

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **Power Settlements and Consulting Services, LLC** for an **EIM Shadow Settlement Solution**.

Board Meeting Date:	September 5, 2023	
Project Name/Contract #:	EIM Shadow Settlement Solution / 22-044-PSC	
Manager:	Aaron Balmer	Ext. 7436
Executive Officer:	Deborah Hart	Ext. 7695

Contract Amount:

Original Contract Amount:	\$1.3 million
Additional \$ Previously Approved:	\$0
Spend over last approval:	\$0
Amount this Request:	\$1.3 million
% Increase over last approval:	NA
Resulting Cumulative Total:	\$1.3 million (Over 5 years)

Contracting Method:

Method of Solicitation:	Request for Proposal (RFP)
If applicable, basis for exemption:	NA
Term of Agreement:	5 years (October 1, 2023 – September 30, 2028)
Option to Renew?	Yes, initial 3-year term, option to renew annually up to 5 years total
Approval for purchases “as needed”:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Proposals/Bids Received (Range):	5 (\$900,576 - \$1,390,275)
Selection Basis:	Highest Ranked Proposer
Narrative:	

Operational Requirement and Alignment with Strategic Plan

In May 2022, the Bonneville Power Administration (BPA) began participating in the Western Energy Imbalance Market (EIM), operated by the California Independent System Operator (CAISO). Due to the fact that BPA is EWEB’s Balancing Authority (BA), EWEB is affected by BPA’s move to the EIM and must create or update processes and technology to support the move.

EWEB is preparing for the move to EIM in two phases.

- Phase 1 will cover requirements for gathering and storing of 5-minute meter and pricing data, as well as the implementation of a “shadow settlement” software solution.
- Phase 2 will focus on preparing for EWEB to have a Participating Resource in the EIM. Because our existing version of Allegro does not support 5-minute granularity, a requirement for Phase 2 will be for EWEB to be using the latest version of Allegro (Horizon).

The EIM dispatches generated energy (every five minutes instead of hourly), balancing supply and demand across a large geographic footprint. Currently, EWEB does not capture 5-minute meter data and our current ETRM system does not support 5-minute data.

The EIM will greatly increase the number of data points that must be verified against the Energy Imbalance (EI) bill from BPA. Currently, EWEB’s Settlement Analyst must validate BPA’s meter data against EWEB’s meter data to identify discrepancies and eliminate the risk of large financial imbalance charges due to incorrect meter data. Previously, BPA provided a monthly spreadsheet showing the EI deviations for each hour of the month (744 values), which EWEB’s Settlements Analyst manually compared to data in Allegro. With the move to EIM and 5-minute imbalance charges, EWEB’s Settlement Analyst has to verify 12 times the current data points for each meter point in the EIM. The increase in monthly values makes the existing manual settlement processes impractical.

A successful solution for entering Phase 1 of the move to EIM will require a partnership with EWEB’s Communications & Control group and will include an automated process to gather 5-minute meter and price data, store the data, and implement a “shadow settlement” application for settlement verification to validate EWEB data to BPA data. This same functionality will be required if the region moves to organized markets.

Contracted Goods or Services

Vendor hosted application, database, and services related to implementation.

Purchasing Process

In June 2022, staff issued a Request for Proposals (RFP) for a shadow settlements solution. The solicitation was advertised on the State of Oregon’s public procurement site, OregonBuys. Proposals were received from Adapt2, MCG, OATI, PCI, and Power Settlements.

Each proposal was evaluated and scored. Criteria and weighting included: company background and experience (5%); implementation approach (10%); functional capability (50%); technical and integration capability (25%); and pricing (10%). Power Settlements was selected as the highest ranked, responsive and responsible proposer.

Proposals Received

Vendor Name	City, State	Offered Price	Ranking (for RFPs)
Power Settlements	Glendora, CA	\$1,218,742	1
MCG	Minneapolis, MN	\$1,390,275	2
PCI	Norman, OK	\$ 900,576	3
OATI	Minneapolis, MN	\$ 967,000	4
Adapt2	Houston, TX	\$1,231,369	5

Prior Contract Activities

Contract 22-044-PSC is EWEB’s first contract with Power Settlements.

ACTION REQUESTED:

Management requests the Board approve Power Settlements and Consulting Services, LLC for an EIM Shadow Settlement Solution. Approximately \$220k in implementation work will be completed under the 2023 and 2024 Electric Utility Capital Budgets for Type 1 work. Approximately \$200k per year will be included in Electric Utility budgets for ongoing licensing and hosting fees. Variances will be managed within the budget process and Board policy.