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October 1, 2024

DECISION MEMORANDUM

TO: Council members

FROM: Steven Simmons
Senior Forecast Analyst

SUBJECT: Authorization to Contract with Itron for Load Forecast Support

PROPOSED ACTION: Staff is recommending authorization to contract with Itron Inc. for an amount not to exceed \$35,000 to provide forecast support for the 2025 fiscal year.

SIGNIFICANCE: The Power Act requires that the Council develop a 20-year forecast of loads as a key element of its power planning process. Staff is currently working on developing this load forecast in preparation for the Council's ninth power plan. To ensure timely delivery of the load forecast, staff recommends contracting with Itron to aid with the development, update and testing of the demand forecasting products staff will be delivering in 2025.

BUDGETARY/ECONOMIC IMPACTS

For the fiscal year 2025, staff recommends authorization to contract with Itron Inc. in an amount not to exceed \$35,000 for forecasting work support. Staff has budgeted for this amount in the FY25 budget. These costs represent a reduction in annual load forecasting costs from previous planning cycles.

BACKGROUND

In 2023, Council contracted with Itron to develop a new forecasting modeling framework. This framework provided a much-needed upgrade in demand forecasting capabilities at the Council. Over the next 10 months, staff will be updating significant portions of the forecasting framework with new data inputs, including new climate change modeling data. With a support contract in place, Itron would be available to apply their team's experience and expertise to help staff work through the data updates and testing phases of the forecast work. This would include review of the inputs, validation of the outputs, problem shooting and fine tuning of the forecast.

ALTERNATIVES

The Council could decide to not contract with Itron for this load forecasting support. This alternative would require staff to invest significant additional time to ensure forecast integrity, which would delay the delivery of the demand forecast. This in turn would require extending the overall power plan timeline.