

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new services contract with **Public Power Council** for administrative service related to the current and post-2011 BPA power purchase contracts.

Backgrounder (if "yes," "See backgrounder information") No

Board Meeting Date: May 19, 2009

Project or Job Name: Lands Energy BPA Slice Customer Interface

Project Contact: Dick Helgeson Ext. 3960

Purchasing Contact: Ed Case Ext. 3276

Action Requested:	
<input checked="" type="checkbox"/>	Contract Award
<input type="checkbox"/>	Contract Renewal
<input type="checkbox"/>	Contract Increase
<input type="checkbox"/>	Other

Contract Amount:

Original Contract Amount: \$ 250,000

Additional \$ Previously Approved: \$ n/a

Invoices over last approval: \$ n/a

Percentage over last approval: n/a %

Amount this Request: \$250,000

Resulting Cumulative Total: \$250,000

Funding Source:	
<input checked="" type="checkbox"/>	Budget
<input type="checkbox"/>	Reserves
<input type="checkbox"/>	New Revenue
<input type="checkbox"/>	Bonding
<input type="checkbox"/>	Other

Contracting Method:

Method of Solicitation: Negotiation

If applicable, basis for exemption: n/a

Term of Agreement: June 1, 2009 through 10/01/2011

Option to Renew? n/a

Approval for purchases "as needed" for the life of the contract Yes

Form of Contract:	
<input type="checkbox"/>	Single Purchase
<input type="checkbox"/>	Services
<input checked="" type="checkbox"/>	Personal Services
<input type="checkbox"/>	Construction
<input type="checkbox"/>	IGA
<input type="checkbox"/>	Price Agreement
<input type="checkbox"/>	Other

NARRATIVE:

Administration of EWEB's current and post-2011 power purchase contracts with BPA requires a new computer software interface that will link with BPA's Slice Computer Application (SCA). BPA's application will include a detailed water routing model, a Balance of System Model (BOS) to model all BPA Federal resources other than the upper and lower Columbia Projects, as well as a Default User Interface (DUI) to be used in the event a customer's computer interface fails.

Lands Energy Consulting has hired Michael Sulis to be the primary software designer and script writer. Michael Sulis wrote the software EWEB is currently using to manage its current BPA Slice contract. The contract has two phases, and EWEB can opt out after phase I if EWEB decides to build vs. buy with regard to software development. At this point, with consultation with EWEB's I.S. department, EWEB has strong confidence in the ability of Lands Energy to provide a cost-effective, timely, implementable solution that includes staff training and development regarding modeling of the federal system during real time, pre-schedule, and within the context of longer term analysis.

Phase I deliverables include the following:

1. A Phase I close out report summarizing the process, major decisions, and plans for Phase II work.
2. Executive summary of BPA's Slice Computer Application, Balance of the System (BOS), reporting, SCI and Default User Interface (DUI) modules.
3. Provide and demonstrate the prototype of the SCI.
4. Documentation for the working prototype and a working copy of the prototype on CD-ROM or other acceptable form of software media.
5. The operations training plan and all related material. Initial training in the use and operations of the SCI.

6. Final specifications for the software development, including decisions on architecture, design, and platforms. Final specifications include a detailed timeline for the Phase II project, including task plans for CONTRACTOR and the sub-consultants
7. Final specifications include a detailed acceptance test plan, documenting the protocol and requirements used in Phase II, for the acceptance testing of the SCI. Acceptance testing will assure that the SCI is functioning satisfactorily with both BPA's SCA and the EWEB's database. Acceptance testing will identify delivery dates for key deliverables that are linked to BPA's commitments for the SCA.

If EWEB decides to use Lands Energy for Phase II, these deliverables include the following:

1. A Phase II close out report summarizing the process, major decisions, and results.
2. The Slice Customer Interface (SCI) application – both source code and compiled versions in a form that EWEB may copy or replicate as they wish. EWEB may elect to deploy the SCI on a host, remote from EWEB's offices/computer network, but with functionality to support EWEB's interaction with the SCI.
3. Full and complete documentation for the SCI, including a user's manual designed for use by EWEB's scheduling, trading, and contract management staff.
4. A support plan, with support offered by the CONTRACTOR, detailing the ongoing support needs for the SCI, including upgrades to facilitate enhancements required or desired by the RD Slice Customers and BPA. The support plan will also include possible provisions for 24x7 support suitable for a tool deployed in a real-time power operations environment.

Current participants in Phase I include the following Slice Customers and contacts:

Project Participant	Point of Contact
Eugene Water and Electric Board	Dan Bedbury
Idaho Falls/UAMPS	Jo Elg
Okanogan Public Utility District	Ron Gadeberg
Pend Oreille Public Utility District	Sandy Hunt
Seattle City Light	Mary Dossett, Don Tinker
Snohomish Public Utility District	Kien Hoang
Tacoma Power	Todd Lloyd

ACTION REQUESTED:

Staff requests Board approval authorizing staff to execute the necessary administrative agreement with PPC to facilitate EWEB's participation as a requirement of managing our ongoing contract relationship with BPA and the other Slice/Block utilities.

SIGNATURES:

Project Coordinator: _____

Supervisor: _____

Purchasing Manager: _____

Division Director: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____



TO: Commissioners Farmer, Brown, Cassidy, Cunningham and Ernst

FROM: Dan Bedbury

DATE: May 12, 2009

SUBJECT: Consent Calendar Item for May 19th Board Meeting
Contract for Lands Energy Consulting Services for BPA Slice Contract
Management

Issue Statement

Should EWEB enter into a contract with Lands Energy and a consortium of other BPA Slice Customers to create a BPA Slice Customer interface to effectively model, optimize, and dispatch EWEB's share of the Slice Contract for the period 10/01/2011 through 09/30/2028?

Background

Administration of EWEB's current and post-2011 power purchase contracts with BPA requires a coordinated effort among the 17 public power utilities who are all similarly situated subscribers to BPA's Slice/Block wholesale power product. Such coordinated activities include managing our operational interface with BPA for planning purposes, common involvement in development of tools for forecasting and scheduling our respective shares of the BPA system, as well as joint participation in related BPA proceedings and monitoring of the agency's expenditures and annual "true-up" billings. Lands Energy is poised to develop and implement for EWEB and a consortium of other Slice Customers tools to manage EWEB's share of the BPA system imbedded in the new BPA Slice Contract. The new BPA Slice Contract is in stark contrast to the existing contract in that extensive modeling needs to occur to create hourly, daily, and seasonal scheduling limits where at this time BPA is providing all these modeling services within the current contract.

The new BPA Slice contract becomes effective 10/01/2011 and runs through 09/30/. The new Slice product will simulate EWEB's share of the Federal System including 6 Columbia River Projects including Grand Coulee, Chief Joseph, McNary, John Day, The Dalles and Bonneville Dams, as well as what is referred to as the Balance of System – Federal resources including one nuclear power plant (Columbia Generating Station), as well as four dams on the Snake, Lower Granite, Little Goose, Lower Monumental, and Ice Harbor. Slice also includes BPA's wind projects, Willamette projects, miscellaneous smaller southern Idaho projects, and four cyclical projects: Dworshak, Hungry Horse, Libby, and Albeni Falls dams. Between now and the go-live date BPA will develop a Slice Computer Application (SCA), including a water routing simulator (timing of flows between projects) that will allow EWEB

staff to simulate the operations of these projects. The SCA and the Customer User Interface will be the primary mechanism to transfer data to and from BPA.

Managing the Slice project can be divided in to three components: (1) interfacing with the BPA SCA, (2) integration of the Slice product into EWEB's EMCS (Allegro), and (3) user optimization of the available system generation (hourly / daily) that makes up the Slice product. Tools need to be implemented by Mid-2011. EWEB Real Time staff will be required to model the federal system at least once every 8 hours, with granularity of a acceptable solution for 48 rolling hours as well as a solution for the next 8 days beyond that solution. The staff will be trained on how to model the Federal System using a variety of tools to solicit a slice scheduling that does not violate any parameters around flows, reservoir elevations, etc.

Discussion

Staff looked at 3 alternatives for how to proceed.

Do Nothing: BPA will prepare a default user interface. This is designed as a simplistic tool to get information into the BPA system on an emergency basis or if a utility is operating very simplistically.

Internal EWEB development: EWEB does indeed have highly qualified internal staff that could, given time, create these tools, but they are currently involved with EWEB's Allegro implementation. In addition, a 'build it' solution would result in an interface application that is unique to EWEB alone and relies on consistent internal staffing expertise to maintain, address problems, etc. Experience is that a large group of customers have leverage with BPA when addressing problems. If we were to have a stand-alone solution and wanted BPA's attention it might not be as forthcoming.

Buy it: Lands Energy is offering consulting services for development of the Slice Customer Interface. Their scope of services resides in 3 distinct stages:

- Phase I** discovery and prototyping, defining and development of business requirements and Specification documents for EWEB's Slice Customer Interface

- Phase II** interface development, and construction of a Slice Customer Interface (SCI) application conforming to the specifications developed in Phase I and with BPA's requirements for interface and functionality of the Slice Computer Application (SCA), and conforming to EWEB's specifications for operability on their energy management system

- Phase III** integration with other EWEB systems

Details for phase I are defined. Details for Phase II will be defined at the end of Phase II (approx. 4th quarter 2009). Phase III will be developed in a specific manner for each client base on our own ETRM system, tagging system, and Scada. Phase I is expected to cost EWEB \$50,000. Phase II is expected to cost EWEB \$175,000. Phase III costs are estimated at \$25,000.

Recommendation

Staff (both from a Power Resources and an Information Services perspective) supports a “buy it” solution using Lands Energy based on the nature of the tools that need to be created, the time-frame available to build the tools and train staff, as well as on the quality of the staff at Lands Energy and hired consultants who will be doing the work as well as the number of other Slice customers who are making a similar decision. Lands energy not only has experience developing Slice interface and integration tools for large utilities with resources similar to EWEB’s – their scope of work aligns well with EWEB’s own internal business processes.

Board Action

This item is included on the consent calendar for May 19th.

If you have questions, please contact me at dan.bedbury@eweb.org or 484-2411 or Dick Varner at dick.varner@eweb.org or 484-2411.