

**Master City of San José Consultant Agreement  
Approved Service Order  
(Non-Capital Projects)**

**Cover Page**

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- 1a.** Intentionally Omitted **1b.** AC Contract No.: OC-000501-000
- 2.** Approved Service Order No. 1
- 3.** Consultant's Name: Energeia USA, Inc. ("Consultant")
- 
- 4.** Project Name: Demand Side Management Analysis ("Project")
- 5.** Project Location: San José, CA
- 6.** The Consultant and the City will implement this Approved Service Order in accordance with the Master Agreement, this cover page and Attachments "A" (Tasks), "B" (Terms and Conditions), and "C" (Compensation Table), which are incorporated herein by references.
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- 7.** Budget/Fiscal:
- a. Current **unencumbered** amount in Master Agreement: \$ 320,000
  - b. **Maximum Service Order Compensation for this Approved Service Order:** \$ 39,630
  - c. New unencumbered balance in Master Agreement (7.a – 7.b): \$ 280,370
  - d. **Appropriation Certification:** I certify that an unexpended appropriation in the amount of the Maximum Service Order Compensation is available in the following fund(s) and that such fund(s) will be encumbered to pay for this Approved Service Order.
- |             |             |            |                   |
|-------------|-------------|------------|-------------------|
| Fund: 501   | Appn: 0780  | RC: 200166 | Amount: \$39,630. |
| Fund: _____ | Appn: _____ | RC: _____  | Amount: \$ _____  |
| Fund: _____ | Appn: _____ | RC: _____  | Amount: \$ _____  |

*Han Nguyen*

Email: han.nguyen@sanjoseca.gov  
Date: 11/01/2022 GMT

**Authorized Signature:** \_\_\_\_\_

**8. Division Analyst Approval:**

*Monica Gorham*

Email: monica.gorham@sanjoseca.gov  
Date: 11/01/2022 GMT

*Ceri Beeman*

Email: cwalbran@energeia-usa.com  
Date: 11/01/2022 GMT

**9. Consultant Approval:**

Ceri Walbran, President & CEO

**10. Approval as to Form (City Attorney):**

Service Order Form Approved by the Office of the City Attorney  
(Maximum Service Order Compensation is \$100,000 or less, and the provisions of the service order form are not altered.)

Approved as to Form: \_\_\_\_\_

**11. City Director Approval:**

*Lori Mitchell*

Email: lori.mitchell@sanjoseca.gov  
Date: 11/01/2022 GMT

Lori Mitchell, Director of Community Energy

## Attachment A: Tasks

The Consultant shall provide the services and deliverables set forth in this **Attachment A**. The Consultant shall provide all services and deliverables required by this **Attachment A** to the satisfaction of the City's contract manager.

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**General Description of Project for which Consultant will Provide Services:** Demand response market analysis and strategy:

- Analyze the current behavioral and automated demand side management program landscape and the ways SJCE can benefit, understand, and document historical adoption of distributed energy resources (DERs) in San José
  - Model future DER adoption over the next five years based on historical and market trends
  - Analyze SJCE procurement data to determine potential demand response funding sources and opportunities
  - Provide a strategic plan of near-term, medium-term, and long-term demand side management efforts SJCE should invest in, including an estimate of required staff time
- 

### Task No. 1: Best Practice Research

#### **A. Services:**

- Meet with subject matter experts and conduct research on the market landscape for demand side management options for residential and C&I customers (e.g., virtual power plant, market-based, behavioral demand response, etc.) and potential service providers. Include:
  - An estimate of the initial SJCE staff time required for set up and implementation, as well as the ongoing staff time commitment required to monitor and maintain each option.
  - How each program could be designed to incentivize DER installation or load reduction, particularly in low-income and disadvantaged communities.
- Analyze the different types of value SJCE could realize from each demand side management program option (e.g., reduced Resource Adequacy obligations, reduced peak day or daily procurement costs, customer benefits) and the magnitude, method (including for regulatory recognition), and timeline for realizing that value, as well as the return on investment (time and monetary) for residential versus commercial & industrial (C&I) program options
- Conduct one interview with a CCA

**B. Deliverable:** The Consultant will provide the following to the City's Contract Manager: 5-10 annotated slides summarizing findings. Include a table for comparing attributes of demand response programs as well as any supporting documents, case studies, or material utilized.

**C. Completion Time:** The Consultant must complete the services and deliverables for this task in accordance with whichever one of the following time is marked:

- On or before the following date: \_\_\_\_\_.
- On or before 25 business days from contract execution.

**Task No. 2: Resource Potential Estimation**

**A. Services:**

- Meet with subject matter experts and analyze the resource capacity from potential SJCE residential and C&I programs that target different customer segments (e.g., pools, HVAC, solar and storage, etc.)
  - Residential
    - Rates and programs
    - Segmentation
    - HVAC potential
    - Water heater potential
    - Pool potential
    - Price elasticity, including Emergency Load Reduction Program
    - Solar adoption rates
    - Battery adoption rates
    - EV adoption rates
  - C&I
    - Top 20 analysis
    - Segmentation
    - HVAC potential
    - Water heater potential
    - Pool potential
    - Heating potential
    - BMS/automation potential
    - Price elasticity, including Emergency Load Reduction Program
    - Solar adoption rates
    - Battery adoption rates
    - EV adoption rates
- Identify the capacity potentially available for an SJCE demand response program, including:
  - Providing a shorthand for estimating capacity for each DER type (e.g., 1,200 home batteries = 2 MW of capacity),
  - Estimating how many DERs are already engaged in a demand response program,
  - Identifying rules surrounding customer enrollment in various demand response programs (e.g., how easy/hard it is to opt out of them and into an SJCE program),
  - Estimating what SJCE might need to offer to make a program that is competitive with existing alternatives and attractive to customers,
  - Identifying potential ways to make it easier for customers to enroll in a future SJCE demand response program, including identification of key barriers for customers of other programs considering switching to an SJCE program, and
  - Identifying the potential for external demand response programs to be in competition with SJCE's future demand response program, i.e., calling events at the same time, and recommend a strategy.
- Estimate the current number of behind-the-meter DERs already deployed in San José (e.g., home energy storage, electric vehicle chargers, smart thermostats, heat pumps) and growth trajectory without SJCE intervention.

**B. Deliverable:** The Consultant will provide the following to the City's Contract Manager: 5-10 annotated slides summarizing findings. Include a table for comparing the resource value of potential residential and C&I programs.

**C. Completion Time:** The Consultant must complete the services and deliverables for this task in accordance with whichever one of the following time is marked:

On or before the following date: \_\_\_\_\_.

On or before 30 business days from contract execution.

**Task No. 3: Product and Services Research**

**A. Services:**

- Research and identify existing demand response or load shifting programs already available that can be leveraged by SJCE for a faster launch or to add value and robustness to a startup program
- Research and identify automated demand response enabled products such as smart thermostats, building controls, and chargers that would be compatible with an SJCE demand response program

**B. Deliverable:** The Consultant will provide the following to the City's Contract Manager: 5-10 annotated slides summarizing findings.

**C. Completion Time:** The Consultant must complete the services and deliverables for this task in accordance with whichever one of the following time is marked:

On or before the following date: \_\_\_\_\_.

On or before 35 business days from contract execution.

**Task No. 4: Avoidable Costs**

**A. Services:**

- Meet with subject matter experts and analyze SJCE's wholesale power costs, including hedging, energy, resource adequacy, and CAISO/PG&E costs, such as transmission, ancillary services, etc. costs
- Provide an overview of the different types of indirect costs or lost revenue for SJCE that could result from each demand-side management program option (e.g., reduced revenue from demand charges).

**B. Deliverable:** The Consultant will provide the following to the City's Contract Manager: 10-15 annotated slides summarizing findings. Consultant will also provide the spreadsheet/model that it uses to analyze SJCE costs, including a tab on how to use the spreadsheet.

**C. Completion Time:** The Consultant must complete the services and deliverables for this task in accordance with whichever one of the following time is marked:

On or before the following date: \_\_\_\_\_.

On or before 30 business days from contract execution.

**Task No. 5: Product Strategy**

**B. Services:**

- Bring together the results of the analysis in a strategy document that outlines mass market and C&I programs and initiatives SJCE should undertake in the near-term, medium-term, and long-term.

**B. Deliverable:** The Consultant will provide the following to the City's Contract Manager: written document.

**C. Completion Time:** The Consultant must complete the services and deliverables for this task in accordance with whichever one of the following time is marked:

On or before the following date: \_\_\_\_\_.

On or before 45 business days from contract execution.

**Task No. 6: Project Governance**

**C. Services:**

- Coordinate findings with SJCE throughout the contract term; communicate workstream scope and approach, obtain views, ideas, prior to embarkation, and to validate draft results
- Institute weekly project controls including invoicing, updating schedule, and managing risks and issues

**B. Deliverable:** The Consultant will provide the following to the City's Contract Manager: bi-weekly coordination meetings, weekly project controls

**C. Completion Time:** The Consultant must complete the services and deliverables for this task in accordance with whichever one of the following time is marked:

- On or before the following date: \_\_\_\_\_.
- On or before 40 business days from contract execution.

## Attachment B: Terms and Conditions

1. **City's Contract Manager:** The City's contract manager for this Approved Service Order is:

Name: Kate Ziemba	Phone No.: 408-535-4889
Department: Community Energy	Email: kate.ziemba@sanjoseca.gov
Address: 200 E Santa Clara St, San José 95113	

2. **Consultant's Contract Manager and Other Staffing:** Identified below are the following: (a) the Consultant's contract manager for this Approved Service Order, and (b) the Consultant(s) and/or employee(s) of the Consultant who will be principally responsible for providing the services and deliverables. *If an individual identified below does not have a current Form 700 on file with the City Clerk for a separate agreement with the City, and is required to file a Form 700, the Consultant must comply with the requirements of Subsection 17.2 of the Master Agreement, entitled "Filing Form 700."*

		<u>Required to File Form 700?</u>		
		Yes Already Filed (Date Filed)	Yes Need to File	No
<b><u>Consultant's Contract Manager</u></b>				
Name:	Phone No.:			
Address:	Email:			
<b><u>Other Staffing</u></b>				
<u>Name:</u>	<u>Assignment:</u>			
1.				
2.				
3.				

3. **Subconsultants:** Whichever of the following is marked applies to this Approved Service Order:

- The Consultant can **not** use any subconsultants.
- The Consultant can use the following subconsultants to assist in providing the required services and deliverables:

<u>Subconsultant's Name</u>	<u>Area of Work</u>
1.	
2.	
3.	

4. **Reimbursable Expenses:** If the Compensation Table set forth in **Attachment C** of this Approved Service Order states that the City will reimburse the Consultant for expenses, then only the expenses identified in Subsection 10.5.3 of the Master Agreement are Reimbursable Expenses unless the following box is marked and additional reimbursable expenses are set forth:

- In addition to the expenses identified in Subsection 10.5.3 of the Master Agreement, the following expenses are Reimbursable Expenses:

<u>Additional Reimbursable Expense(s)</u>	<u>Mark-up</u>
1. _____	_____
2. _____	_____
3. _____	_____

**Notwithstanding the foregoing, any additional reimbursable expense(s) set forth in the above table will be disregarded if the Compensation Table states that the City will *not* reimburse the Consultant for any expenses.**

## Attachment C: Compensation Table

The City will compensate the Consultant for providing the services and deliverables set forth in **Attachment A** in accordance this Compensation Table. This Compensation Table is subject to the terms and conditions set forth in the Master Agreement, including without limitation Section 10 of the Master Agreement.

Part 1 – Compensation for Services and Deliverables			
Column 1	Column 2	Column 3	Column 4
Task Nos. from Attachment A	Basis of Compensation	Invoice Period	Compensation
1	<input checked="" type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$6,030
2	<input checked="" type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$12,555
3	<input checked="" type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$3,240
4	<input checked="" type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$7,650
5	<input checked="" type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$6,520
6	<input checked="" type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$3,635
Part 2 – Reimbursable Expenses			
<input checked="" type="checkbox"/> No expenses are separately reimbursable. The amount(s) in Column 4 of Part 1 include(s) payment for all expenses.		<input type="checkbox"/> Expenses are separately reimbursable in the maximum amount of:	\$0.00
Part 3 – Subconsultant Costs			
<input checked="" type="checkbox"/> Subconsultant costs are <b>not</b> separately compensable. The amount(s) in Column 4 of Part 1 include(s) subconsultant costs.		<input type="checkbox"/> Subconsultant costs are separately compensable in the maximum amount of:	\$0.00
<b>Maximum Service Order Compensation</b> (sum of Parts 1 through 3):			<b>\$39,630</b>



Master Agreement AC No.: OC-000501-000  
Consultant: Energeia  
Service Order No.: 1

**Form Name:** Master Consultant Agreement (Non-Capital Projects)  
Service Order - Attachment C: Compensation Table  
**Form/File No.:** 1349220\_2/T-32026  
**City Attorney Approval Date:** April 2022