E, took in Southern California Edison's (SCE), San Diego Gas and Electric's (SDG&E) and Valley Electric Association's (VEA) grids. Deane's control room crew had the distinction of being on-shift that night in 1998 when the CAISO assumed Balancing Area operations responsibility and the day-ahead and real-time energy and ancillary services markets went live.

Note: In addition, we have 8 full time employees covering the real-time operations.

Integrated Resources and Rates Team:

ZIAD ALAYWAN, P.E. is the President and CEO of ZGlobal headquartered in Folsom, CA. With thirty-four years of experience in engineering, market analytics and project development, Ziad formed ZGlobal in 2005 intending to offer energy consulting services that would strengthen the grid, benefit our environment, and contribute to community and state-wide goals.

As a certified professional engineer, Ziad has held numerous leadership positions; including the California Independent System Operator (CAISO) where he was instrumental in designing and implementing the first wholesale energy market in the west. He also managed a \$150 million development budget and obtained the Western Electricity Coordinating Council (WECC) balancing authority certification, hired staff, and handled vendor management for the formation of the CAISO.

Subsequent to CAISO's successful start-up in 1998, he assumed various leadership roles including Director of Engineering and Managing Director of Market Operations. His responsibilities included oversight of grid operator plans for the transmission system and the operation of the CAISO markets. Additionally, he worked for 10 years with Pacific Gas & Electric Company (PG&E) holding various positions such as Transmission Planner, Senior Operations Engineer, Transmission and Generation Dispatcher and having managed real time operations of the PG&E control area.

In addition, Ziad was elected as one of two western representatives to the North American Electricity Reliability Corporation (NERC) Operating Committee. He has served on many WECC operations, planning, and market committees and has lectured in the areas of electric market design and operations, privatization, and deregulation at the University of Paris I, Pantheon-Sorbonne, University of Toulouse, École d'Ingénieurs de Purpan, Stanford University, UC Berkeley, and other higher education institutions and serves as a Technical Advisor to the European Union on deregulation.

Brian Rahman, P.E. is ZGlobal's Executive Director of Engineering with over twenty-nine years of extensive experience in areas of electrical engineering, management of market systems, operations, design/technology updates, and project coordination in a variety of utility/energy-related disciplines.

Brian brings a comprehensive understanding of utility and power system operations, both functional and financial, with experience in hydrogeneration and control area operation, financial analysis of transmission and generation, implementation of large projects and renewable integration.

Additionally, Brian has served as an expert witness on multiple occasions presenting factual arguments in support of utility customers, project developers, as well as the CAISO. With skills centered on project and program management and having worked on projects including the \$100 million CAISO nodal market as the Program Manager, Brian exhibited leadership in managing large and complex engineering projects and implementation of processes, technology, and organizational change.

Brian and his team of engineers have performed many engineering analyses for transmission, distribution and generating facilities with services that range from transmission and distribution planning, to specific studies including reactive power, short circuit, system impact and facility studies. Brian has extensive experience is providing technical testimonies at the Federal and State level, which include:

Kevin Ballard is a Principal to ZGlobal with 40 years in the energy industry holding various electric operating and management positions with Pacific Gas and Electric Company. Kevin brings an expert level of market knowledge due to his hands-on experience including, generation, supply, electric scheduling and a close working relationship

with the California Independent System Operator. Kevin has worked closely with the CAISO from its inception in 1998 and was a key contributor to incorporating PG&E's supply and demand portfolio assets into the CAISO electric market and dispatching demand and supply assets 24 x 7. An additional major milestone was the initial and continuous integration of the growing renewable portfolio into the market. While with PG&E Kevin assessed current and future operational impacts of Distributed Energy Resource integration. Studies included CAISO wholesale market participation of DERs, Distributed Energy Resource Aggregation (DERA), DERs providing distribution circuit equipment deferral solutions, DERs demonstration project development, and Distributed Energy Resource Management Systems.

As the Senior Manager of PG&E's Real Time Energy Trading Department, Kevin has an expert level of 24 x 7 trading operations, working with the CAISO and counterparties. Kevin's has extensive experience in complex portfolio optimization, real time asset dispatch, scheduling, outage management, NERC compliance and operating tools.

Richard Ferreira is a Principal to ZGlobal and has over thirty years of experience in engineering, resource management and compliance for electrical power generation and distribution facilities, independent power producers, utility companies and municipalities. His experience includes strategic planning, energy policy, FERC/NERC reliability and cyber standards, as well as financial planning. Richard has dedicated years of service negotiating power contracts and advising utilities on matters related to electric restructuring, market design, and FERC/NERC litigation.

Richard is a member of the WECC Board of Trustees and serves on policy and governance. He also served on the Board of Governors for the California Independent System Operator (CAISO) and the Board of Governors for the Western Systems Coordinating Council (WSCC). Richard has spoken nationally and internationally on electric industry restructuring, energy efficiency, renewable resources and strategic planning.

Christine Vangelatos is ZGlobal's Executive Director of Market Analytics. Christine has over twenty years' experience in the energy sector with PG&E and the CAISO. She is highly knowledgeable in the day-to-day operations of transactions with the CAISO market and settlements. While at the CAISO, Christine successfully managed CAISO settlement system implementation which administered several hundred million dollars annually. Christine is an expert in the CAISO nodal market, asset valuation, and economic analysis for a variety of generating and transmission assets.

At ZGlobal, she leads a highly skilled team of engineers and market analysts that develop and use deterministic and stochastic models to perform energy market and operations analyses, forecasting and resource planning in support of ZGlobal's energy scheduling, portfolio optimization, risk management, and asset valuation assessments for clients. Their expertise includes developing and maintaining ZGlobal's production cost models to forecast locational marginal prices (LMP) and dispatch resources under varying scenarios for the CAISO energy markets. Christine also manages ZGlobal's settlement processes. ZGlobal's settlement staff has over 10 years' experience managing energy market settlement processes, check-outs and reporting. Also, Christine provides leadership and coordinates many of ZGlobal's information technology implementation efforts having many years of experience leading market and settlement application implementation projects at CAISO.

6. COMPANY OVERVIEW

| | |
|---|---|
| Applicant Information | |
| Name of Firm (As it appears on W-9 Tax form) | ZGlobal Inc. |
| Business Address City, State, Zip Code | 604 Sutter Street, Suite 250 Folsom, CA 95630 |
| Dun and Bradstreet Number | |
| SIC Numbers | |
| Contact Name | Kevin Coffee, P.E. Vice President, Operations |
| Contact Telephone | Telephone: 415-342-4757 |
| Contact E-mail Address | kcoffee@zglobal.biz |
| Person authorized to execute contracts for this RFP | Ziad Alaywan, P.E. CEO (916) 985-9461 ziad@zglobal.biz |
| Year Established | 2005 |
| Years in Business | 15 |
| Guarantor Information | We do not have a credit rating as this is a privately held company. We do have un-audited financial statements and we are happy to make available upon request. |

After a decade with Pacific Gas and Electric as a Manager of Real Time Operation of PG&E generation and transmission systems, ZGlobal founder, Ziad Alaywan, led the implementation of the first wholesale electricity market in the West as the CAISO's Managing Director of Markets and Operation. He founded ZGlobal in 2005, bringing on a group of utility and CAISO experts that have operated a large utilities, wholesale energy markets and balancing authorities.

Since 2005, ZGlobal has expanded to its two locations in California and one location in Mexico. ZGlobal offers an array of energy services focuses on power system engineering, operation and energy market analytics. Over the last fifteen years ZGlobal has provided services for clients on projects totaling of 32,492 MW as shown in figures 13, 14 and 15.

ZG Consulting Services Overall Total: 32,492MW

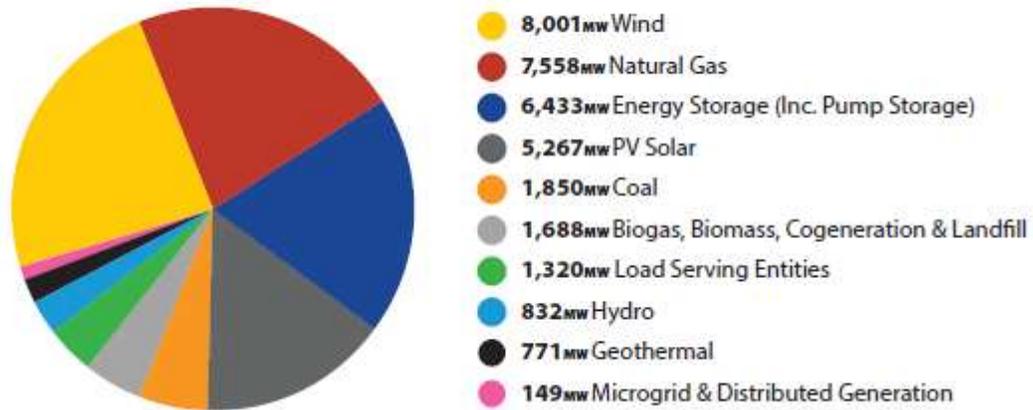


Figure 13. Categories of Consulting Services

In addition, ZGlobal has provided design and infrastructure development services that range from permitting, interconnection and detailed engineering and construction management for roughly 6,512 MW as shown below:

ZG Design Services Overall Total: 6,512MW

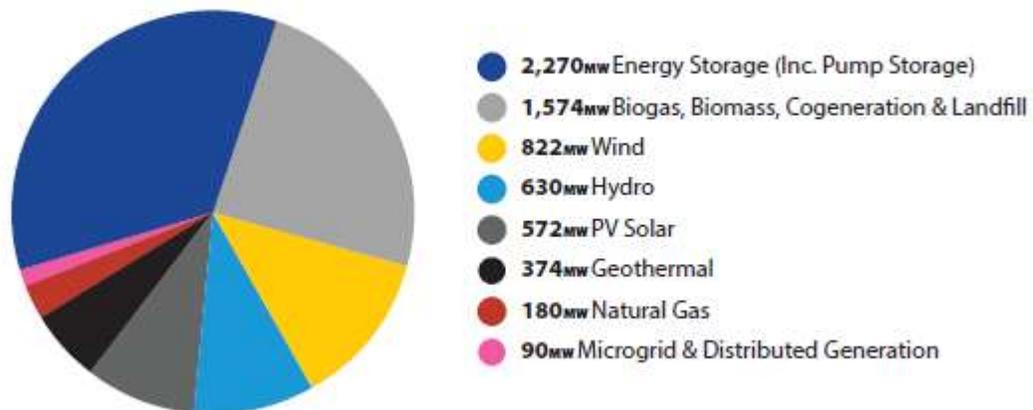


Figure 14. Categories of Design Services

ZGlobal also provides 24 x 7 asset management services including scheduling, e-tagging, settlements and portfolio optimization for 2,345 MW of generation and 2,112 MW of load as shown below:

ZG Operations Overall Total: 4,467MW (generation 2,345 + load 2,122)

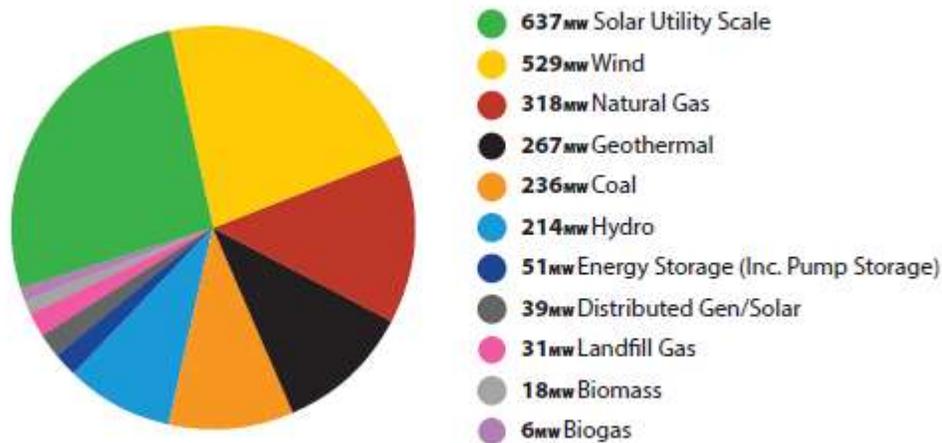


Figure 15. Categories of Operations Services

ZGlobal provides the following functions on behalf of our CCA clients.

LMP Analysis - For projects within the CAISO, or for those delivering from outside the CAISO to delivery points within the CAISO such as specific bus (PNode), Generation Hub (Gen Hub), or Default Load Aggregation Point (DLAP) ZGlobal provides CCA clients with an understanding of the nodal prices and delivery costs for supply resources under contract delivering to CCA load. ZGlobal collects historical CAISO market data (Locational Marginal Prices or LMPs) and performs cost simulations using CAISO models to forecast future LMP prices. In addition to the nodal price data ZGlobal also collects the clearing prices for regulation, spinning and non-spinning reserves. As a first step, ZGlobal performs an assessment of the historical LMPs at the project point on injection and determines the historical delivery costs to available Gen Hubs and DLAP's. Pending the outcome of the historical data analysis, ZGlobal may suggest a production cost simulation to augment historical data based on future grid conditions.

Resource Adequacy Assessment - ZGlobal assesses the changes to the RA program and develops strategies for maximizing RA value, specifically, locating areas on the grid that provide maximum RA value.

Resource Assessment - ZGlobal understands the objective of the CCA and supports their efforts in providing local oversight and choice of supply at reasonable cost. Strategies may include creation of Hybridized Gas Turbines to enable the ability to provide spinning reserve, the addition of storage as a coordinated element, or independent of the existing asset or where space permits, the addition of solar/storage standalone project(s). ZGlobal evaluates the available options in conjunction with market price and feasibility data to determine the optimal contract and size for augmentation and/or addition of energy storage or additional output capacity.

Operations and Operational Strategies - ZGlobal's 24x7 operations desk schedules and monitors output of generation facilities within California and throughout the West. The focus of the operations desk is to ensure that energy is delivered from source to sink, resources are bid into the market economically, and resources are monitored to ensure compliance with contractual obligations and expected performance criteria. For clients that may not have a lot of experience within the CAISO markets, ZGlobal assists with developing operational strategies that can then be implemented by submitting price-sensitive offers into the market and modifying those based-on feedback from market results.

ZGlobal also provides a full suite of settlement functions that monitor CAISO settlement statements to ensure accuracy and shadow settlements to pre-calculate CAISO charges and credits to compare against CAISO settlement statements. When discrepancies arise, ZGlobal follows up with a formal inquiry and dispute when necessary.

For renewable resources that need to account for Renewable Energy Credits (RECs), ZGlobal manages clients' Western Renewable Energy Generation Information System (WREGIS) accounts to ensure that all eligible renewable energy that is produced is properly accounted for in the WREGIS database and transferred to buyers or retired. ZGlobal also provides e-tag matching services typically required for any power purchase agreement or other contracts. For those energy imports that are carbon-free, ZGlobal provides California Air Resource Board (CARB) compliance for Asset Controlling Supplier (ACS) energy.

Optimization of Design - ZGlobal understands the objective of the CCA and supports their efforts in providing local oversight and choice of supply at reasonable cost. Strategies may include creation of Hybridized Gas Turbines to enable ability to provide spinning reserve, the addition of storage as a coordinated element, or independent of the existing asset or where space permits, and the addition of solar/storage standalone project(s). ZGlobal shall, in coordination with your staff, evaluate the available options in conjunction with market price and feasibility data to determine the optimal contract and size for augmentation and/or addition of storage or additional output capacity.

Compliance and regulatory Support - There are multiple, ongoing, CPUC reporting and compliance obligations with resource adequacy and Integrated Resource plans. ZGlobal is familiar with all CCA reporting requirements and can certainly augment our offering in the future and provide a view of the challenges that CCAs could face in the future such exit fee calculation, impact of direct access and cost allocation across various classes of ratepayers.

7. STATEMENT OF NO CONFLICT/ANTITRUST

ZGlobal adheres to all relevant anti-trust and collusion laws while providing services to BCE. ZGlobal confirms that it shall avoid organizational conflicts of interest that would restrict full and open competition in this procurement and subsequent procurement. ZGlobal understands that organizational conflict of interest means that due to other activities, business units, relationships or contracts that ZGlobal would be unable, or potentially unable, to render impartial assistance or advice to BCE consistent with the requirements under California Government Code section 1090, objectivity in performing the Scope of Work identified in this procurement might otherwise be impaired, or cause ZGlobal to have an unfair competitive advantage

8. APPENDIX A

8.1 Questions for Power Supply and Scheduling Consultants

Details on Experience

1. Does your firm currently provide Scheduling Coordinator services to one or more CCAs? If yes, please list the CCAs.
 - a. Yes, entities are listed below which represents 21% of the operating CCA's.
 - Marin Clean Energy
 - Silicon Valley Clean Energy
 - Pioneer Community Energy

2. Does your firm currently provide Scheduling Coordinator services to entities other than CCAs that reside within CAISO? If yes, please list the entities.
 - a. Yes, entities are listed below.

| | |
|--|---|
| <ul style="list-style-type: none"> • Energy 2001 • Imperial Valley Solar 1 • Southern Company • Solar Gen 2, Imperial Valley • Windstream • CalEnergy • City of Anaheim • Energy Unlimited | <ul style="list-style-type: none"> • Loyalton ARP • City of Corona • City of Victorville • EDP Renewables • Metropolitan Water District • First Solar • City of Long Beach • Bear Valley Electric • SMUD |
|--|---|

In addition, we provide similar services to: Southwest Reserve Sharing comprising of 14 utility and generating facility such as Arizona Public Service, El Paso Electric, Sal River Project, IID, Calpine, Public service of New Mexico, Tucson Electric and other Nebraska municipal utilities.

3. Does your firm currently provide scheduling services to entities outside CAISO? If yes, please list the entities.
 - a. Yes, we currently provide similar services for clients in Nevada, Arizona, Utah, Oregon and both IID and LADWP areas. Clients listed below.

| | |
|--|---|
| <ul style="list-style-type: none"> • SG2 Imperial Valley • CalEnergy • Sun Streams 1 • NewSun Energy | <ul style="list-style-type: none"> • Cirq Energy • ARP Loyalton • Sunpin Solar |
|--|---|

4. Please provide the names of the entities for whom your firm has purchased Resource Adequacy Capacity? Please specify whether or not your firm has purchased designated system, local RA and/or flexible RA capacity for the entities.
 - a. Although, ZGlobal has not procured RA, we have played a key role in assisting suppliers and Load Serving Entities to achieve deliverability status and facilitate the purchasing of over 450 MW of RA. Some of the supplier are from SolarGen2 solar plant owned by Southern Company, Solar Frontier

100 MW solar plant and Mount Signal 150 MW solar facilities. The LSE'S for these RA resources were SDGE and PG&E.

8.2 Project Management

5. Out of which of your firm's offices would BCE real-time energy imbalances be managed?
 - a. El Centro, California with back-up in Folsom, California
6. Out of which of your firm's offices would CAISO settlement functions be managed?
 - a. Folsom, California
7. What settlement software would your firm use to manage BCE's settlements?
 - a. PowerSettlements
8. Out of which of your firm's offices would risk management services be managed?
 - a. Folsom, California
9. Would a representative of your firm be available to attend periodic power supply planning or risk oversight committee meetings at the BCE location? If so, please provide the name of the representative(s) that would be most likely to fulfill this service.
 - a. Yes. Kevin Coffee.

8.3 Power Resources

10. Does your firm have access to renewable energy resources or PPAs that could be used to serve BCE load beginning in 2021? If yes, please list the specific resources and quantity available or, if the information is confidential, the resource types and a range of quantities available. Also, specify whether any of the resources are within Butte County.
 - a. ZGlobal does not own renewable energy resources, however we work with developers to obtain project permits, interconnection to the grid and the operational aspects. The following projects are construction ready and can be constructed in 2020 with completion dates starting the beginning of 2021.
 - (1) **GasCo**: 11 MW solar with 11 MW battery storage located in Kern County, CA. This project has a completed solar permit and have an executed Interconnection agreement. The project has an RA, PCC1 and Carbon free attributes. The estimated energy production is about 20,000 MWh annually of firm and shaped energy. The project is within CAISO balancing authority.
 - (2) **Eagle II**: 4.2 MW solar with 4.2 MW battery storage located in Kern County, CA. This project has completed solar permit and have an executed interconnection agreement. The project has an RA, and Carbon free attributes. The estimated energy production is about 8,000 MWh annually of firm and shaped energy. The project is within CAISO Balancing area and will be completed in Q4 2020.
 - (3) **Leo**: 4.2 MW solar with 4.2 MW battery storage located in Kings County, CA. This project has completed solar permit and have an executed Interconnection agreement. The project has an RA, RECS and Carbon free attributes. The estimated energy production is about 8,000 MWh annually of firm and shaped energy. The project is within CAISO balancing authority and will be completed in Q4 2021.
 - (4) **Jazmin**: 8.2 MW solar with 8.2 MW battery storage located in San Bernardino County, CA. This project has completed solar permit and have an executed Interconnection agreement. The project RECS and Carbon free attributes and working on the RA designation. The estimated energy production is about 22,000 MWh annually of firm and shaped energy. The project is within CAISO balancing authority and will be completed in Q4 2021.

Additionally, we can also introduce BCE to developers with viable projects. We are familiar with Butte County permitting process, distributions and its transmission system.

11. Does your firm have access to non-renewable energy resources or PPAs that could be used to serve BCE load beginning in 2021? If yes, please list the specific resources and quantity available or, if the information is confidential, the resource types and a range of quantities available. Also, specify whether any of the resources are within Butte County.
 - a. ZGlobal does not own non-renewable energy resources, however we work with developers with getting projects interconnected to the grid and operational. Because of that interaction, we can introduce BCE to developers with viable projects. We have worked on permitting and interconnection projects within Oroville, Gridley, Palermo and Chico areas in Butte County.
12. Does your firm have the ability to develop new renewable resources on behalf of the CCA within or outside of Butte County?
 - a. No, ZG is not a developer, However, we have the ability to introduce and encourage developers to participate in an RFP process and develop resources such as renewable natural gas coupled with solar or battery within Butte County. This option is tailored to harden the Butte county grid as it could be located on the distribution system and can be utilized during and Power Shut Off events. We will be happy to work with Butte Choice Energy and have further discussion in finding solutions to prevent or lesson the power shut offs during the fire season and would be happy to share with you some of our thoughts. We have deep experience with PG&E transmission and distribution systems and the areas in Butte county that can be improved along with solutions.
13. Does your firm have access to Renewable Energy Certificates that could be used to help BCE meet its renewable energy goals beginning in 2021? If yes, please provide REC prices by Portfolio Content Category (i.e. PCC 1, 2 and 3).
 - a. No, However, we can encourage RECS provider to participate in the BCE RFP
14. Does your firm currently hold long-term transmission contracts that could be used to wheel power to BCE’s service territory? If so, please specify the transmission paths and capacities available on those paths.
 - a. No,

8.4 Pricing and Terms

15. Please provide indicative pricing for hourly load shaped energy, inclusive and exclusive of ancillary services for the years 2021, 2022 and 2023. The expected mix of resource types should be provided as well and match BCE’s Business Plan portfolio options. The CCA is planning on offering alternatives to its customers and therefore pricing should be provided for each of the following alternatives:
Below is indicative pricing for shaped energy.

| | Shaped Energy | 2021 | 2022 | 2023 |
|---------------|---------------|---------|---------|---------|
| RPS Standards | Without A/S | \$33.50 | \$37.75 | \$38.95 |
| | With A/S | \$40.20 | \$45.30 | \$46.74 |
| 50% RPS | Without A/S | \$38.53 | \$43.41 | \$44.79 |
| | With A/S | \$46.23 | \$52.10 | \$53.75 |
| 100% RPS | Without A/S | \$57.79 | \$65.12 | \$67.19 |
| | With A/S | \$69.35 | \$78.14 | \$80.63 |

Table 3. Indicative Pricing for Hourly Load Shaped Energy

Note that energy with ancillary services is a limited product that suppliers are reluctant to offer.

16. Please provide indicative scheduling coordinator fees and any other service fees that would be assessed to BCE under a contract with your firm.
 - a. Service fee for activities required through December 31, 2020 for Power Supply and Scheduling Services described in this RFP response is \$67,000 from March 2020 to December 2021 during BCE's CCA implementation and program enrolments and Energy Scheduling Coordination Services \$9,950 per month with 2% escalation each year after the first 12 months of providing service beginning on January 1, 2021. Minimum term is 24 months, but ZGlobal would prefer a term of 60 months.
17. Please indicate your firm's proposed term for scheduling coordinator services. BCE envisions a 2-4-year term for this initial content but is flexible on duration.
 - a. 24 months is offered at minimum, but ZGlobal would prefer a 60-month term.

8.5 Financing/Credit Issues

18. Is your firm willing to defer its internal fees during the 3-month start-up phase until BCE begins receiving revenue from customers? If so, would there be any added cost associated with this deferral?
 - a. Yes, ZGlobal would be willing to defer all payment to 3-month after Day (2) with no additional cost.
19. Is your firm able to provide a delay in billing for power supply during part of the start-up phase until BCE begins receiving revenue from customers? If so, would there be any added cost associated with this deferral?
 - a. ZGlobal would not be taking title to power supplies or be a counterparty in any transactions. All transactions would be between BCE and suppliers. ZGlobal would not be in the middle of those transactions.
20. Does your firm have the ability to use its own credit facilities on behalf of BCE when procuring power for BCE?
 - a. No
21. What is required for CAISO security deposits and does your firm have the ability to provide the deposits upfront? If so, at what cost?
 - a. The CAISO has two collateralization requirements. The first requirement is for capitalization. For entities that do not have a credit rating or a significant balance sheet, the capitalization requirement is \$500,000. The second requirement is called the Estimated Aggregate Liability (EAL) which is based on operation. EAL is calculated daily by the CAISO and designed to estimate how much a Scheduling Coordinator is forecast to owe or be paid by the CAISO. Amounts vary depending upon imbalance between a Scheduling Coordinator's supply and load over a settlement period. ZGlobal recommends that ZGlobal register BCE as its own Scheduling Coordinator so that BCE has a direct contractual and operational relationship with the CAISO. ZGlobal would then act as BCE's agent performing all CAISO tasks on behalf of BCE. This way, BCE is recognized by the CAISO and dollars flow directly between the CAISO and BCE. The alternative is for ZGlobal to act as the Scheduling Coordinator on behalf of BCE. ZGlobal has the relationship with the CAISO and BCE is not recognized by the CAISO. Dollars flow between the CAISO and ZGlobal, which then sets up a downstream process for BCE and ZGlobal to transfer CAISO dollars. ZGlobal is willing to work with BCE to determine how best to manage CAISO security deposits. The same arrangement was implemented with Pioneer, MCE and Silicon Clean Energy CCA's
22. What level of security deposit is required for power supply purchases and does your firm have the ability to provide the deposits upfront?
 - a. The amount depends upon the supplier and contract. ZGlobal would have to assess on a case-by-case basis.

8.6 Reporting

23. Please provide an outline of business intelligence and reporting tools you will provide BCE.

PowerSettlements and Yes Energy would be utilized to provide the following reports:

- a. Reporting for analytics,
- b. Visualization and reporting,
- c. Self-Service reporting,
- d. Aggregation of data reporting,
- e. Risk management and performance reporting.
- f. Finance related reporting.

Reports are generated periodically and range from daily, weekly, monthly, quarterly and annually. ZGlobal will work with BCE to tailor the report to BCE needs. The charts, graphs and tables along with detailed sub-hourly data are provided. A sample of information is shown below.



Figure 16. Monthly Net Open Position Volume



Figure 17. Monthly Net Open Position Value



Figure 18. Annual Net Open Position Volume

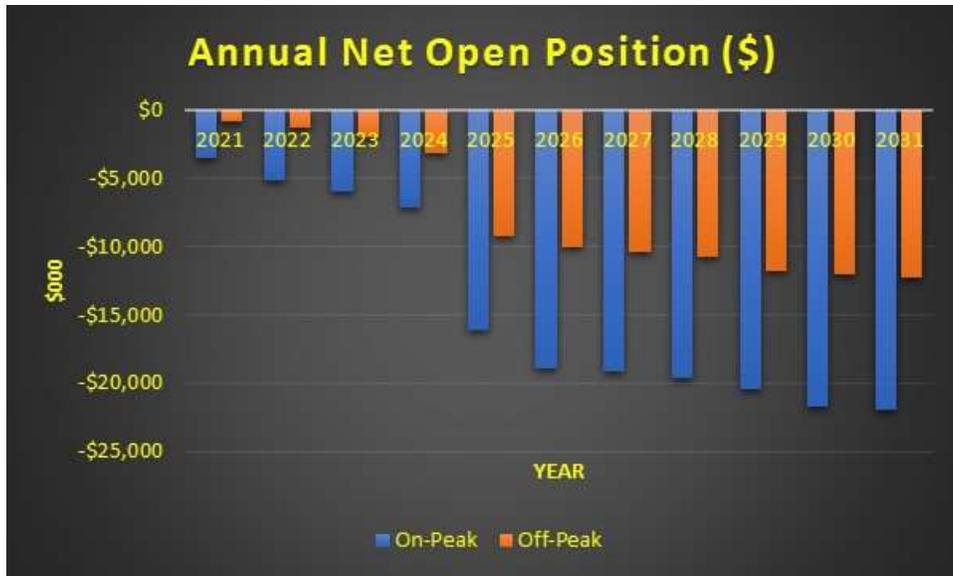


Figure 19. Annual Net Open Position Value



Figure 20. Annual Net Open Position Value-at-Risk

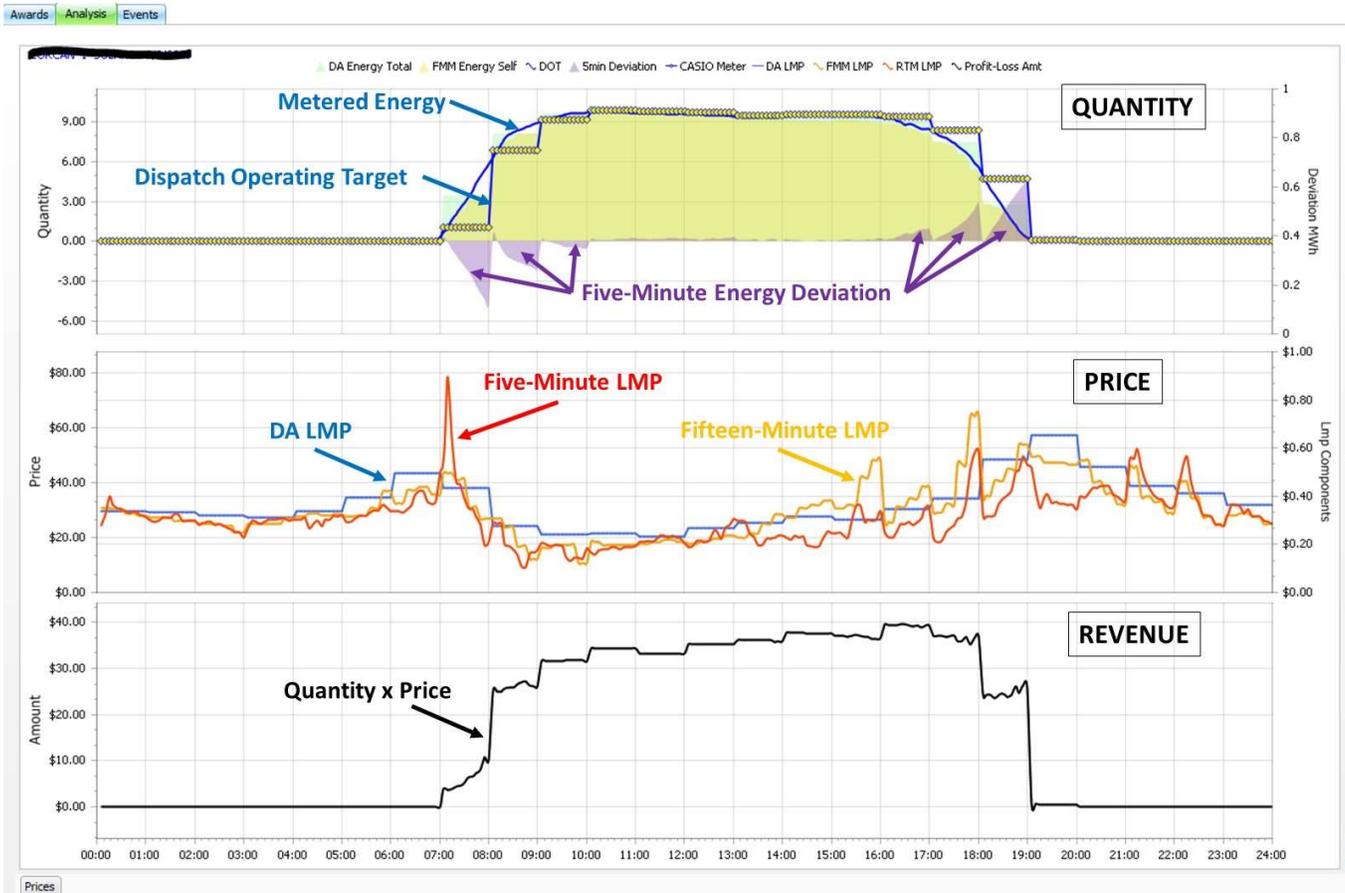


Figure 21. Generator Performance Monitoring During a Calendar Day

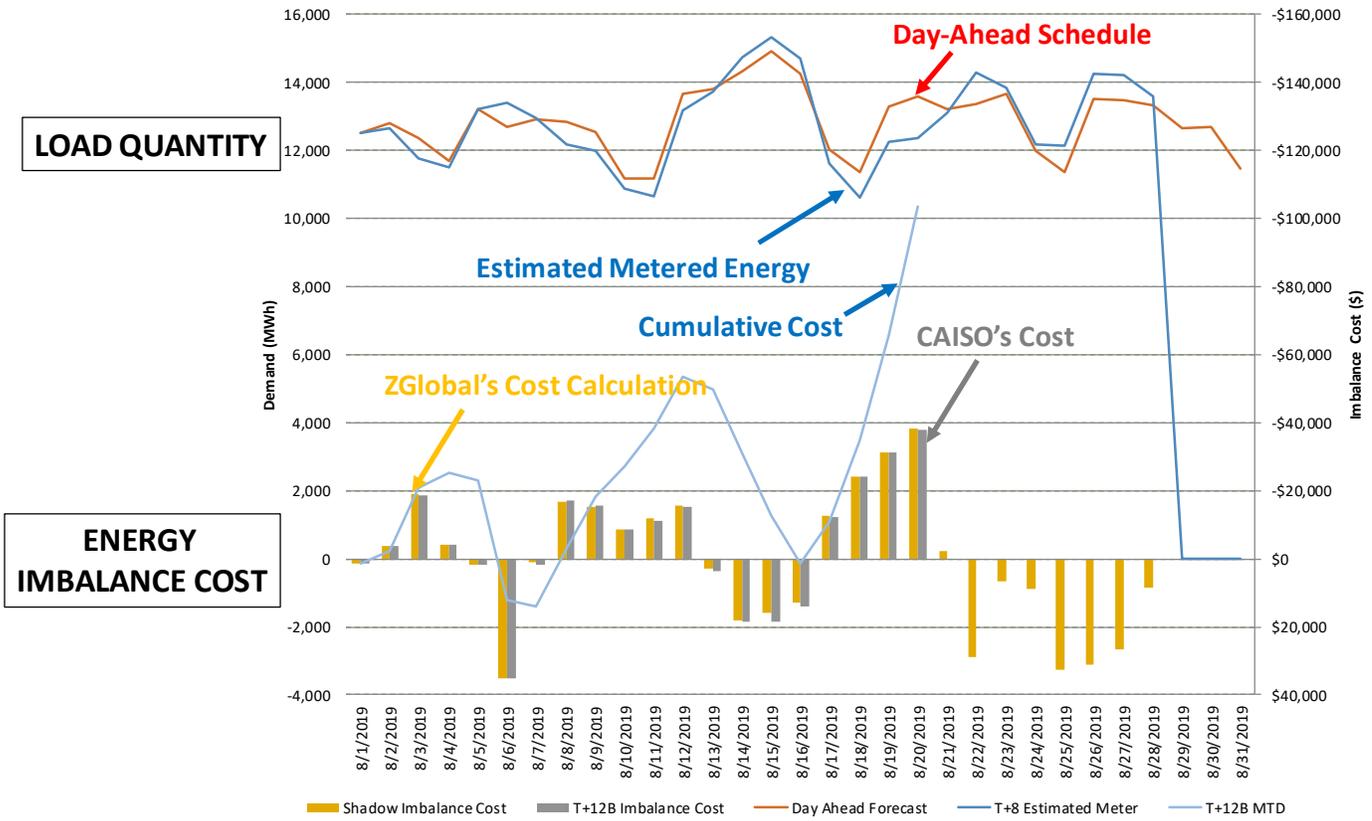


Figure 22. Load Monitoring During a Calendar Month

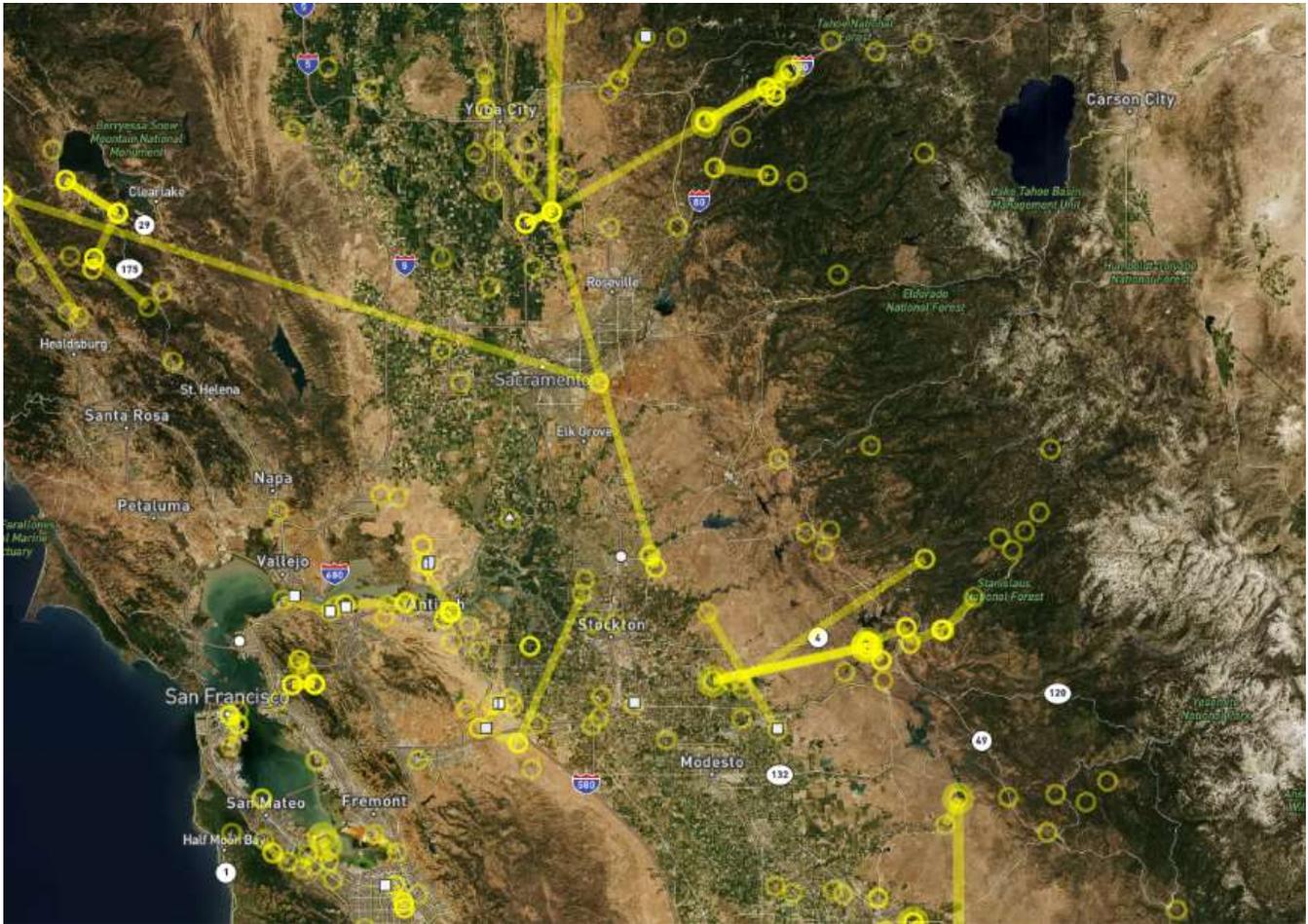


Figure 23. Visual Representation of CAISO Transmission Constraints Causing Congestion

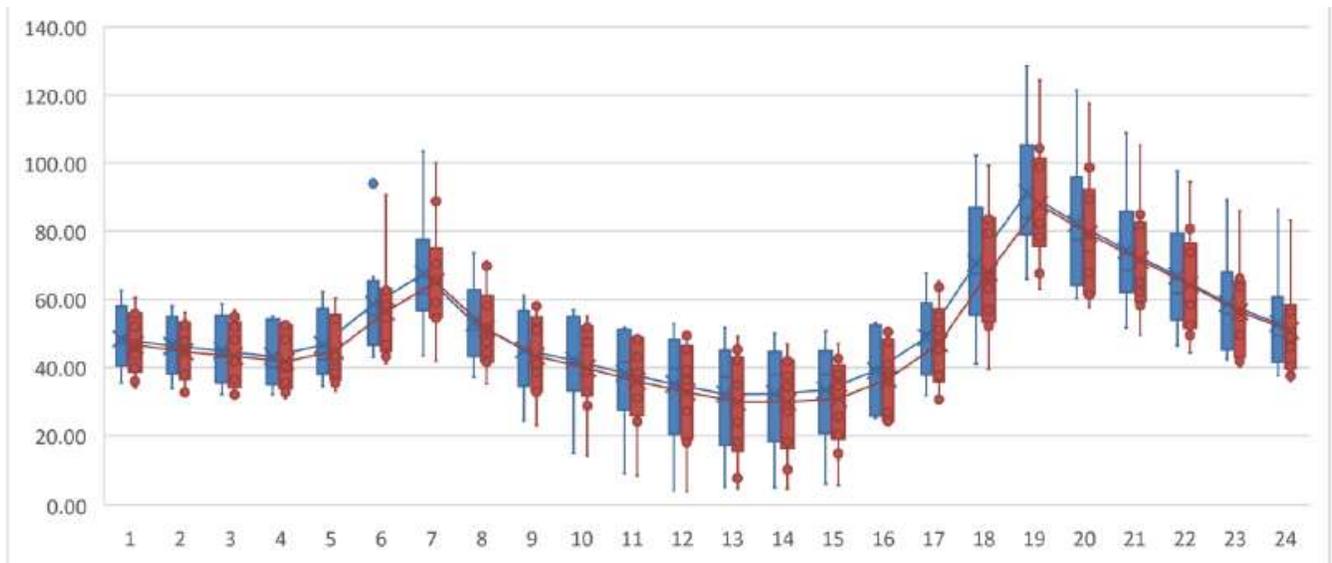


Figure 24. Hourly CAISO Price Distribution During a Month

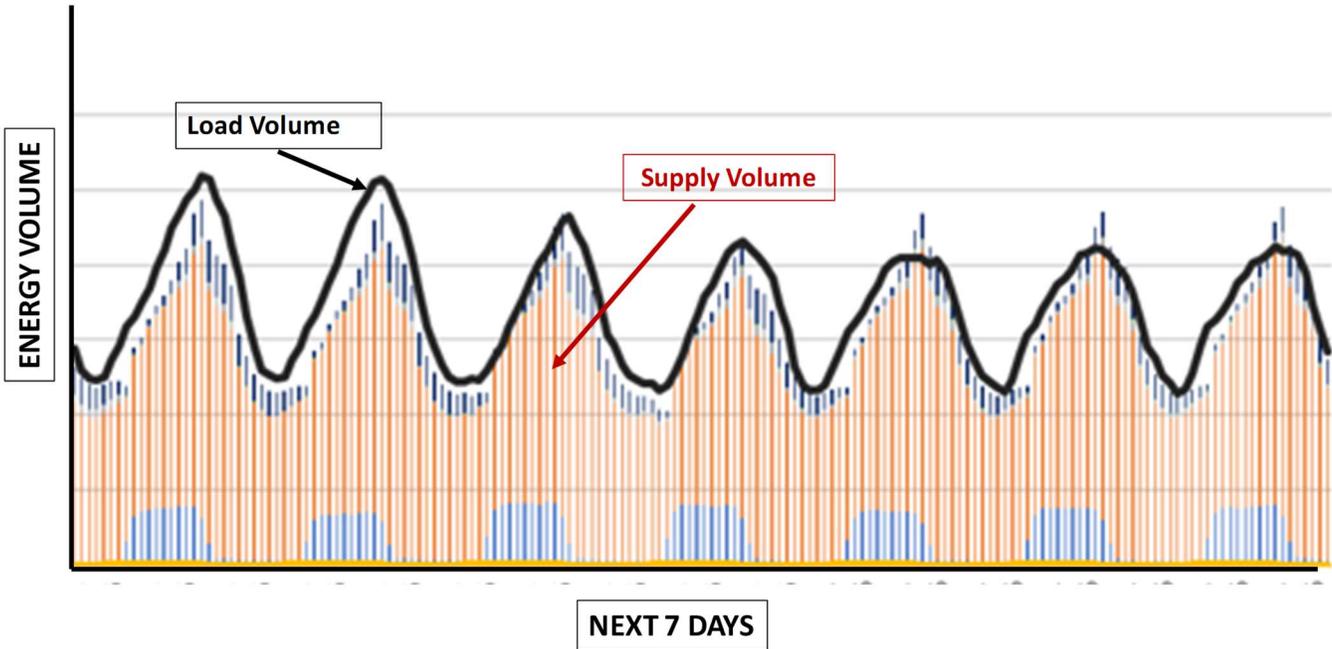


Figure 25. Graph of Daily Energy Load/Supply Balance for Next 7 Days

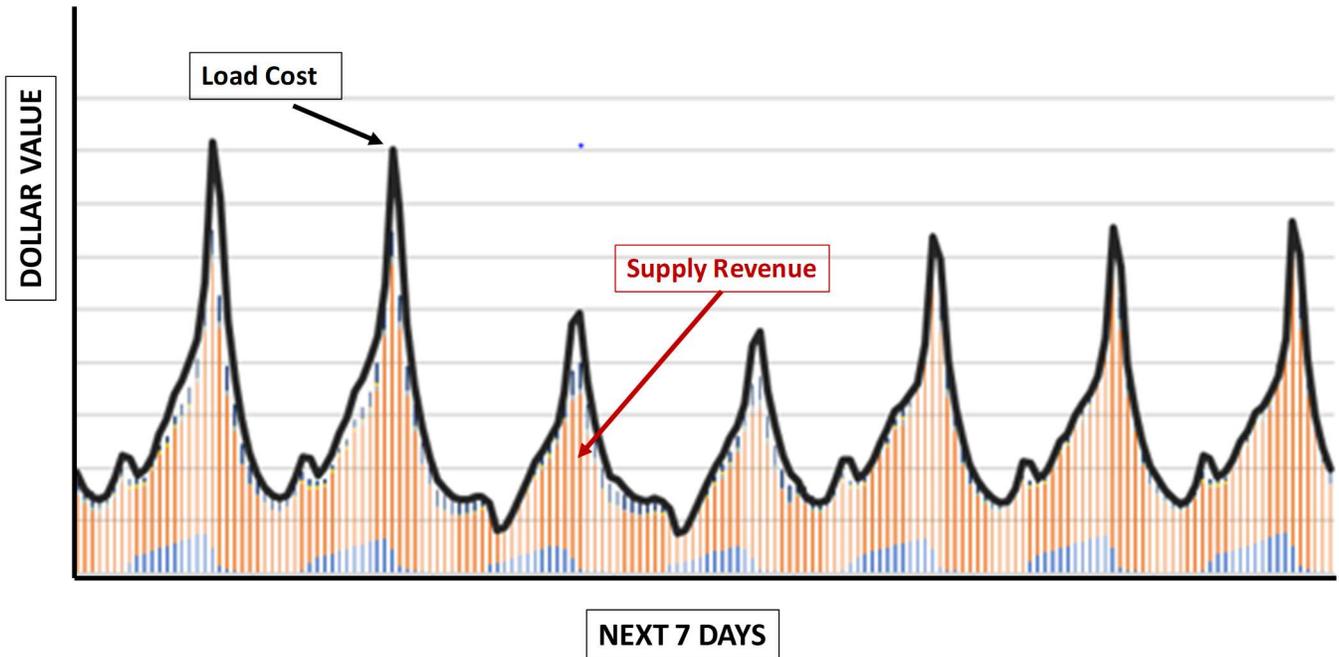


Figure 26. Graph of Daily Resultant Cost of Load/Supply Balance for Next 7 Days

BUTTE CHOICE ENERGY AUTHORITY

Staff Report – Item 4e

To: Butte Choice Energy (BCE) Board of Directors

From: Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte

Subject: Adoption of Cooperation and Administrative Services Agreement

Date: March 9, 2020

Recommendation

Adopt Cooperation and Administrative Services Agreement with the County of Butte

Background

The County has and will continue to fund numerous activities in support of the implementation of Butte Choice Energy Authority (BCEA) and its Community Choice Aggregation (CCA) program. Activities include but are not limited to: funding the initial feasibility study; funding the implementation plan; funding various technical consultants; and, providing significant staff resources for project management and administrative and legal activities. The intent of the attached Agreement is to memorialize this support and related expenses and to confirm that BCEA will reimburse the County for actions undertaken and costs incurred in support of the adoption and implementation of BCEA and its CCA.

It is understood that the County will not be reimbursed for staff and related implementation services until BCEA is operational and its initial line of credit has been paid off or refinanced into longer-term working capital. The County anticipates reimbursement will occur within two years of BCE launch/revenue, but potentially sooner.

Fiscal Impact: To be determined.

Attachment: BCEA/Butte County Cooperation and Services Agreement

COOPERATION AND ADMINISTRATIVE SERVICES AGREEMENT

THIS COOPERATION AND ADMINISTRATIVE SERVICES AGREEMENT (the "Agreement") is entered into as of March 9, 2020, by and between the BUTTE CHOICE ENERGY AUTHORITY (the "BCEA") and the COUNTY OF BUTTE (the "County").

Recitals

A. County, by Resolution No. 19-282, adopted on October 22, 2019, and the City of Chico (the "City"), by Resolution No. 77-19, adopted on November 5, 2019, authorized County and City, respectively, to enter into a Joint Powers Agreement relating to and creating the Butte Choice Energy Authority (the "JPA Agreement") pursuant to the Joint Exercise of Powers Act (California Government Code Section 6500 et seq.) (the "Act").

B. The parties to the JPA Agreement are currently the County and the City (each referred to herein as member or members).

C. Section 3.2.7 of the JPA Agreement authorizes BCEA to make and enter into contracts and accept loans or other aids from any federal, state, or local public agency. Section 3.2.13 of the JPA Agreement authorizes BCEA to enter into an Administrative Services Agreement with a member for the provision of administrative services to BCEA.

D. Section 7.3.2 of the JPA Agreement acknowledges that the members have funded certain activities necessary to implement the CCA Program (the "Program"), and if the Program becomes operational, BCEA will reimburse the costs paid by the members from BCEA customer payments for electrical services.

E. BCEA and County desire to enter into this Agreement for the following purposes:

(1) To set forth activities, services, and facilities that County will render and make available to BCEA in furtherance of the activities and functions of BCEA under the JPA Agreement and in furtherance of the Program. These interim support services shall include, but not be limited to: 1) Project management, JPA development and Board administration, 2) Advisory Committee work, 3) Technical and energy-services support, and 4) General Counsel/legal services; and

(2) To provide that BCEA will reimburse County for actions undertaken and costs and expenses incurred by it for and on behalf of BCEA.

NOW THEREFORE, in consideration of the covenants and conditions herein contained, the parties agree as follows:

1. County agrees to provide such staff assistance, supplies, technical services, and other services and facilities of the County as BCEA may request from time to time in carrying out its functions under the JPA Agreement and in furtherance of the Program. Such assistance and services may include the services of officers, employees, and special consultants.

2. County agrees to advance necessary funds to BCEA or expend funds on behalf of BCEA for the implementation of the JPA Agreement and the Program, including, but not limited to, the costs of preparation of an Implementation Plan, the planning, studies, and environmental assessments for the implementation of the Program, and the costs of acquisition and management of energy, equipment, facilities, and property as necessary to implement the Program.

3. County will keep records of activities and services undertaken pursuant to this Agreement and the costs thereof for the parties to have an accurate and current determination of the amount BCEA owes to the County. County shall provide a quarterly invoice to BCEA providing a breakdown of the costs and expenses incurred by County in rendering activities and services of County to or on behalf of BCEA pursuant to this Agreement, together with documentation satisfactory to BCEA of such costs. Such statement of costs may include a proration of County's administrative and salary expense attributable to services of County officials, employees, and departments rendered for BCEA.

4. BCEA agrees to reimburse County for all costs incurred for services by County pursuant to this Agreement from and to the extent that funds are available to BCEA from BCEA customer payments for electric services from BCEA, or from revenues from grants or other third-party sources; provided, however, that BCEA shall have the sole and exclusive right to pledge any such sources of funds to the repayment of other indebtedness incurred by BCEA in implementing the Program. The costs of County under this Agreement will be shown on statements submitted to BCEA pursuant to Section 3 above. Although the parties recognize that payment may not occur for a few years and that repayment may also occur over a period of time, it is the express intent of the parties that County shall be entitled to repayment of the expenses incurred by County under this Agreement, consistent with BCEA's financial ability, to make County whole as soon as practically possible.

5. The parties acknowledge and agree that BCEA has entered into a similar Cooperation and Administrative Services Agreement with City (the "Chico Agreement") which provides for reimbursement to City for any costs and funds advanced to or on behalf of BCEA by City, and that this Agreement and the Chico Agreement shall each have equal priority for such reimbursement. Unless otherwise agreed to between BCEA, County and City, all reimbursement payments made by BCEA shall be prorated so that County and City shall each receive a portion of such reimbursement payment equal to its proportionate share of the total aggregate amount owed, from time to time, by BCEA to County and City under this Agreement and the Chico Agreement, respectively.

6. County shall be reimbursed for costs described in this Agreement incurred by County. The parties agree that County previously committed to BCEA funding in the amount of Three Hundred Thousand Dollars (\$300,000), to assist with funding of Initial Costs as referenced in Section 7.3.2 of the JPA Agreement (the "Initial Costs"). Said amount shall be deemed the initial amount owed to BCEA under this Agreement, and additional costs incurred by County, or funding provided to BCEA, pursuant to this Agreement shall be added to such amount, as incurred from time to time.

7. County agrees to perform all services required by this Agreement in a manner commensurate with the standards of a reasonable professional having specialized knowledge and expertise in the services provided under this Agreement.

8. Under no circumstances shall the employees of County be considered employees of BCEA. County shall be solely responsible and liable for paying all compensation and benefits owned to its employees for the service provided by County under this Agreement.

9. BCEA is organized as a Joint Powers Authority in accordance with the Act pursuant to the JPA Agreement, and is a public entity separate from its constituent members. BCEA shall be solely responsible for all debts, obligations, and liabilities accruing and arising out of this Agreement. County shall have no rights and shall not make any claims, take any actions, or assert any remedies against any of the BCEA's constituent members in connection with this Agreement.

10. Each party shall defend, indemnify, and hold harmless the other party (including its officers, employees, and agents) against any claim, loss, or liability arising out of the performance of this Agreement by such party. Nothing contained herein shall be construed as a waiver of any immunities or defenses that a party may have under applicable provisions of the law, including the provisions of the California Tort Claims Act (Government Code Section 801 et seq.). This mutual indemnification agreement is adopted pursuant to Government Code Section 895.4 and in lieu of and notwithstanding the pro rata risk allocation that might otherwise be imposed between the parties pursuant to Government Code Section 895.6. This provision shall survive expiration or termination of this Agreement.

11. County shall make all documentation and records concerning all services performed under this Agreement available to BCEA for inspection and copying at any reasonable time. County shall maintain such records for a period of five (5) years following completion of work hereunder.

12. Either party may terminate this Agreement by providing no less than sixty (60) days written notice to the other party. BCEA shall pay County for services satisfactorily performed up to the effective date of termination; provided, however, that the terms and conditions set forth in Sections 5 and 6 of this Agreement shall continue in effect following such termination until all amounts due and owing County hereunder have been repaid in full. In the event of termination, County, within fourteen (14) days following the date of termination, shall deliver to BCEA all records and work products generated by County under this Agreement.

13. This Agreement and obligations of the parties hereunder are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successor of those authorities). Any suits brought pursuant to this Agreement shall be filed in the Superior Court of the County of Butte, State of California. A waiver by any party of any breach of any term, covenant, or conditions contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or conditions contained herein, whether of the same or a different character.

14. The Initial Costs, shall constitute a contribution, payment, and advance of funds, and use of personnel, equipment, and property as authorized under Government Code Section 6504, to be repaid to County by BCEA as authorized under Government Code Section 6512.1, with a simple interest rate of Average Yield plus one percent (1%) per annum.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ATTEST:

COUNTY OF BUTTE

County Clerk of the Board

By: _____
Chair, Board of Supervisors

APPROVED AS TO FORM:

Kathleen Kehoe Greeson
Chief Deputy County Counsel, County of Butte

ATTEST:

BUTTE CHOICE ENERGY AUTHORITY

Secretary

By: _____
Chairperson

APPROVED AS TO FORM:

Bruce Alpert
Legal Counsel

COOPERATION AND ADMINISTRATIVE SERVICES AGREEMENT

THIS COOPERATION AND ADMINISTRATIVE SERVICES AGREEMENT (the “Agreement”) is entered into as of March 9, 2020, by and between the BUTTE CHOICE ENERGY AUTHORITY (the “BCEA”) and the CITY OF CHICO (the “City”).

Recitals

A. County, by Resolution No. 19-282, adopted on October 22, 2019, and the City of Chico (the “City”), by Resolution No. 77-19, adopted on November 5, 2019, authorized County and City, respectively, to enter into a Joint Powers Agreement relating to and creating the Butte Choice Energy Authority (the “JPA Agreement”) pursuant to the Joint Exercise of Powers Act (California Government Code Section 6500 et seq.) (the “Act”).

B. The parties to the JPA Agreement are currently the County and the City (each referred to herein as member or members).

C. Section 3.2.7 of the JPA Agreement authorizes BCEA to make and enter into contracts and accept loans or other aids from any federal, state, or local public agency. Section 3.2.13 of the JPA Agreement authorizes BCEA to enter into an Administrative Services Agreement with a member for the provision of administrative services to BCEA.

D. Section 7.3.2 of the JPA Agreement acknowledges that the members have funded certain activities necessary to implement the CCA Program (the “Program”), and if the Program becomes operational, BCEA will reimburse the costs paid by the members from BCEA customer payments for electrical services.

E. BCEA and City desire to enter into this Agreement for the following purposes:

(1) To set forth activities, services, and facilities that City will render and make available to BCEA in furtherance of the activities and functions of BCEA under the JPA Agreement and in furtherance of the Program. These interim support services shall include, but not be limited to: 1) Project management, JPA development and Board administration, 2) Advisory Committee work, 3) Technical and energy-services support, and 4) General Counsel/legal services; and

(2) To provide that BCEA will reimburse City for actions undertaken and costs and expenses incurred by it for and on behalf of BCEA.

NOW THEREFORE, in consideration of the covenants and conditions herein contained, the parties agree as follows:

1. City agrees to provide such staff assistance, supplies, technical services, and other services and facilities of the City as BCEA may request from time to time in carrying out its

functions under the JPA Agreement and in furtherance of the Program. Such assistance and services may include the services of officers, employees, and special consultants.

2. City agrees to advance necessary funds to BCEA or expend funds on behalf of BCEA for the implementation of the JPA Agreement and the Program, including, but not limited to, the costs of preparation of an Implementation Plan, the planning, studies, and environmental assessments for the implementation of the Program, and the costs of acquisition and management of energy, equipment, facilities, and property as necessary to implement the Program.

3. City will keep records of activities and services undertaken pursuant to this Agreement and the costs thereof for the parties to have an accurate and current determination of the amount BCEA owes to the City. City shall provide a quarterly invoice to BCEA providing a breakdown of the costs and expenses incurred by City in rendering activities and services of City to or on behalf of BCEA pursuant to this Agreement, together with documentation satisfactory to BCEA of such costs. Such statement of costs may include a proration of City's administrative and salary expense attributable to services of City officials, employees, and departments rendered for BCEA.

4. BCEA agrees to reimburse City for all costs incurred for services by City pursuant to this Agreement from and to the extent that funds are available to BCEA from BCEA customer payments for electric services from BCEA, or from revenues from grants or other third-party sources; provided, however, that BCEA shall have the sole and exclusive right to pledge any such sources of funds to the repayment of other indebtedness incurred by BCEA in implementing the Program. The costs of City under this Agreement will be shown on statements submitted to BCEA pursuant to Section 3 above. Although the parties recognize that payment may not occur for a few years and that repayment may also occur over a period of time, it is the express intent of the parties that City shall be entitled to repayment of the expenses incurred by City under this Agreement, consistent with BCEA's financial ability, to make City whole as soon as practically possible.

5. The parties acknowledge and agree that BCEA has entered into a similar Cooperation and Administrative Services Agreement with County (the "County Agreement") which provides for reimbursement to County for any costs and funds advanced to or on behalf of BCEA by County, and that this Agreement and the County Agreement shall each have equal priority for such reimbursement. Unless otherwise agreed to between BCEA, County and City, all reimbursement payments made by BCEA shall be prorated so that County and City shall each receive a portion of such reimbursement payment equal to its proportionate share of the total aggregate amount owed, from time to time, by BCEA to County and City under this Agreement and the County Agreement, respectively.

6. City shall be reimbursed for costs described in this Agreement incurred by City. The parties agree that City previously committed to BCEA funding in the amount up to Three Hundred and Fifty Thousand Dollars (\$350,000), to assist with funding of Initial Costs as referenced in Section 7.3.2 of the JPA Agreement (the "Initial Costs"). Said amount shall be deemed the initial amount owed to BCEA under this Agreement, and additional costs incurred by City, or funding provided to BCEA, pursuant to this Agreement shall be added to such amount, as incurred from time to time.

7. City agrees to perform all services required by this Agreement in a manner commensurate with the standards of a reasonable professional having specialized knowledge and expertise in the services provided under this Agreement.

8. Under no circumstances shall the employees of City be considered employees of BCEA. City shall be solely responsible and liable for paying all compensation and benefits owned to its employees for the service provided by City under this Agreement.

9. BCEA is organized as a Joint Powers Authority in accordance with the Act pursuant to the JPA Agreement, and is a public entity separate from its constituent members. BCEA shall be solely responsible for all debts, obligations, and liabilities accruing and arising out of this Agreement. City shall have no rights and shall not make any claims, take any actions, or assert any remedies against any of the BCEA's constituent members in connection with this Agreement.

10. Each party shall defend, indemnify, and hold harmless the other party (including its officers, employees, and agents) against any claim, loss, or liability arising out of the performance of this Agreement by such party. Nothing contained herein shall be construed as a waiver of any immunities or defenses that a party may have under applicable provisions of the law, including the provisions of the California Tort Claims Act (Government Code Section 801 et seq.). This mutual indemnification agreement is adopted pursuant to Government Code Section 895.4 and in lieu of and notwithstanding the pro rata risk allocation that might otherwise be imposed between the parties pursuant to Government Code Section 895.6. This provision shall survive expiration or termination of this Agreement.

11. City shall make all documentation and records concerning all services performed under this Agreement available to BCEA for inspection and copying at any reasonable time. City shall maintain such records for a period of five (5) years following completion of work hereunder.

12. Either party may terminate this Agreement by providing no less than sixty (60) days written notice to the other party. BCEA shall pay City for services satisfactorily performed up to the effective date of termination; provided, however, that the terms and conditions set forth in Sections 5 and 6 of this Agreement shall continue in effect following such termination until all amounts due and owing City hereunder have been repaid in full. In the event of termination, City, within fourteen (14) days following the date of termination, shall deliver to BCEA all records, and work products generated by City under this Agreement.

13. This Agreement and obligations of the parties hereunder are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successor of those authorities). Any suits brought pursuant to this Agreement shall be filed in the Superior Court of the County of Butte, State of California. A waiver by any party of any breach of any term, covenant, or conditions contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or conditions contained herein, whether of the same or a different character.

14. The Initial Costs, shall constitute a contribution, payment, and advance of funds, and use of personnel, equipment, and property as authorized under Government Code Section 6504, to be repaid to City by BCEA as authorized under Government Code Section 6512.1, with a simple interest rate of Average Yield plus one percent (1%) per annum.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ATTEST:

CITY OF CHICO

City Clerk

By: _____
Mayor, Chico City Council

APPROVED AS TO FORM:



Andrew L. Jared
City Attorney

ATTEST:

BUTTE CHOICE ENERGY AUTHORITY

Secretary

By: _____
Chairperson

APPROVED AS TO FORM:

Legal Counsel

BUTTE CHOICE ENERGY AUTHORITY

Staff Report – Item 4f

To: Butte Choice Energy (BCE) Board of Directors

From: Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

Subject: Adoption of Cooperation and Administrative Services Agreement

Date: March 9, 2020

Recommendation

Adopt Cooperation and Administrative Services Agreement with the City of Chico

Background

The City of Chico will fund numerous activities in support of the implementation of Butte Choice Energy Authority (BCEA) and its Community Choice Aggregation (CCA) program. Activities include but are not limited to: funding the implementation plan; funding various technical consultants; and, providing significant staff resources for project management and administrative and legal activities. The intent of the attached Agreement is to memorialize this support and related expenses and to confirm that BCEA will reimburse the City for actions undertaken and costs incurred in support of the adoption and implementation of BCEA and its CCA.

It is understood that the City will not be reimbursed for staff and related implementation services until BCEA is operational and its initial line of credit has been paid off or refinanced into longer-term working capital. The City anticipates reimbursement will occur within two years of BCE launch/revenue, but potentially sooner.

Fiscal Impact: To be determined.

Attachment: BCEA/City of Chico Cooperation and Services Agreement

BUTTE CHOICE ENERGY AUTHORITY

Staff Report – Item 4g

To: Butte Choice Energy (BCE) Board of Directors

From: Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte
Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

Subject: Discussion of CEO Recruitment Process and Appointment of Board Liaison

Date: March 9, 2020

Recommendation

Receive staff report and appoint a Board liaison to participate in the initial candidate vetting and interview process.

Background

In late January, BCE solicited proposals from several recruitment firms and is in the process of completing a contract with Avery & Associates, a well-known executive search firm with significant public agency recruitment experience in California. Staff and consultant from LEAN Energy participated in a kick-off call with the Avery team on March 2nd to discuss the recruitment plan and timeline.

Discussion and Analysis

The following is an overview of the process and timeline proposed for BCE’s executive recruitment:

| Date | Action |
|------------------|---|
| Week of March 2 | Vendor contract complete; Kick-off call w/Avery & Assoc. |
| Week of March 9 | Board liaison appointed; Volunteer CCA CEO identified to assist |
| March 3-16 | Development of candidate profile (hard copy and digital formats) |
| Week of March 16 | Job posted; outreach begins with 4-week application deadline |
| Mid/End April | Candidate screening for base qualifications; select top 8-10 for further vetting; select top 5-6 for interviews |
| Week of May 4 | First-round interviews with top 5-6 candidates |
| May 11 | Second round interviews with top 2-3 candidates; with full Board in closed session, prior to 5/11 Board meeting |
| Late May | Final interview if needed; candidate selection |
| June | Candidate offer and final negotiations; new CEO in place! |

To further inform the process, LEAN Energy is working on a CCA CEO salary and benefits survey to determine the appropriate salary range for the BCE executive, understanding that this is a non-PERS position and that salaries will be reflective of current industry standards. Erik Gustafson also offered some help through the City of Chico's HR Department regarding benefits packages.

Moving forward, the plan is to include a BCE Board member and a CEO from a neighboring CCA program to participate in the initial candidate vetting and first-round interview process in order to narrow the field to the top 2 or 3 candidates for a closed session interview with the full Board. The goal is to have the candidate identified and hired by June, which also coincides with the timing of BCE's credit availability and banking operations, both of which must be in place before a CEO can be hired.

Fiscal Impact

The contract with Avery & Associates has a not-to-exceed cap of \$25,000, reimbursable to the County and City through BCE revenues.