

Merced Irrigation District Hydro Project Scheduling Coordinator Services Request for Proposal

Facilities Committee

May 4, 2016

Background

- Merced Irrigation District (MID) has issued a request for proposals for Hydro Project Scheduling Coordinator Services
- Description of Project:
 - New Exchequer
 - 94 MW
 - Energy, Operating Reserves, Regulation Services
 - McSwain Powerhouse
 - 9 MW
 - Energy; run-of-river
 - Merced Falls Powerhouse
 - 3.5 MW
 - Energy, run-of-river

Scope of Services

- Primary Scope of Services
 - MID CAISO SC Registration
 - Scheduling Coordinator Resource Transition
 - Scheduling and Bidding Services
 - Development and submission of energy and ancillary service bids
 - Outage Coordination
 - Dispatch Management
 - Limited to communicating CAISO instructions to plant
 - Does not include project monitoring and dispatch
 - Settlement Services
 - Regulatory Services

Contract Terms

- Seeking services for initial term of five (5) years
- Effective date of service
 - New Exchequer
 - July 1, 2017
 - McSwain Powerhouse
 - July 1, 2017
 - Merced Falls Powerhouse
 - Fall 2016
- Proposer must meet specific qualifications
 - NCPA currently meets all of the required qualifications

Enhanced Scope of Services

- In addition to the primary scope of services formally requested, MID has also expressed a strong interest in the following services:
 - 24 x 7 Control Center Services
 - Certain Generator Operator (GOP) Reliability Standard Compliance Services
- MID staff have indicated prospective suppliers willing to provide such enhanced services is very limited
- NCPA's ability to provide Control Center Services and select GOP Reliability Standard Compliance Services may provide NCPA with a competitive advantage

Proposal to Offer Services

- NCPA believes it can successfully provide the services requested by MID without adding additional staff
- Service Offer Proposal:
 - Cost of Services - \$390,000 per year
 - Based on FY 2017 Nexant Cost Allocation Model
 - Escalated at 2% per year for the term of the contract
 - Pass through of physical communication investments
 - Scope of Services
 - Scheduling Agent Services
 - Control Center Services
 - Reliability Standard Compliance Services
 - Select Supplemental Services
 - ◆ Supplemental Services compensation based on time and materials

Modeling Assumptions

- Cost of Service Modeling Assumptions
 - Resources
 - New Exchequer – 94 MW
 - McSwain Powerhouse – 9 MW
 - Merced Falls Powerhouse – 3.5 MW
 - Schedules
 - 2,409 DA Schedules
 - 1,200 RT Schedules
 - Direct Assignments
 - 5% Direct Share of Prescheduling
 - Integrated Systems
 - Assigned a total of four (4) IT Factors

Member	FY 2017	FY 2017	Difference
	Power Mgmt Cost (With MID)	Power Mgmt Cost (No MID)	
Alameda	\$ 899,225	\$ 930,043	\$ (30,818)
BART	\$ 715,692	\$ 733,786	\$ (18,094)
Biggs	\$ 50,581	\$ 51,828	\$ (1,248)
Gridley	\$ 82,040	\$ 84,433	\$ (2,393)
Healdsburg	\$ 173,028	\$ 178,545	\$ (5,517)
Lodi	\$ 984,297	\$ 1,014,445	\$ (30,148)
Lompoc	\$ 269,962	\$ 278,132	\$ (8,170)
Palo Alto	\$ 1,587,125	\$ 1,638,424	\$ (51,299)
Plumas Sierra	\$ 316,171	\$ 325,799	\$ (9,628)
Port of Oakland	\$ 316,866	\$ 324,169	\$ (7,303)
Roseville	\$ 433,656	\$ 455,313	\$ (21,657)
Santa Clara	\$ 3,045,218	\$ 3,178,163	\$ (132,945)
Truckee-Donner	\$ 0	\$ 0	\$ (0)
Turlock Irrigation District	\$ 140,551	\$ 147,523	\$ (6,972)
Merced	\$ 389,864	\$ -	\$ 389,864
Ukiah	\$ 369,442	\$ 380,550	\$ (11,108)
LEC	\$ 1,150,874	\$ 1,203,438	\$ (52,564)
Total	\$ 10,924,593	\$ 10,924,593	\$ (0)

Staff Recommendation

- NCPA seeks the following Facilities Committee recommendation:
 - Authorize NCPA to submit a proposal to provide services to MID
 - Services include:
 - Scheduling Agency Services
 - Control Center Services
 - Reliability Standard Compliance Services
 - Supplemental Services
 - Cost of Service
 - \$390,000 per year, escalated at a rate of 2% per year for the term of the agreement
 - Pass through of physical communication investments
 - Supplemental Services charged based on time and materials

Questions / Comments