

VALLEY CLEAN ENERGY ALLIANCE

Memorandum

To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Interim General Manager, VCEA

Subject: Supplemental Exhibit to VCEA/SMUD Agreement for Professional Services for Implementation and Operational Services

Date: October 12, 2017

VCEA staff, in coordination with SMUD, have produced the attached Budget Exhibit C to the VCEA/SMUD Master Services Agreement. The new Budget Exhibit does not change contract costs which are currently included in individual contract Task Orders. The purpose of the Budget Exhibit is to consolidate contract costs in this exhibit for ease of review and clarity.

This supplemental material will be considered by the VCEA Board on October 12, 2017 as part of the VCEA/SMUD Agreement for Professional Services for Implementation and Operational Services (VCEA Board Agenda Item #8).

Attachment:

1. Exhibit C – Budget - VCEA/SMUD Agreement for Professional Services for Implementation and Operational Services

EXHIBIT C

BUDGET

The budget shown in Table 1 below provides the SMUD fees and costs associated with delivery of the scope of services outlined in the Master Professional Services Agreement dated _____ and detailed in the accompanying Task Orders. Based on its August 2017 Comparative Analysis of the SMUD services proposal and budget, VCEA staff finds that SMUD's fees and costs in each service area are below or commensurate with current fees paid by operational CCAs for similar services.

In addition, as outlined in Section 8.7 of the Master Professional Services Agreement, SMUD has established a deferred payment period that commences on October 1, 2017 and runs through September 30, 2018; a fee of 2% on all deferred payments for advance work began accruing on October 1, 2017. This deferment fee replaces pre-launch start-up seed capital that would otherwise be required by VCEA and is commensurate with the interest rates of start-up seed capital lines of credit offered by banking service providers that responded to the 2017 VCEA Banking Services RFP.

Table 1 summarizes the fees and costs by Task Order. This Exhibit will be amended to add budget and scope information when new Task Orders are approved by both parties.

Table 1 - Budget

Task Order	Scope	Cost/Year	Terms/Notes
TO-1 Technical and Energy Services	1.1 Implementation Plan 1.2 ProForma Financial Model 1.3 Operating Budget 1.4 Financing/Accounting Support 1.5 Rate analysis, Design, Rate Setting 1.6 Regulatory Filings 1.7 Initial Integrated Resource Plan	Not to exceed \$92,000 for term of TO, plus travel and expenses (phase 1)	TO-1 will complete 3 months after launch. Additional services can be provided on hourly basis
TO – 2 Data Mgmt/ Call Center	1.1 Electronic Data Exchange Svcs 1.2 Customer Information System 1.3 Customer Call Center 1.4 Customer Enrollment Forms 1.5 Billing Administration 1.6 Settlement Quality Meter Data 1.7 Reporting	2018 - \$451,647 (approx. 7 mo of service) 2019 - \$782,964 2020 - \$791,796 2021 - \$800,736 2022 - \$809,784 TOTAL ===== \$3,636,927	Fees for this TO are charged monthly @ rate of \$1.00/account 64,521 – 67,482 accounts estimated over term of 5 years
TO – 3 Wholesale Energy Svcs.	Pending	Pending	
TO – 4 Administrative/Staffing	Pending	Pending	

Table 1 notes:

1. Fees and costs do not include travel, out of pocket expenses or additional tasks beyond the scope indicated in each Task Order.

Hourly rates for SMUD personnel are included in Table 2 below to cover any additional deliverables or work not otherwise contemplated in the current Task Orders. These fees and associated CPI increases after June 2019 are also commensurate with existing CCA consultant fees and practices.

Table 2 – SMUD Staffing Rates

Resource	Hourly Rate (through June 30, 2019)
SMUD CEO/VP	\$250.00
Principal	\$190.00
Senior Analyst/Specialist	\$150.00
Analyst/Specialist	\$100.00
Administrative	\$80.00

Table 2 notes:

1. Hourly billing rates are fixed through June 30, 2019 and are thereafter annually subject to escalation at U.S. Department of Commerce, Bureau of Labor Statistics, "Consumer Price Index-All Urban Consumers less food and energy" Series ID: CUUR0000SA0LIE for the immediately prior 12-month period.