



Agenda Report

19-751

Agenda Date: 8/20/2019

REPORT TO COUNCIL

SUBJECT

Agreement for Services with CPMAXIS Inc. to Provide Modeling, Development, Validation and Reporting of PAGES for the Electric Department's Power Trading Resource Management

BACKGROUND

Power market trading began in California in the late 1990s after deregulation legislation was passed. City of Santa Clara's Electric Utility, Silicon Valley Power (SVP), power trading program has been utilizing the ACES Power Operations software application (ACES) as their power trading and scheduling software tool to conduct its trading business since SVP was authorized to engage in power market trading in 1999. The software allows SVP to correlate hundreds of financial trades with counterparties against actual meter reads at the end of each month for transaction validation, purchase power settlement billing, gas, carbon allowance, and capacity purchases and sales, and to calculate and validate all California Independent System Operator (CAISO) related schedules. Over \$91 million in SVP transactions scheduled through the CAISO were validated and settled in 2018.

DISCUSSION

In 2017, it was recognized that ACES was reaching its end of life as a maintainable software product and staff studied other options. The parent company for the ACES software product, SunGard AS, no longer maintains this particular product for customers and has sought to migrate customers to other products. Earlier this year SunGard filed for bankruptcy and restructuring with its creditors.

During the same time period, the Northern California Power Agency (NCPA) developed a new power scheduling and settlement application known as PAGES. Because of the CAISO scheduling requirement of a single scheduling coordinator, SVP provides its ACES schedules to NCPA which then integrates those schedules with the rest of NCPA's power pool and submits the results to the CAISO. As PAGES was being developed, NCPA made this software application available to all its members, including SVP, for no additional cost and SVP staff determined that migrating to the new PAGES application, with some modifications, would be the most efficient administrative solution.

In order to finalize this migration from the ACES to PAGES software tool, staff recommends using CPMAXIS whose sole proprietor is Jonathan Trimm. Because the ACES Power Operations software application was developed more than 20-years ago and has not been supported or sold for many years, there are very few software programmers available with in-depth knowledge of the ACES application. Since NCPA developed PAGES internally and has not sold it to other entities, there are few consultants outside of NCPA who are familiar with PAGES. Because Mr. Trimm has previously developed functional customization of ACES for SVP's business while working for other firms, he has extensive knowledge and expertise with both ACES and PAGES, the CAISO market, and with Santa Clara's generation. CPMAXIS will work with SVP staff in the coordination, modeling and development of PAGES to insure all historical ACES reporting and validation is emulated and

precisely modeled for Santa Clara's unique assets in the new power scheduling and settlement software tool. CPMAXIS will also assist in the development of relevant trading reports, software dashboards, and data processors.

Staff is proposing to enter into a three-year Agreement for Services with CPMAXIS to support the ACES to PAGES modeling, validation and reporting and insure that SVP has seamless transition from an existing application and current report methods to the new platform and the needed support for the 24/7 power scheduling desk and the settlements programs.

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 the Agreement for Services will not exceed \$383,400 over a three- year period. The first year of the Agreement will be \$156,200. Sufficient funds are budgeted in FY 2019/20 and FY 2020/21 in the Electric Department Resources Management program. All appropriations in future years will be requested and approved through the annual budget process.

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 an Agreement for Services with CPMAXIS, Inc. to provide modeling, development, validation and reporting of PAGES for the Electric Department's Power Trading Division, in an amount not to exceed \$383,400.00 over a three (3) year period.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Agreement for Services with CPMAXIS, Inc.