

**CONSULTING SERVICES AGREEMENT
BETWEEN
NORTHERN CALIFORNIA POWER AGENCY
AND
FLYNN RESOURCE CONSULTANTS INC.**

AMENDMENT NO. 1

This Amendment No. 1 ("Amendment No. 1") to the Consulting Services Agreement Between the Northern California Power Agency ("NCPA") and Flynn Resource Consultants Inc. ("Consultant") dated as of July 1, 2015 (the "Agreement") is made this ___ day of _____, 20__ with reference to the following facts, among others:

- A. The Agreement is set to expire on June 30, 2016.
- B. The Parties desire to extend the term of the Agreement to enable Consultant's continued provision of Services to NCPA and the BAMx Members as contemplated under the Agreement.

Therefore, the Parties agree as follows:

1. Section 1.1 of the Agreement is replaced in its entirety with the following:

"1.1 **BAMx Members.** NCPA is entering into this agreement with Consultant at the request of certain of its members, the cities of Palo Alto and Santa Clara ("the BAMx Members"), so that NCPA may provide professional consulting services related to electric transmission, power generation, regulatory issues, and electric market design issues affecting the BAMx Members. NCPA's provision of these services is further addressed in the Professional Services Agreement Between Northern California Power Agency and the Cities of Palo Alto and Santa Clara (the "Bay Area Municipal Transmission Services Agreement" or "BAMx Agreement")."

2. Section 1.2 of the Agreement is replaced in its entirety with the following:

"1.2 **Term of Services.** This Agreement shall begin on the Effective Date and shall terminate when Consultant completes the work described in Exhibit A, or on June 30, 2017, whichever occurs first, unless the term of the Agreement is otherwise terminated or modified, as provided for herein."

3. Section 2.0 of the Agreement is replaced in its entirety with the following:

"**COMPENSATION.** Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED** the following: (i) Seven Hundred and Sixty Thousand Dollars (\$760,000) during the period of July 1, 2015 through June 30, 2016, and (ii) Six Hundred and Fifty Thousand Dollars (\$650,000)

during the period of July 1, 2016 through June 30, 2017, for all work set forth in Exhibit A, in accordance with the Consultant's fee schedule and reimbursable expenses which is attached as Exhibit B, and made a part of this Agreement. In the event of a conflict between this Agreement and Consultant's proposal regarding the amount of compensation, this Agreement shall prevail."

4. Exhibit A of the Agreement is replaced in its entirety by Exhibit A as attached to this Amendment No. 1 and incorporated herein by this reference.
5. Exhibit B of the Agreement is replaced in its entirety by Exhibit B as attached to this Amendment No. 1 and incorporated herein by this reference.
6. **Effect on Agreement.** Except as specifically modified herein, no other provision in the Agreement is intended to be modified, and the Agreement, as amended, shall remain in full force and effect in its entirety. This Amendment shall not impact, prejudice, or waive either Party's rights or obligations under the Agreement for the period either prior to the effective date of this Amendment or following the termination thereof, and no precedent for further amendments to the Agreement is hereby intended.

The Parties have caused this Amendment No. 1 to be executed on the date as set forth above.

NORTHERN CALIFORNIA POWER AGENCY

CONSULTANT

Date: _____

Date: _____

RANDY S. HOWARD
General Manager

DOUG BOCCIGNONE
Chief Financial Officer

Attest:

Assistant Secretary of the Commission

Approved as to Form:

General Counsel

EXHIBIT A
SCOPE OF SERVICES

NCPA is entering into this agreement with Flynn Resource Consultants, Inc. (“Consultant”) at the request of the cities of Palo Alto and Santa Clara (the “BAMx Members”), so that NCPA may assist the BAMx Members in securing professional consulting services related to electric transmission, power generation, regulatory issues, and electric market design issues affecting the BAMx Members. NCPA's provision of related billing services is further addressed in the *Professional Services Agreement Between Northern California Power Agency and the Cities of Palo Alto and Santa Clara* (the "Bay Area Municipal Transmission Services Agreement" or "BAMx Agreement”).

Each BAMx Member shall be represented by a designated BAMx Representative, listed below. During the term of this Agreement, the BAMx Representatives shall complete the Payment Voucher attached as Exhibit D to the BAMx Agreement to approve invoices from Consultant prior to NCPA remitting payment for services rendered by Consultant. The BAMx Representatives will also coordinate, as necessary, work related communications, task orders and invoice matters between and among the BAMx Members and Consultant.

The designated BAMx Representatives of the BAMx Members are:

Joyce Kinnear, City of Santa Clara
Debbie Lloyd, City of Palo Alto

Any BAMx Member may at any time designate another person as its BAMx Representative by providing written notice of such designation to the other BAMx Members, NCPA and Consultant.

The BAMx Members and Consultant intend to pursue the activities listed below during the term of this Agreement. Such activities will include monitoring, meeting participation, coordinating with affected or other participating parties, and, as necessary, preparing and submitting formal position submittals.

1. Grid Planning Activities

- CAISO Regionalization Process, Transmission Access Charge, Governance and Resource Adequacy
 - Coordination with the California Municipal Utilities Association and Northern California Power Agency on these activities
- CAISO/PG&E annual transmission expansion planning process
- Support or oppose specific transmission additions
- Greater Bay Area long term studies
- CAISO local capacity technical study process
- Other regional and sub-regional transmission planning activities

- CAISO Tariff and BPM Change Management Process
 - Generator Interconnection Procedure
 - Transmission cost minimization
 - Impacts due to potential generation retirements
 - Transmission for renewables deliverability issues
 - CTPG planning process
 - Tracy to Bay development activities
2. CPUC and CEC transmission matters
- Integrated Energy Policy Report
 - Resource adequacy issues
 - Renewable Portfolio Standard issues
 - Long Term Procurement issues
 - Approval of CPCNs and PTCs for new transmission lines
 - Renewable Energy Transmission Initiative (RETI 2.0)
3. CAISO Market Issues
- CAISO markets proceedings and implementation matters
 - Resource Adequacy / Local Capacity/ Flexible Capacity/ Deliverability
 - LMP congestion and losses incidence and impacts
 - Regionalization and New Participating Transmission Owner Issues
4. Communicate Regularly with BAMx Members
- Client meetings, telephone conferences and written summaries of activities on key issues.

EXHIBIT B
COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks under this Agreement, including all hourly fees and expenses, shall not exceed: (i) Seven Hundred and Sixty Thousand Dollars (\$760,000) during the period of July 1, 2015 through June 30, 2016, and (ii) Six-Hundred and Fifty Thousand Dollars (\$650,000) during the period of July 1, 2016 through June 30, 2017. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Consultant hourly rates for the professional services are listed below.

<u>Labor Category</u>	<u>Hourly Rate</u>
Principal	\$290-\$310 per hour
Managing Consultant	\$270-\$290 per hour
Senior Consultant	\$230-\$270 per hour
Consultant	\$190-\$230 per hour
Associate Consultant	\$150-\$190 per hour
Analyst	\$110-\$150 per hour
Support Services	\$65-\$85 per hour

Travel (at coach rates), food, and miscellaneous expenses, except automobile mileage, associated with the provision of services hereunder shall be billed at cost. Automobile mileage will be billed at the rate approved by the Internal Revenue Service.

For any month in which specialized modeling software is used to perform services under this agreement, the following charges shall apply:

Power flow modeling - \$ 275/month
Short circuit modeling - \$800/month
OASIS Data - \$1,200/month
Market modeling - \$4,000/month

Specialized software costs that exceed the above amounts may be billed with the prior approval of the Agency and the affected BAMx Member.

Note: As a public agency, NCPA shall not reimburse Consultant for costs in excess of those permitted by the Internal Revenue Service.