

## EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **Utilicast** for a **New Power Market Gap Analysis**.

Board Meeting Date:	September 5, 2023	
Project Name/Contract #:	New Power Market Gap Analysis / 23-086-PSC	
Manager:	Megan Capper	Ext.7363
Executive Officer:	Brian Booth	Ext.7774

### Contract Amount:

Original Contract Amount:	\$180,000
Additional \$ Previously Approved:	\$0
Spend over last approval:	\$0
Amount this Request:	\$180,000
% Increase over last approval:	NA
Resulting Cumulative Total:	<b>\$180,000</b>

### Contracting Method:

Method of Solicitation:	Formal Request for Proposals (RFP)
If applicable, basis for exemption:	NA
Term of Agreement:	Completion by April 2024
Option to Renew?	No
Approval for purchases "as needed":	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Proposals/Bids Received (Range):	2 (150,500 - \$249,872)
Selection Basis:	Highest Ranked Proposer

Narrative:

### Operational Requirement and Alignment with Strategic Plan

This procurement supports the Board-approved 2023 Integrated Resource Plan (Action 6a) - *Market Evolution Impact Analysis: As potential market options evolve in the Pacific Northwest, identify the gaps and investments required in systems, processes, and resources EWEB will need in order to participate in new market constructs, including but not limited to, the Western Resource Adequacy Program and a day-ahead market, as well as limited resource-specific participation in California Independent System Operator Energy Imbalance Market (CAISO EIM).*

Decarbonization is driving organized power markets in the northwest, to integrate the forecasted abundance of non-dispatchable renewable resources. Organized markets provide coordinated resource dispatch over a broad footprint. While they are efficient, they aren't without significant costs and required changes. The shift from bilateral markets to organized markets has the potential to impact nearly every aspect of a utility's core business. Activities that occur prior to delivery of generation to demand, such as resource planning, forecasting, and developing bidding strategies, will need to be much more formal and documented since errors may result in

incurring costs from the market. Similarly, activities that occur after delivery, such as settlements, billing, and post-market analytics, will require a substantial amount of additional data and in-depth knowledge of market charges. Rather than reacting to the impacts of an organized market once it is established, a proactive approach that thoughtfully anticipates these changes and adapts the organization early will have a higher likelihood of success. Market participants that rush implementation are more likely to have insufficient understanding of how the market functions, have internal resistance to changing from status quo, and have a poorer understanding of necessary requirements for software and business processes.

Contracted Goods or Services

If approved, Utilicast will provide a new market gap analysis to define the systems, processes, and staffing required to move EWEB from its existing state to each of the following future states:

1. Participant in the CA Energy Imbalance Market (CA EIM), through BPA’s Balancing Authority (BA), with EWEB’s Carmen hydro generating resource.
2. Participant in the binding program of the Western Resource Adequacy Program (WRAP).
3. Participant in an organized day ahead market.
4. Participant in a regional transmission organization.

Purchasing Process

Purchasing staff issued a formal request for proposals (RFP) in June 2023. The RFP was advertised in the State of Oregon’s procurement website, OregonBuys, and the Portland Business Tribune. Criteria for scoring included: Company Background and Experience (30 points), Understanding of Project, Proposed Approach and Timeline (20 points), Proposed Project Key Staff and Qualifications (30 points), and Cost Proposals (20 points).

Two proposals were received. One proposer submitted two options for approaching the work. After evaluation, Utilicast was deemed the highest ranked responsive and responsible proposer.

Bids Received

Vendor Name	City, State	Offered Price	Ranking (for RFPs)
Utilicast	Kirkland, WA	\$176,168, \$249,872	1
The Energy Authority	Jacksonville, FL	\$150,500	2

Competitive Fair Price (If less than 3 responses received)

The RFP was advertised in the State of Oregon’s procurement website, OregonBuys, and the Portland Business Tribune. Pricing received is at current market value compared to other engineering firms we have contracted with recently.

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
22-224	Horizon Reimplementation Upgrade Management Services	NA	12/8/22-10/31/23	\$134,375	\$102,859	NA
Reason Code: AM = Additional Materials, AW = Additional Work, EW= Emergency Work, SD = Staff Directed, UC = Unforeseen Conditions, Other						

**ACTION REQUESTED:**

Management requests the Board approve a contract with Utilicast to perform a new power market gap analysis. Approximately \$200,000 was planned for these services in the Energy Department 2023 budget of 1.4 million and 2024 budget of \$2.1 million. Variances will be managed within the budget process and Board policy.