

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: APRIL 27, 2020

ITEM NO: 8

SUBJECT: ENERGY TRADING SYSTEM SERVICE AGREEMENT WITH OPEN ACCESS TECHNOLOGY INTERNATIONAL, INC. FOR SOFTWARE APPLICATIONS AND SERVICES FOR A TERM OF THIRTY-SIX (36) MONTHS FOR A TOTAL CONTRACT AMOUNT OF \$107,935

ISSUE:

Approve the Energy Trading System Service Agreement with Open Access Technology International, Inc., of Minneapolis, Minnesota, for software applications and services for a term of thirty-six (36) months for a total contract amount of \$107,935.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the Energy Trading System Service Agreement with Open Access Technology International, Inc., of Minneapolis, Minnesota, subject to the terms and conditions of the Energy Trading System Services Agreement for a minimum term of thirty-six (36) months and a total contract amount of \$107,935;
2. Approve future annual extensions of the Energy Trading System Service Agreement; provided, that such extensions do not materially modify the terms and conditions of the Agreement beyond price escalations not greater than 3% each year thereafter; and
3. Authorize the City Manager, or his designee, to execute the Energy Trading System Service Agreement with Open Access Technology International, Inc., of Minneapolis, Minnesota, 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.

BACKGROUND:

The Resource Operations and Strategic Analytics (ROSA) division utilizes Open Access Technology International, Inc.'s (OATI) software applications and services primarily for the creation and submission of North American Electric Reliability Corporation (NERC) Tags. A NERC Tag, also commonly referred to as an E-Tag, represents a transaction on the North American bulk electricity market scheduled to flow within, between or across electric utility company territories. OATI's integrated webSmartTag transaction-tagging system supports electric market participants in registering transactions for reliability purposes as required

by NERC. As Riverside is registered as a Purchase Selling Entity (PSE) with NERC, such software is required to complete daily Market Operations scheduling requirements.

DISCUSSION:

ROSA participates in a variety of Power Purchase Agreements across the Western Electricity Coordinating Council (WECC) region. Projects located outside the California Independent System Operator (CAISO) Balancing Authority require electronic tagging to schedule electric imports into the CAISO Balancing Authority to serve Riverside Public Utilities' (RPU) customer load. OATI webSmartTag is a full-featured tagging solution supporting tag agent, tag authority, and tag approval services.

The original Service Agreement with OATI was executed in 2000, with previously agreed upon adders. The pricing included in this agreement is based on the original agreement, rather than OATI's standard 2020 rate schedule. Approval of the Energy Trading System (ETS) Service Agreement with OATI will allow the continued use of OATI's webSmartTag system to fulfill daily scheduling requirements.

The ETS Service Agreement includes the following terms and pricing:

Term: Minimum term of contract services is thirty-six (36) months from the effective date of the Agreement. The effective date of the Agreement is July 1, 2020. The Agreement shall be automatically renewed for successive twelve (12) month terms (Extended Term) unless at least sixty (60) days prior to the end the then-current term, either Party notifies the other Party that this agreement shall not be renewed for the Extended Term.

Pricing: Monthly Recurring Fees will be \$2,867 and will be increased annually by 3% beginning on January 01, 2021.

Fiscal Year	Costs
FY 2020/21	\$34,920.06
FY 2021/22	\$35,967.66
FY 2022/23	\$37,046.69
Total	\$107,934.41

This is a renewal of software services provided by Open Access Technology International, Inc. Under Section 702 (r) of the Purchasing Resolution No. 23256, which provides for informal procurement instead of competitive procurement when the procurement is for the renewal of maintenance, license(s), support or a similar need for existing technology systems, including hardware, and items are procured from a vendor/reseller that was originally selected based on the procurement standards, provided that 1) the vendor has been used consecutively since then and 2) if there are any non-substantive changes to the procurement, the Manager is satisfied that the best price, terms and conditions have been negotiated.

The Purchasing Manager concurs that the recommended actions comply with Purchasing Resolution No. 23256.

FISCAL IMPACT:

The total fiscal impact of the agreement is \$107,935. Sufficient funds will be budgeted as part of the biennial budget process in the Public Utilities' Power Resources Software Purchasing/Licensing Account 6120000-425700 beginning in fiscal year 2020/21.

Prepared by: Daniel E. Garcia, Utilities Deputy General Manager
Approved by: Todd M. Corbin, Utilities General Manager
Approved by: Al Zelinka, FAICP, City Manager

Approved as to form: Gary G. Geuss, City Attorney

Certifies availability
of funds: Brian Seinturier, Utilities Fiscal Manager

Attachments:

1. Service Agreement with Open Access Technology International, Inc.
2. Presentation