

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the General Manager to approve a **User Agreement** with **Peak Reliability** after completion of negotiations for use of their **Hosted Advanced Applications** to achieve compliance with NERC Standard/ Requirement TOP-001-3, R.13.

Board Meeting Date: March 7, 2017
Project Name/Contract#: Peak Reliability (Peak RC); Hosted Advanced Applications (HAA)
Primary Contact: Mel Damewood Ext. 7145
Purchasing Contact: Quentin Furrow Ext. 7380

Contract Amount:

Original Contract Amount: \$ 92,500 in 2017, thereafter @ \$90,000/ ea. year (2018, 2019, 2020)
Additional \$ Previously Approved: \$ NA
Invoices over last approval: \$ NA
Percentage over last approval: NA %
Amount this Request: \$ \$362,500 (2017-2020)
Resulting Cumulative Total: \$ \$362,500 for 4-years

Contracting Method:

Method of Solicitation: Direct Negotiation
If applicable, basis for exemption: Sole Source
Term of Agreement: 4-years (2017-2020) March 20, 2017 thru Dec. 31, 2020
Option to Renew? 2017 plus 3-year commitment
Approval for purchases "as needed" for the life of the contract No
Proposals/Bids Received (Range): Direct Negotiation
Selection Basis: Sole Source

Staff is negotiating a User Agreement with *Peak Reliability* of Vancouver, WA and Loveland, Colorado for the authorization to access and use Peak's 'Hosted Advanced Applications' system to perform Real Time Contingency Analysis (RTCA) as required by the North American Electric Reliability Corporation (NERC).

This request is being made to meet compliance with NERC Standard TOP-001-3, R.13. Requirement 13 states; "Each Transmission Operator (TOP) shall ensure that a Real-time Assessment (RTCA) is performed at least once every 30-minutes" (24 –7 –365). This Requirement has an Enforcement Date of April 1, 2017. Reliability Standards are issued and enforced by the North American Electric Reliability Corporation (NERC), which reports to FERC (Federal Energy Regulatory Commission). Compliance with NERC Standards is mandatory by law and EWEB is subject to extensive fines if not in compliance.

Peak's Real-Time Contingency Analysis application will meet the TOP requirements by using real-time EWEB electric system data in conjunction with other area-wide data to anticipate and identify harmful system conditions and mitigating actions necessary to maintain reliability of the Bulk Electric System in the Western Interconnection. This is a proven and mature application that is already configured for and integrated into EWEB's SCADA system.

Selection:

Staff evaluated two software solutions and assessed Peak's RTCA as the lowest cost alternative with a low risk, simple execution, and no lead time. With access permissions acquired, EWEB users have immediate access to a proven application where EWEB data is configured and ready for use.

Peak Reliability's RTCA Application cost breakdown; \$92,500 in 2017 (\$362,500 aggregate over 4-years).

ACTION REQUESTED:

Management requests the Board authorize the General Manager to sign the resulting **User Agreement with Peak Reliability** for its **Hosted Advanced Applications**. Funds for this purchase are budgeted for 2017. The total Engineering and Environmental department budget is \$9.34 Million for 2017, and this item's future obligation will be budgeted annually.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____