



License and Software Services Agreement with Power Settlements

Riverside Public Utilities
Resource Operations and Strategic Analytics

Board of Public Utilities
November 26, 2018

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BACKGROUND

1. Two existing approved consulting and software contracts with Power Settlements Consulting Software, LLC:
 - a) Consulting Service Agreement for the *SettleCore* system to perform CAISO settlement functions
 - b) Statement of Work for the *Deal Capture and Automated Scheduling* system to perform scheduling functions in the CAISO

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SETTLEMENT SERVICES

1. Duties:

- a) Validate and dispute market transactions

2. *SettleCore* software utilization:

- a) Capable of validating up to 165 different charge codes on 5-minute, hourly, daily, and monthly levels
- b) Verifies \$324 Million annually in transaction charges for RPU
- c) Recovered over \$3.4 Million in settlement disputes to date

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SCHEDULING SERVICES

1. Duties:

- a) Optimize the value and utilization of RPU's resources to ensure delivery of reliable electric energy and minimize the overall power costs for ratepayers

2. Deal Capture Software Utilization:

- a) Custom software developed for RPU scheduling and trading



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NEW LICENSE AND SOFTWARE AGREEMENT

1. Combines the Scheduling Software and Settlement Software contracts into one Agreement
2. Intended to improve administrative efficiency
3. Includes options to subscribe to additional software modules in the future such as:
 - a) CAISO Bidding Module
 - b) Etag Module
 - c) CAISO Visual Analytics Module
 - d) CAISO What-if Shadow Settlements Module

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NEW LICENSE AND SOFTWARE AGREEMENT BENEFITS

1. Complimentary Trainings
2. 200 Free Annual Customization Hours, with Carry-over Rights
3. Free Contract Database and Tickler System
4. Free Enhancements to the Scheduling Software
5. No Price Increase for Existing Software
6. Continued 7.5% Price Discount

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PRICING, INFLATION, AND DISCOUNTS

	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
<i>Escalator</i>		3%	0%	0%	2%
Settlements Software Fee	\$132,502.00	\$136,477.06	\$136,477.06	\$136,477.06	\$139,206.60
Scheduling Software Fee	\$94,421.00	\$97,253.63	\$97,253.63	\$97,253.63	\$99,198.70
Total License Fee	\$226,923.00	\$233,730.69	\$233,730.69	\$233,730.69	\$238,405.30
OPTIONAL CAISO Bidding Module	\$18,000.00	\$18,540.00	\$18,540.00	\$18,540.00	\$18,910.80
OPTIONAL Etag Module	\$18,000.00	\$18,540.00	\$18,540.00	\$18,540.00	\$18,910.80
OPTIONAL Visual Analytics Module	\$10,000.00	\$10,300.00	\$10,300.00	\$10,300.00	\$10,506.00
OPTIONAL What-if Shadow Settlements Module	\$10,000.00	\$10,300.00	\$10,300.00	\$10,300.00	\$10,506.00
Total Optional Modules	\$56,000.00	\$57,680.00	\$57,680.00	\$57,680.00	\$58,833.60
Total not-to exceed costs	\$282,923.00	\$291,410.69	\$291,410.69	\$291,410.69	\$297,238.90

Note: Table does not reflect the 7.5% Discount RPU currently qualifies for.

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RECOMMENDATIONS

That the Board of Public Utilities:

1. Approve the consolidation of two existing consulting and software services agreements with Power Settlements Consulting and Software, LLC, of Glendora, California, into one License and Software Services Agreement, within the existing previously approved budget;
2. Approve the option to subscribe to additional software and consulting services from Power Settlements Consulting Software, LLC, if such subscription is deemed to be necessary and appropriate, in an amount not-to-exceed \$56,000 for Fiscal Year 2018/2019;

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RECOMMENDATIONS (Cont'd)

3. Approve future annual extensions of the License and Software Services Agreement; provided, that such extension do not materially modify the terms and conditions of the Agreement beyond price escalations not greater than 3% for Fiscal Year 2019/2020, 0% for Fiscal Year 2020/2021, 0% for Fiscal Year 2021/2022, and 2% for Fiscal Year 2022/2023 and each year thereafter; and

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RECOMMENDATIONS (Cont'd)

4. Authorize the City Manager, or his designee, to execute the new License and Software Services Agreement with Power Settlements Consulting Software, LLC, of Glendora, California, and any future amendments to the Agreement under terms and conditions substantially similar or superior to the Agreement, and take all actions deemed necessary, appropriate and advisable to administer the Agreement, including execution of annual extensions, subscription to additional optional services, and termination of the Agreement.

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