

**CITY OF GLENDALE
INTERDEPARTMENTAL COMMUNICATION**

DATE: February 2, 2021

TO: Roubik R. Golanian, Interim City Manager

FROM: Daniel Scorza, Interim General Manager - GWP

SUBJECT: GWP Clean Energy Programs Update

The following is an update on the progress/schedule we have established for finalizing several items related to the Clean Energy Programs.

Franklin Contract (Demand Response)

December 2020 Update - GWP hoped to finalize the Franklin agreements by the end of December and secure the needed temporary support staff to initiate the programs. The schedule “go” date is the first week of January 2021. On track to meet deadlines. All outstanding issues have been resolved, and the contract is currently being finalized.

January 2021 Update - This program will provide commercial and residential Demand Response and a smart thermostat program, and an online marketplace for a four-year term, for a total agreement amount not to exceed \$7,658,363¹ plus annual rebate funding for energy efficiency products purchased through the online store.² The program will offer up to 10 MW of demand response capacity by year four during up to 15 peak load events per year. (The program's capacity is expected to ramp up over the four-year term as additional customers enroll). The contract has been executed, and implementation efforts are already underway. The formal kickoff meeting occurred on January 21, 2021.

Lime Contract (Commercial Energy Efficiency)

December 2020 Update - GWP hoped to finalize the Lime agreements by the end of December and secure the needed temporary support staff to initiate the programs. The schedule “go” date is the first week of January 2021.

January 2021 Update - This program will provide energy efficiency upgrades to commercial businesses in GWP’s service territory. The program will be implemented over a 7-year term with the energy efficiency savings of the installed energy efficiency measures expected to last an average of 12.5 years. In October of 2020, the City

¹ Total program cost, including contract, internal labor, and marketing is estimated at \$7,822,740.

² City Council has approved \$50,000 in Public Benefits Charge funding for the Fiscal Year 2020-2021 rebates.

Council approved this program as a small to medium business program, with energy efficiency savings of 35,000 kilowatt-hours per year of energy efficiency improvements in commercial buildings over the course of seven years with an expected average 12.5-year life for the installed energy efficiency measures. The not-to-exceed amount of the Lime Energy contract is \$18,900,000³.

Lime Energy requested that GWP consider revising certain commercial terms of the program. We are in constant meetings with Lime Energy through the end of January 2021 and anticipate finalizing the revised offering's negotiations by the end of January 2021. Thereafter, the revised program will be presented to City Council for its consideration by March 2021, with the Lime Energy program's implementation to commence in March/April 2021.

Sunrun (Virtual Power Plant Program)

December 2020 Update - GWP continued negotiations with Sunrun. However, several issues are to be resolved to meet the City Council's direction to solidify the best deal possible for the City. Discussions continued with all of the parties involved to accelerate the schedule if possible, but some outstanding technical issues have been resolved.

January 2021 Update - City staff and the Sunrun team are working to develop the program and power purchase agreement. Thus far, the GWP and Sunrun teams have been meeting 2-3 times a week, with GWP holding additional weekly internal meetings on the project. We are making good progress, and several outstanding technical issues have been resolved. GWP is working to solidify the City's best possible deal. While we are making good progress, we are behind schedule to be completed by February 2021. We will be proposing to Sunrun to increase our meetings' duration and frequency to accelerate the completion of the negotiations and bring final contracts to the Council in the April 2021 time frame.

Cost of Service Analysis (COSA)

December 2020 Update - The COSA and the various rate and incentive options undertaken by NewGen Strategies and Solutions, LLC are estimated to be completed by June 2021. The contract amendment has been completed, and data collection was 85% complete. This effort is on-schedule. Once the COSA has been completed, we will proceed with the community outreach process. Once that has been completed, we will present our report/findings to the GWP Commission in August 2021 and finally to the City Council in September 2021.

January 2021 Update - The COSA and the various rate and incentive options continue to be undertaken by NewGen Strategies and Solutions, LLC are estimated to be completed by May/June 2021. The COSA includes an evaluation of GWP's distributed energy rates, including the feed-in-tariff. The COSA analysis remains on schedule.

³ Total program cost, including contract, internal labor, and marketing is estimated at \$19,111,253.

Once the COSA has been completed, we will proceed with the community outreach process. Once that has been completed, we will present our report/findings to the GWP Commission and finally the City Council in August/September of 2021.

Transmission Negotiations with LADWP

December 2020 Update - We will continue to keep the City Council apprised in future closed session briefings as necessary.

January 2021 Update - No new updates

Solar/ Storage on City-Owned Property

December 2020 Update - GWP incorrectly counted receiving seven responses (in fact, there were nine responses) to our Request for Proposal (RFP) to analyze and potential development of clean energy projects on City-owned properties. The technical review panel planned to evaluate and rank the successful respondents and interview the top three proposers in December. It was hoped to present the recommendation of the awarded contract to the City Council in January 2021.

January 2021 Update - GWP had issued a Request for Proposals for the analysis and potential development of clean energy solar + battery storage projects on City-owned property. The actual number of proposals received and evaluated was nine (9) responses. The technical review panel evaluated and ranked the successful respondents and interviewed the top three proposers during the week of January 11, 2021. The recommendation for the award of a contract is expected to go to the City Council on March 9, 2021.

Partnership with Commercial Customers

December 2020 Update - GWP reported it had sent out a survey to all commercial customers seeking input, asking them what they would like to explore regrading energy efficiency, Distributed Energy Resources (DER), demand response, electric vehicle use, and charging, etc. Eight companies expressed interest in looking further into programs for their businesses and working with GWP to partner on those efforts.

January 2021 Update - GWP sent out a survey to the top 100 commercial customers seeking input on areas they are involved in now or would like to explore regrading energy efficiency, DER, demand response, EV use, and charging, etc. A copy of the survey questions is available at <https://www.surveymonkey.com/r/6VR8PB6>. The survey was open for approximately two months. GWP sent the original survey on 07/29/2020 and provided one reminder on 08/20/2020 to commercial customers to respond. We had eight firms⁴ express interest in looking further into programs for their businesses and in working with GWP to partner on those efforts.

⁴ GWP received a total of 10 responses to the survey. One response was a duplicate, and the other was not fully completed, thus GWP received eight complete responses.

Staff reached out to representatives of our ten largest customers to discuss the possibility of agreeing to a formal demand response plan for future peak heat events. While we had a few firms interested initially, there was limited interest due mainly to concerns with maintaining office environments and operational requirements. Financial incentives did not appear to change that sentiment. Once the (COVID-19) circumstances improve and there is some normalcy/stability, staff will reach out to these firms to pursue further talks and work with our rate analyst to see if we can generate more interest.

RFP for Structural Upgrade of Civic Center Parking Structure

December 2020 Update - GWP received eleven responses to the RFP for the Civic Center Parking structure's structural review with the overall intent of the installation of a "solar+battery" project. GWP was planning to evaluate, rank, and award the contract to restart the process to bring that project to fruition. You may recall that we had issued an RFP previously to complete the full project, and unfortunately, the pandemic struck, and after several extensions, we received only one bid. When we reviewed the response closely, it was clear the firm had not included the requisite and critical structural review and consequently withdrew their proposal. We then decided to complete the structural assessment separately by hiring a structural analysis design firm. We were expecting the recommendation to award the structural analysis contract to the City Council in January 2021. The engineering/structural analysis of the Civic Center Parking Garage and specifications are expected to be completed by August 2021, once the firm is hired.

January 2021 Update - The RFP response was excellent: we received proposals from 11 structural engineering firms. Staff evaluated all proposals and came up with a list of the top three proposers based on the price, their relevant experience, approach and understanding of the project, and their ability to comply with the contract requirements. Staff conducted interviews with the top three proposers and selected a local Glendale firm to take on the project. We will be seeking to award the contract by the end of February 2021. The structural analysis and design work for any upgrades is expected to take about seven months to complete.

100% Clean by 2030 Analysis

December 2020 Update - GWP reported work continues on the "100% Clean by 2030" report. Our consultant, Ascend Analytics, has been running various models that include types of energy, emissions, and costs, to name a few. The initial results have been very encouraging.

January 2021 Update - Work on the "100% Clean by 2030" report is almost completed, and GWP looks forward to presenting the results of the study to the City Council in March 2021.

We will continue to keep you updated and apprised of our efforts in these and any new endeavors we embark on in the future.

Please let me know if you have any questions.

Daniel Scorza
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cc. Michael J. Garcia, City Attorney
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