

Request for Proposals



for Rate Design Consultant Services

Proposals Due October 21, 2019

BACKGROUND & PROJECT OVERVIEW

Monterey Bay Community Power Authority (“MBCP”) is a Community Choice Aggregator (“CCA”) that sources carbon-neutral electricity for the Counties of Monterey, San Benito, and Santa Cruz and 16 cities incorporated within the 3 counties. Established in February 2017, MBCP began service in March 2018. Our overarching goals are (1) Reduction of greenhouse gas emissions, (2) Lowering electricity charges to customers and (3) Stimulating the local economy.

MBCP is seeking consultation services to support the development of cost of service study, determination of customer classes, allocation of cost to each customer class and design appropriate rate for each customer class. Currently, MBCP charges rates that match the generation rates of the incumbent investor-owned utility (IOU) and provide savings in the form of a rebate that is dispersed annually to residential and small commercial customers and biannually or quarterly to medium and large commercial customers. Beginning January 2020, the rebate will be offered in the form of equal monthly discount from the IOU rates. Also, in 2020 the cities of San Luis Obispo and Morro Bay will be enrolled in to MBCP. In 2021, MBCP will expand along the Central Coast to include the cities of Del Rey Oaks (Monterey County), Arroyo Grande, Grover Beach, Paso Robles, and Pismo Beach (SLO County), Solvang, Carpinteria, Goleta, Guadalupe and Santa Maria (Santa Barbara County) and the County of Santa Barbara. In 2021, MBCP aims to adopt a conventional cost-plus approach to rate design (Note: In 2021, MBCP will serve approximately 380,000 customers in PG&E’s service territory and 80,000 in SCE’s service territory).

Through this RFP process, MBCP is seeking proposals to (1) gather all necessary information to be incorporated in the cost-plus model, (2) analyze the load usage and cost to serve of the existing customer classes, (3) allocate MBCP revenue requirements to customer classes, (4) design rates for each customer class, (5) design and support implementation of a rate rollout plan and (6) analyze MBCP stabilization fund reserve requirement.

PROJECT GOALS

- To align retail rates with wholesale prices of electricity
- To simplify and reduce the number of rate schedules to reflect the true distinction between customer classes from power generation perspective
- To ensure rate stability and minimize the rate adjustments to no more than once every two years
- To incentivize customers to change their consumption pattern that will lead to reduction in cost of electricity to all customer

SCOPE OF SERVICES

Information Gathering

- Gain an understanding of unbundled generation charges and their interaction with PG&E and SCE surcharges and transmission and distribution (“T&D”) rates.
- Understand the new TOU periods being proposed for adoption by PG&E and SCE in 2021.
- Understand the Bill Ready and the Rate Ready billing models and the limitations that either imposes on CCA rate structures, if any.
- Work with MBCP financial and power services teams to project general and administrative, programmatic, cost of energy, uncollectible, and any other relevant components of the required revenue.

Analysis

- Analyze TOU breakdowns, load usage, projected load increases during expansions and shift of load due to adoption of DER and electrification.
- Analyze the current cost to serve of each rate class and project the cost to serve using market forwards and other relevant inputs.

Allocation of Costs

- Determine methodology for allocation of non-energy costs among the customer classes.
- Allocate costs to the various customer classes according using appropriate cost allocation methodology.

Rate Design

- Design rates appropriate to the TOU periods set by the IOUs and the load profiles of each rate in MBCP territory.
- Ensure that the peak demand component of the power supply cost (resource adequacy) is allocated to large medium and large customers based on peak demand pattern and to the residential and small commercial as a fixed, minimum charge.

Rate Comparison and Adjustment

- Compare the rates to those offered by the PG&E and SCE and recommend further adjustments to ensure competitiveness with the incumbent utilities.

Rate Roll Out Plan

- Design and implement a roll out plan that inform customers of the new rate design and the positive impact it will have on the customer as well as the financial viability of MBCP.
- Assist in the coordination with the IOUs to rollout the new rates.

SUBMISSION REQUIREMENTS

1. Information on the experience of the entity and key personnel relevant to the scope of services
2. Proposed timeline for the completion of the requested services
3. Description of proposed methodology to analyze data and design rates
4. Demonstration of how services will address the project goals
5. Full scope of requested services
6. Two years audited financial statements
7. Pertinent conflicts of interest
8. Pertinent references

EVALUATION CRITERIA

Bids will be evaluated based on the following list of criteria:

- Cost to MBCP for the services identified in this RFP;
- Qualifications and experience of the entity and key personnel assigned to the MBCP team;
- Proposed approach, including clarity of understanding of the scope of services to be provided and appropriateness of the proposed services;
- Suitability of the proposed timeline for the completion of the proposed services;
- History of successfully performing services for other CCAs or utilities;
- Financial viability of the respondent;
- Existence of and circumstances surrounding any claims and violations against the respondent, its representatives or partners; and

- Pertinent references.

RFP SCHEDULE

Release RFP	October 4, 2019
Deadline for Question Submittal	October 11, 2019
Posting of Responses to Questions	October 16, 2019
Proposals Due	October 21, 2019
Interviews and Contract Negotiations	October 22 – 30, 2019
Contract Completed	October 31, 2019

RESERVATION OF RIGHTS

MBCP reserves the right to:

- consider factors other than those specified above and to request additional information from any/all respondents as part of the selection process.
- change the requirements and/or due dates as may be necessary.
- reject all responses received in relation to this RFP.
- negotiate with any bidder and to engage in simultaneous negotiations with multiple bidders.
- make no commitment to any bidder and provides no guarantee that a contract will be awarded.
- discontinue this RFP process at any time for any reason.

CONFIDENTIAL OR PROPRIETARY CONTENT

Any page of the proposal package that is deemed by Proposer to be a trade secret by the Proposer must be clearly marked “CONFIDENTIAL INFORMATION” at the top of the page.

PROPOSAL DELIVERY

Proposals must be received by 3:00pm Pacific Standard Time on October 21, 2019 through electronic submission and shall be directed to the following point of contact:

Monterey Bay Community Power Authority
Attn: Tiffany Law
Email: tlaw@mbcp.org

Proposer shall be responsible for all costs associated with preparing and submitting the proposal. All inquiries regarding this RFP must be directed, in writing, to Tiffany Law at tlaw@mbcp.org and Mary Hernandez at mhernandez@mbcp.org