



City of Santa Clara

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Agenda Report

19-1361

Agenda Date: 12/17/2019

REPORT TO COUNCIL

SUBJECT

Action on Amendment No. 1 to an Agreement for the Performance of Services with Flynn Resource Consultants Inc. to Provide Consulting Services Related to Transmission Analysis Support, California Independent System Operator (CAISO) Issues, Pacific Gas and Electric Company (PG&E) Issues, Congestion Revenue Rights (CRRs) and Litigation Support

BACKGROUND

Flynn Resource Consultants, Inc. (Flynn) has been working for the City of Santa Clara (City) for over fifteen years, providing engineering and economic consulting services to Silicon Valley Power (SVP). Most recently, Flynn provided technically-specialized services to SVP under a four-year consulting agreement that began in the fall of 2015. Services that have been, and will continue to be, provided to SVP include, but are not limited to: assisting SVP staff in acquiring and managing California Independent System Operator (CAISO) Congestion Revenue Rights (CRRs) in hedging short and long-term congestion; conducting engineering and economic studies for SVP staff with regard to transmission interconnection issues with neighboring utility Pacific Gas & Electric Company (PG&E); updating and re-designing certain SVP scheduling and settlement systems; providing transmission system planning and operations analysis and recommendations; and assisting SVP with North American Electric Reliability Corporation (NERC) and Western Electricity Coordinating Council (WECC) mandatory reliability standards compliance. Flynn has also supported SVP's efforts in on-going CAISO market initiatives and policy designs, including potential implementation of more granular Load Aggregation Point (LAP) pricing, potential updates of the methodology behind the Transmission Access Charge (TAC), Resource Adequacy (RA) requirements changes, and integrated and adjacent Balancing Authority Area (BAA) issues. SVP has a continuing need to receive such engineering and economic consulting services.

DISCUSSION

The current Agreement for the Performance of Services with Flynn expired September 22, 2019. Staff proposes to amend the Agreement to extend the termination date to December 31, 2020, whereby Flynn would continue to provide engineering and economic consulting services to SVP through the end of calendar year 2020. This extension will allow SVP sufficient time to conduct a Request for Proposal(s) process in calendar year 2020.

Flynn has extensive institutional knowledge of SVP's systems, processes and procedures, and developed an extensive data catalogue on SVP, including its CRR transactions, Locational Marginal Prices (LMPs) and related costs since 2009 as well as detailed transmission and distribution models of SVP's (and the neighboring PG&E) system - which allows for performing analyses of the capability, limitations and optimized operation of the electric grid in the south Bay Area. Flynn has acquired an in-depth knowledge of SVP as a whole and is uniquely situated to provide thorough services to SVP in all these various areas.

ENVIRONMENTAL REVIEW

This action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The total cost of Amendment No. 1 to the Agreement for the Performance of Services with Flynn Resource Consultants, Inc. will increase the not-to-exceed compensation amount by \$750,000 to a total of \$2,670,000. Sufficient funds are available in Electric Department Resource Planning and Engagement Resource Management Program's contractual services FY 2019/20 Adopted Budget.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Authorize the City Manager to execute Amendment No. 1 to an Agreement for the Performance of Services with Flynn Resource Consultants, Inc. to extend the term until December 31, 2020 and increase the not-to-exceed compensation amount by \$750,000 to \$2,670,000 for consulting services related to Transmission Analysis Support, California Independent System Operator (CAISO) issues, Pacific Gas and Electric Company (PG&E) issues, Congestion Revenue Rights (CRRs) and Litigation Support.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Amendment No. 1

**AMENDMENT NO. 1
TO THE AGREEMENT FOR THE PERFORMANCE OF SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
FLYNN RESOURCE CONSULTANTS, INC.**

PREAMBLE

This agreement ("Amendment No. 1") is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and Flynn Resource Consultants, Inc. a California corporation, (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. The Parties previously entered into an agreement entitled Agreement for the Performance of Services by and Between the City of Santa Clara, California, and Flynn Resource Consultants, Inc., dated September 22, 2015 (Agreement); and
- B. The termination of the original Agreement, which terminated on September 22, 2019, is hereby revoked and except as expressly modified by this Amendment No. 1, the original Agreement shall be, and hereby is, reinstated in its entirety and shall be in full force and effect as if the same had never been terminated; and
- C. The Parties entered into the Agreement for the purpose of having Contractor provide consulting services related to Transmission Analysis Support, California Independent System Operator (CAISO) issues, Pacific Gas and Electric Company (PG&E) issues, Congestion Revenue Rights (CRRs) and Litigation Support and the Parties now wish to amend the Agreement to continue and extend the term and increase the schedule of fees of this Agreement.

NOW, THEREFORE, the Parties agree as follows:

AMENDMENT TERMS AND CONDITIONS

1. Section Five of the Agreement, entitled "Term of Agreement" is hereby amended by deleting the existing Section Five in its entirety and replacing it with the following:

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this

Agreement, the term of this Agreement shall begin in the Effective Date of this Agreement and terminate on December 31, 2020.

2. The content of Exhibit B of the Agreement, entitled "Fee Schedule" is hereby amended by deleting the existing content in its entirety and replacing it with the following:

In no event shall the amount billed to City by Contractor for services under this Agreement exceed two million six hundred seventy thousand dollars (\$2,670,000.00), subject to budget appropriations.

Labor Category	Hourly Rate (FY 19-20)	Hourly Rate (FY 20-21)
Principal	\$330	\$340
Managing Consultant	\$310	\$320
Senior Consultant – Power Engineer	\$300	\$310
Senior Consultant	\$270	\$280
Consultant	\$225	\$230
Associate Consultant	\$205	\$210
Analyst	\$150	\$155
Office Support	\$65	\$65

All travel, food, and miscellaneous expenses, except automobile mileage, associated with the provision of services hereunder shall be billed at cost. Automobile mileage will be billed at the rate approved by the Internal Revenue Service. Extraordinary expenses, such as use of sub-contracted experts, etc. may be billed with the prior approval of the appropriate City representative.

For any month in which specialized modeling software is used to perform services under this agreement, the following charges shall apply:

	Mthly Charge (FY 19- 20)	Mthly Charge (FY 20- 21)
Power flow modeling	\$300	\$310
Short circuit modeling	\$875	\$900
OASIS Data	\$1,310	\$1,350
Market modeling	\$4,335	\$4,465

Specialized software costs that exceed the above amounts may be billed with the prior approval of the appropriate City representative.

3. Except as set forth herein, all other terms and conditions of the original Agreement shall remain in full force and effect. In case of a conflict in the terms of the Original Agreement and this Amendment No. 1, the provisions of this Amendment No. 1 shall control.

(continued on page 4)

The Parties acknowledge and accept the terms and conditions of this Amendment No. 1 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

Dated: 2-20-2020



BRIAN DOYLE
City Attorney



DEANNA J. SANTANA
City Manager
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"CITY"

FLYNN RESOURCE CONSULTANTS, INC.
a California corporation

Dated: 12/5/19
By (Signature): Douglas A. Boccignone
Name: DOUGLAS A. BOCCIGNONE
Title: President
Principal Place of Business Address: 5440 Edgeview Drive
Discovery Bay, CA 94505
Email Address: dougbocc@flynnrci.com
Telephone: (888) 634-0222
Fax: (888) 634-7509
"CONTRACTOR"