



Agenda Report

20-438

Agenda Date: 4/28/2020

REPORT TO COUNCIL

SUBJECT

Action on Amendment No. 3 to an Agreement for Professional Services with GEI Consulting, Inc. to Provide Project Management Support for the Bucks Creek Project Relicensing [Council Pillar: Deliver and Enhance High Quality Efficient Services and Infrastructure]

BACKGROUND

The City of Santa Clara (City) participates with Pacific Gas and Electric Company (PG&E) in the Bucks Creek Project (BCP) as part of the Grizzly Development and Mokelumne Settlement Agreement (GDSMA) which was executed between the City and PG&E on March 8, 1990. The BCP is licensed by the Federal Energy Regulatory Commission (FERC) under license number P-619. This hydroelectric project license is due to expire on April 30, 2021.

The BCP consists of two hydroelectric generation facilities including the Grizzly powerhouse, which is owned by the City. PG&E owns the second generation facility in the BCP, the Bucks Creek powerhouse. SVP's participation in the Bucks Creek Project allows it to continue to operate the Grizzly Hydroelectric Plant. This plant provides approximately 18 MW of capacity and 57.3 Gigawatt hours (GWH) of energy on an annual basis to Silicon Valley Power (SVP) in an average water year. The hydroelectric resource is one of the lowest variable cost resources available to SVP and provides valuable carbon free renewable energy to the City.

As part of the GDMSA, the City and PG&E agreed to support and share in the cost of renewing the FERC license for the BCP. The relicensing of the BCP began nearly seven years ago, and in 2018, PG&E and SVP submitted the Final License Application (FLA) to FERC. The FLA contains all of the agreed to plans and processes that will be followed during the term of the new hydro license including, but not limited to, the road maintenance plan, recreation plan, vegetation management plan. The negotiations have included no less than 47 other participating agencies or organizations (Other Agencies), including the U.S. Bureau of Land Management, U.S. Bureau of Indian Affairs, Bucks Creek Cabin Owners association, U.S. Army Corp of Engineers, California Department of Fish and Wildlife, American Whitewater, California Trout Inc., Boy Scout Camp Timberwolves, Plumas County, etc., in addition to a handful of private individuals who sought participant status. Through various meetings, PG&E and SVP along with the Other Agencies have come to agreement of how the project will be managed during the term of the new license, however, the Other Agencies have an opportunity to request certain additional mandatory requirements call 4E conditions before FERC approved the FLA. The remaining relicensing process is expected to be completed by November 2020, with the planned FERC issuance of a renewed 40-year license to be effective in early 2021.

FERC has the authority to extend an original hydroelectric license, such as P-619, until the FLA is

either approved or denied.

DISCUSSION

On August 26, 2014, Council approved a five (5) year Professional Services Agreement with GEI Consultants, Inc. to provide Project Management Support for the Bucks Creek Project Relicensing.

On May 11, 2017, Council approved Amendment No. 1, which was executed to increase the not-to-exceed amount by \$336,262 for a total not to exceed amount of \$890,410. At that time, the term of the Professional Agreement was extended until April 30, 2020.

On November 27, 2018, Council approved Amendment No. 2, which was executed to increase the amount by \$138,431 for a total not-to-exceed amount of \$1,028,841 and to extend the term an additional year until April 30, 2021.

Due to unforeseen costs associated with the FLA process, mainly delays and associated meetings with state and federal agencies, staff proposes to enter into Amendment No. 3 with GEI Consultants, Inc. to increase the not-to-exceed amount by \$50,000 for a total not-to-exceed amount of \$1,078,841.00.

Failure to manage the complex Bucks Creek Relicensing project and timelines puts SVP at risk of losing access to a low variable cost, carbon-free resource for the remaining term of the GDSMA or of having onerous and expensive mandatory requirements placed on the license by the Other Agencies.

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

Amendment No. 3 with GEI Consultants, Inc. will increase the total cost of the agreement by \$50,000 from \$1,028,841 to a total not-to-exceed amount of \$1,078,841. Sufficient funds are available in the Electric Departments Capital Improvement Program Buck Creeks Relicensing Project to cover this additional cost.

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.

RECOMMENDATION

Authorize the City Manager to execute Amendment No. 3 to the Agreement for Professional Services with GEI Consultants, Inc. to increase the not-to-exceed amount by \$50,000, for a total contact not-to-exceed amount of \$1,078,841 to provide continued Project Management support for the Bucks Creek Project Relicensing until April 30, 2021.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Amendment No. 3
2. Agreement for Professional Services