



**AGREEMENT WITH MONTROSE ENVIRONMENTAL GROUP,
INC. FOR EMISSIONS TESTING AND CONSULTING SERVICES
AT RIVERSIDE'S THREE POWER PLANTS**

Public Utilities Department

Board of Public Utilities

May 9, 2022

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BACKGROUND

RERC, Springs and Clearwater Power Plants:

1. Combined, provide 260 megawatts of electricity
2. Operate during the most critical need for electricity
3. Numerous emissions tests and environmental compliance activities
4. Need technical expertise to support staff's efforts
5. New air quality regulations coming

RERC: 196 MW



Springs: 36 MW



Clearwater: 28 MW



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ENVIRONMENTAL ENTITIES

- United States Environmental Protection Agency
- South Coast Air Quality Management District
- California Air Resources Board
- California Independent System Operator
- California Energy Commission
- United States Energy Information Administration
- City of Corona
- City of Riverside
- County of Riverside



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REQUEST FOR PROPOSAL 2130

1. Very limited number of vendors with expertise to perform the work
2. RFP 2130 posted on October 4 and closed on November 2, 2021
 - a. One proposal received from Montrose Air Quality Services, LLC
 - b. Not unusual with historical efforts for obtaining specialized services
 - c. Limited options for certified test companies and expertise with SCAQMD regulations
3. Proposal evaluated based on selection criteria
 - a. Qualifications(35%-35 points)
 - b. Pricing(30%-30 points)
 - c. Experience, Approach, Methodology(35%-35 points)

Montrose Air Quality Services, LLC	88.3 points
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MONTROSE AIR QUALITY SERVICES, LLC

1. A California-based subsidiary of Montrose Environmental Group, Inc.
2. Large fleet of certified mobile laboratories
3. Historical knowledge with SCAQMD regulations
4. Emissions testing optimization saves \$20k per year and reduces plant emissions (9 less start-ups each year)

Base Rates 2022	Cost	Optional Rates for 2022 with Optimized Testing	Cost	Annual Savings for all 9 Units
RATA	\$4,380	RATA	\$4,380	Same Cost
Ammonia Slip Stand Alone	\$2,660	Ammonia Slip During RATA	\$610	\$18,450
3-Year Source Test Stand Alone	\$7,620	3-Year Source Test During RATA	\$4,850	\$1,731
Total				\$20,181



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FISCAL IMPACT

1. Annual budget developed from an estimated number of emissions test each year, plus 400 hours of as-needed consulting services
2. Only actual expenditures will be charged to the Generation Budget
3. Each fiscal year, staff will review the budget and seek Board Approval through the Annual PO Approval process

Year	Annual Budget
2022	\$161,960
2023	\$161,960
2024	\$161,960
2025	\$161,960
2026	\$161,960
2027	\$174,290
2028	\$179,162
2029	\$184,278
Total	\$1,347,530



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STRATEGIC PLAN ALIGNMENT



No. 4. Environmental Stewardship



No. 5. High Performing Government



No. 6. Infrastructure, Mobility & Connectivity

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability &
Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the Riverside Public Utilities Board:

1. Approve a Professional Consultant Services Agreement with Montrose Environmental Group, Inc. of North Little Rock, Arkansas to provide emissions testing and environmental consulting services for an initial five-year term, with three optional one-year extensions in the amount of \$1,347,530; and
2. Authorize the City Manager, or designee, to execute the agreement with Montrose Environmental Group, Inc., including making minor and non-substantive changes, and to execute contract amendments for the one-year extensions subject to the availability of budgeted funds.



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