



Agenda Report

21-201

Agenda Date: 4/6/2021

REPORT TO COUNCIL

SUBJECT

Action on an Agreement for Services with Flynn Resource Consultants, Inc. for As-needed Transmission System Analysis, and Related Engineering Consultant Services

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

Silicon Valley Power's (SVP) peak load is about 600 megawatts (MW) within its 19 square mile service territory, and the utility sells nearly 3,700 gigawatt-hours of energy per year. Approved developments with entitlements have requested more than 500 MW of new load, which could nearly double SVP's current peak load. SVP is currently committed to serving an additional 100 MW of load to in-service customer facilities. The increased load demand has increased SVP's need for transmission and distribution system analysis services; transmission and distribution system planning services; and interconnection studies to examine potential system upgrades or rearrangements.

Over the last fifteen years, SVP has assumed the roles of Transmission Planner; Transmission Owner and Operator; Distribution Owner and Operator; and Generation Owner and Operator, under both the North American Electric Reliability Corporation (NERC) and Western Electricity Coordinating Council (WECC) reliability standards. Consequently, SVP is required to perform several different types of analyses and studies, as well as planning and engineering services in order to ensure that the electric system continues to meet the NERC and WECC standards, and that the utility is prepared for related audits of its internal systems and processes.

SVP is obligated to provide the transmission system study analyses in accordance with the California Independent System Operator's (CAISO) requirements and the Interconnection Agreement with Pacific Gas & Electric (PG&E).

SVP has been involved in the CAISO's Congestion Revenue Rights (CRR) markets as a CRR Entity for over 10 years and requires a qualified contractor to provide analysis of large amounts of related nodal price data and assist in CRR program management.

DISCUSSION

In November 2020, the City issued a Statement of Qualifications (SOQ) for Transmission System Analysis, and Related Engineering Consultant Services, using the City's e-procurement system. A total of 74 companies viewed the SOQ and Flynn Resource Consultants, Inc. (Flynn) was the sole proposer.

Staff reviewed the submitted response against the criteria published in the SOQ and determined that

Flynn's proposal met or exceeded all of the SOQ requirements. Staff recommends award of agreement to Flynn Resource Consultants, Inc. Flynn is the incumbent and has demonstrated experience and expertise providing quality transmission system analysis, and related engineering consultant services to SVP.

Under the proposed agreement, Flynn will provide the following:

- Electric system enhancement and expansion planning.
- Substation and transmission line project conceptual development and feasibility tasks.
- Compliance with NERC/WECC reliability standards.
- Congestion Revenue Rights program management.
- Administration of California Independent System Operator (CAISO) Metered Subsystem (MSS) agreement, and certain Pacific Gas & Electric Company (PG&E) agreements.
- Litigation support.
- Grid planning activities.

The proposed agreement with Flynn includes provision of all labor and technical expertise to provide the required transmission system analysis, and related engineering consultant services. The agreement includes a detailed scope of services.

The term of the proposed agreement will be a five-year initial term with five additional one-year options to extend at the discretion of the City. Compensation shall be paid on a time and materials basis, with annual costs not expected to exceed \$1,000,000. Flynn's hourly rates shall be fixed for the first two years of the agreement.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (b)(2) in that the proposed actions are agreements for the purchase of products and services that are continuing maintenance and administrative activities.

FISCAL IMPACT

The total cost of the Agreement for Services with Flynn Resource Consultants, Inc will not exceed \$5,000,000 over the five-year initial term. Sufficient funds are available in the Electric Utility Operating Fund under SVP's Resource Planning and Engagement Contractual Services budget. Funding requests will be included as appropriate in future Electric Department budgets.

The cost for the option years after the initial five-year term shall be based on renewal quotes from Flynn and any requests for compensation increases must be justified by the company and are subject to approval by the City and the annual appropriations of funds.

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>>.

RECOMMENDATION

1. Authorize the City Manager to execute an Agreement for Services with Flynn Resource Consultants, Inc. for as-needed Transmission System Analysis, and Related Engineering Consultant Services, for a term starting on or about May 1, 2021 and ending on or about April 30, 2026 for total maximum amount not-to-exceed \$5,000,000 during the initial term, subject to the annual appropriation of funds; and
2. Authorize the City Manager to execute up to five one-year options to extend the term of the Agreement after the initial term, ending April 30, 2031, assuming all options are exercised, and subject to the annual appropriation of funds.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Agreement for Services with Flynn Resource Consultants, Inc.