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December 2, 2014

DECISION MEMORANDUM

TO: Council members

FROM: Ben Kujala
System Analysis Manager

SUBJECT: RPM Contract Amendment

PROPOSED ACTION: Staff proposes that the Council amends the RPM contract to allow for developing capabilities beyond the scope of the original contract.

SIGNIFICANCE: The scope of the original contract with Navigant covered redeveloping RPM to have the same capability as the model used for the 6th Power Plan. This amendment will allow for us to strategically supplement that functionality to reflect changes in the power system that have occurred since the 6th Power Plan.

BUDGETARY/ECONOMIC IMPACTS

This amendment would allow for funds not to exceed \$120,000 to be dedicated to adding new capabilities to the RPM model.

BACKGROUND

Navigant will be delivering the second phase of the redeveloped RPM model by December 19th. During the process of developing the model, there have been opportunities for enhancement to the previous RPM logic. Some of these enhancements have needed minimal effort and have already been included in the model. However, staff has identified two potential enhancements that will expand the Council's analytical capacity for the Seventh Power Plan, but are not within the scope of the current contract negotiated with Navigant.

These include:

- Distributing the computing across multiple computers (i.e., enabling “parallel processing”) thereby significantly reduce model run-time.
- Adding in logic to the RPM to enable it to better evaluate regional capacity needs and improve the consistency between the Council’s GENESYS model. This logic will also permit the RPM to value demand response resources based on the revised capacity requirements.

Staff recommends that the Council amend the contract with Navigant to include tasks to develop these two enhancements. Staff also recommends that additional budget be included in this amendment to provide for a limited number of potential additional enhancements that fall outside the functionality agreed upon in the current contract. This amendment requires that the enhanced functionality to be developed on the same time frame as the original contract so these features will be ready for use in the development of the Seventh Plan. Therefore, including the enhancement work and the corresponding not-to-exceed budget in the existing RPM contract will not impact the anticipated delivery date of the model.

ALTERNATIVES

The Council could proceed without any supplemental functionality for the 7th Power Plan. The staff could spend time developing some of the functionality after the model is delivered. Or the Council could contract with another party to edit the model. Given the time constraints for the 7th Power Plan, the most likely alternative is that the model would be constrained to have the same functionality as the model used for the 6th Power Plan.