

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 14**

TO: Board of Directors

FROM: Mitch Sears, Executive Officer
Gordon Samuel, Assistant General Manager and Director of Power Resources

SUBJECT: Wholesale Energy Services Update

DATE: September 8, 2022

RECOMMENDATION

Informational item. The purpose of this brief report is to give an update on the status of Wholesale Energy Services.

BACKGROUND

In October 2017, the VCE Board approved a Professional Services Agreement with Sacramento Municipal Utility District (SMUD), along with initial task orders to provide program launch and operational services. Soon thereafter, a series of additional Task Orders were added to the Agreement, including Task Order 3 to provide Wholesale Energy Services (WES). A large portion of the scope of services identified in Task Order 3 expires in mid-2023 and the remainder (primarily resource adequacy support) expires at the end of 2023¹. In 2024, VCE (or a 3rd party selected by VCE) will assume responsibility for all WES services. SMUD has worked with VCE to develop a transition strategy, plan and timeline to ensure continued service and success under other WES vendors.

UPDATE

Throughout 2022, VCE and SMUD have been engaged on developing a WES transition plan in order to have a seamless hand-off from SMUD to a newly selected vendor. The pool of potential vendors has been identified and staff has had informal discussions with potential vendors to gauge the vendors interest and the range of services they could provide. Staff's intent is to issue a request for offers for a wholesale energy services provider in mid-September 2022, negotiate a contract and bring a contract for Board approval in November. Initial transition activities will commence in December.

¹ SMUD will continue to provide other essential services to VCE under the overall Agreement through at least 2025 (e.g. Call Center Services, Billing/Data Services, etc.)