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MEMORANDUM

Date: July 16, 2015

To: Steering Committee members, Alameda County CCE – East Bay Community Energy

From: Bruce Jensen, Senior Planner, Community Development Agency

Re: July 29th, 2015 Agenda Item #3 – (Action Item) Request for Proposals (RFP) Scope of Work – Revisions and Other Considerations

At the Steering Committee meeting on June 18, 2015, County staff was directed to collect comments on the draft RFP for the CCE Technical Study and prepare a revised version of the document for committee review. Many comments were received and they are included in Attachment 1. Most of the comments were incorporated into a new version of the draft RFP. Staff has provided a summary table of the major comment categories (Attachment 2). In this table, individual comment categories may reflect similar comments from more than one respondent. All comments from all respondents are addressed.

A revised RFP is included in the agenda packet for consideration by the Steering Committee (Attachment 3). In the revised RFP, the incorporated changes as suggested by Committee members and the public include (but are not limited to) the following:

- Although unbundled Renewable Energy Credits (RECs) could be considered as a supply option, the study should also assess the alternative of not counting RECs towards potential GHG reductions in the different power scenarios;
- A detailed analysis of CCE labor/employment considerations with an emphasis on the *quantity* and *quality* of jobs in this sector (e.g. above-RPS job creation, jobs created by utility scaled projects vs. distributed energy, megawatt/jobs modeling, etc.);
- Incorporating assumptions within the power scenarios of differing levels of local renewable development, as well as analysis of distributed vs. large, centralized utility-scaled facilities (“local” should still be defined, perhaps within 100 miles);
- Evaluating risks and impacts associated with certain policy changes (e.g. increase in the Renewable Portfolio Standard (RPS), more direct access customers); less than full city and County participation (e.g.: not every city joining the JPA); and the GHG impact of renewable and carbon-free resource availability;
- Additional analysis of the specific potential for energy efficiency and demand reduction within Alameda County.
- Include clear targets for GHG reduction and specific amounts of new renewable energy year over year, with all new renewables generated in-state, and a portion of that coming from distributed generation.

One set of comments not included in the revised RFP scope are recommendations for a local build-out study. Many community stakeholders have expressed a strong desire for the technical study to evaluate the potential for new and local construction of wind, solar and other renewable facilities. This view can be summarized in the comment letter written by the East Bay Clean Power Alliance (EBCPA), which cited a similar study done for San Francisco.

Staff recognizes the value of a build-out study to a prospective JPA, and believes that it should be considered once the County has determined to form a JPA. However, County staff has also concluded that local build-out analyses, while valuable, are not specifically or directly related to technical feasibility or a decision to pursue a CCE and JPA formation. Moreover, a local build-out study that covered the entire County (and thus be most useful and least speculative) would require much more time and probable delay, the full coordination and cooperation of all 14 participating jurisdictions, and costs well in excess of funding available for Phase 1. Staff believes that this issue is more appropriately addressed in a separate study and could be conducted at a later point in the CCA development process once the participating entities are more certain of proceeding. Once the technical study is underway, Staff can be available to discuss the local build-out issue with interested parties to determine an appropriate scope for such a study, and to see what level of analysis could address the concerns expressed (including an examination of ownership and financing models, as well as realistic timeframes for aggressive build-out programs).

In conclusion, Staff believes the changes suggested and incorporated into the draft RFP are improvements that will lead to a more informative and more useful technical study. If review of the RFP responses determines that any component of the RFP scope, including any of these changes, is extending the timeline or exceeding the allocated budget significantly, the County's RFP process does have a degree of flexibility so that the scope can be changed once a contract is secured. As an example, if it is determined that the timeline is being extended too long, or that a particular item is costing too much and could ultimately impact the participation of all 13 cities in the County, the scope can be tailored to address that concern.

Once proposals are received, Staff will provide a detailed analysis of each one with a breakdown of costs and time associated with each item in the scope. At that point the committee can do an "apples to apples" comparison between the respondents and move towards consultant selection.

Staff Recommendation

Accept the attached RFP as the final draft; staff will issue the RFP immediately with the goal of receiving consultant responses within 45 days. An increase in the turnaround time (from 30 to 45 days) is recommended due to the additional scope, which is likely to require coordination with sub-consultants.

Attachments:

1. Collected Comments on Draft RFP (multiple commenters)
2. Summary and Responses to RFP Comments Table
3. Revised Draft RFP