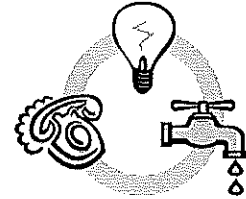


INDUSTRY PUBLIC UTILITIES COMMISSION CITY OF INDUSTRY

SPECIAL MEETING AGENDA
JANUARY 12, 2017 8:30 A.M.



President Mark D. Radecki
Commissioner Abraham N. Cruz
Commissioner Roy Haber, III
Commissioner Cory C. Moss
Commissioner Newell W. Ruggles



Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California

Addressing the Commission:

- ▶ **Agenda Items:** Members of the public may address the Commission on any matter listed on the Agenda. Anyone wishing to speak to the Commission is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed form should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the Commission.
- ▶ **Public Comments (Agenda Items Only):** During public comments, if you wish to address the Commission during this Special Meeting, under Government Code Section 54954.3(a), you may only address the Commission concerning any item that has been described in the notice for the Special Meeting.

Americans with Disabilities Act:

- ▶ In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

Agendas and other writings:

- ▶ In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Friday 9:00 a.m. to 5:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.
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1. Call to Order
2. Flag Salute
3. Roll Call
4. Public Comments

5. **BOARD MATTERS**

- 5.1 Consideration to reject bids received for the Industry Business Center East Side Streetlight and Cabling Plan.

RECOMMENDED ACTION: Recommend that the City Council Reject all Bids.

- 5.2 Consideration to authorize the Public Utilities Director to Procure Resource Adequacy Capacity Products on behalf of the City of Industry in an amount not-to-exceed \$250,000.00.

RECOMMENDED ACTION: Recommend that the City Council Authorize the Public Utilities Director to Procure Resource Adequacy Capacity Products.

6. Adjournment. Next regular meeting: Thursday, January 19, 2017 at 9:00 a.m.

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.1



INDUSTRY PUBLIC UTILITIES COMMISSION

P.O. BOX 3366 • CITY OF INDUSTRY • CALIFORNIA 91744
(626) 333-2211 • Fax (626) 961-6795 • www.cityofindustry.org

Mark D. Radecki, President
Abraham N. Cruz, Commissioner
Roy M. Haber, III, Commissioner
Cory C. Moss, Commissioner
Newell W. Ruggles, Commissioner

Paul J. Philips, Public Utilities Director
James M. Casso, General Counsel
Diane M. Schlichting, Assistant Secretary

MEMORANDUM

TO: Honorable President Radecki and Commission Board Members

FROM: Paul J. Philips, Public Utilities Director *Paul J. Philips*

STAFF: Tim Kolset, Project Manger *TK*

DATE: January 12, 2017

SUBJECT: Consideration to reject the Industry Business Center East Side Streetlight and Cabling Plan Bids.

On November 16, 2016, the Industry Public Utilities Commission ("IPUC") advertised the Industry Business Center East Side Streetlight and Cabling Plan bid for services to install and procure a 12kV distribution system, streetlights and associated equipment via the City of Industry's PlanetBids vendor portal. The bid closed on December 19th 2016 with four (4) companies bidding for the opportunity. The bidding companies were Pacific Utility Installation (PUI), International Line Builders, Inc (ILB), Southern Contracting Company and High Light Electric Inc. Since the bid has closed the IPUC has identified the need to place new fiber optic infrastructure alongside the streetlight and cabling work. The IPUC would like to include the fiber optic infrastructure work into the streetlight and cabling plan to take advantage of installation commonalities and reduce time, costs and environmental impacts that may occur if the work done for the streetlight and cabling plan needed to be redone to accommodate the fiber optic infrastructure. Based on the potential cost and time saving measures IPUC staff is recommending that the City Council reject all Industry Business Center East Side Streetlight and Cabling bids and allow the IPUC to include the fiber optic infrastructure work in a new bid for services.

A Notice of Intent to reject all bids was sent to the bidders on December 23, 2016

Fiscal Impact

Rejection of the Industry Business Center East Side Streetlight and Cabling Plan bids will have no fiscal impact to the IPUC or City of Industry.

Recommendations

1. IPUC Staff recommends that the IPUC recommend to the City Council to reject all bids related to the Industry Business Center East Side Streetlight and Cabling Plan.

Exhibits

City of Industry Notice of Intent to Reject all Bids

PJP:TK

EXHIBIT A

City of Industry Notice of Intent to Reject all Bids

[Attached]

Exhibit A



CITY OF INDUSTRY

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CITY OF INDUSTRY CITY COUNCIL

NOTICE IS HEREBY GIVEN to all bidders that at its regular meeting on January 12, 2017, City Staff will recommend that the City Council formally reject all bids for **Project No. 1430 – Industry Business Center East Side Street Light and Cabling Plan**, as more particularly described in the plans and specifications therefore.


Diane M. Schlichting
Chief Deputy City Clerk

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.2



INDUSTRY PUBLIC UTILITIES COMMISSION

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Diane M. Schlichting, Assistant Secretary

MEMORANDUM

To: Honorable President Radecki and Commission Board Members

From: Paul J. Philips, Public Utilities Director 

Staff:  Danielle Chupa, Senior Project Manager

Date: January 12, 2017

SUBJECT: Consideration for authorization for Public Utilities Director to procure Resource Adequacy Capacity Products on behalf of the City of Industry in an amount not to exceed \$250,000

BACKGROUND:

Resource adequacy (RA) is a mandatory planning and procurement process to ensure resources are secured by load serving entities (ie, City of Industry) to meet the California Independent System Operator's (CAISO's) forecast system, local, and flexible capacity needs per the CAISO tariffs. CAISO is regulated by the Federal Regulatory Energy Commission (FERC). RA helps ensure that capacity exists and is under contract so responsible LSEs can serve all of their load and ensure that the ISO can meet its operational needs and maintain reliability.

The Resource Adequacy program should include six basic elements:

- A procedure for forecasting system conditions relating to Demand, including the forecast peak Demand
- A specified Reserve Margin – this is the amount of capacity over and above the predicted Demand that is necessary to provide adequate Operating Reserve and to account for Contingencies such as Generating Unit Outages and forecast error
- Deliverability – this is a requirement based on Applicable Reliability Criteria that is designed to ensure that capacity needed to meet the Demand Forecast and the Reserve Margin is not constrained by transmission limitations when it is needed to serve Load. Local capacity requirements are also an important part of deliverability requirements.
- Criteria for determining eligible resources and the amount of capacity able to satisfy the Reserve Margin
- Plans developed by the LSEs that identify how they have met their resource adequacy requirements by assembling a portfolio of resources
- Rules under which the resources identified in the plans are made available to the ISO

Operator to balance Supply and Demand

Each Load Serving Entity (ie, IPUC) is given an allocation by the California Energy Commission (CEC) and the California Independent System Operator (CAISO) in terms of the amount of system, local and flex capacity that needs to be procured based on their identified annual system demand.

Below are the types of RA and IPUC's general strategy for each:

- **System** – IPUC's requirement is 115% of their CEC adjusted Coincidental Peak Demand. The IPUC intends to satisfy this requirement with a Capacity contract from a 3rd party marketer.
- **Local** – IPUC is assessed a local requirement, generally in the ~4MW range. The IPUC intends to satisfy this requirement with a Capacity contract from a 3rd party marketer.
- **Flex** – There are 3 types of flex RA and IPUC's allocation is submitted to them around May of each year. Most entities tend to procure Flex 1 as it covers the other 2 categories as well, additionally most generators are certified as Flex 1. The types of flex are generally rated based on how fast they can ramp up and how long they can run when called. 2016 is the first required reporting year for Flex RA.

The IPUC, on behalf of the City, needs to procure the required capacities by category to meet the obligations, that must be met on a monthly basis.

REGULATORY REQUIREMENTS:

As required by the Federal Power Act of 1935, the CAISO operates under the terms and conditions of its FERC approved tariff, which contains the rates, terms and conditions governing all areas of the CAISO business, including:

- Requirements for participating in the ISO's energy and ancillary services markets
- Rules for determining the prices paid to providers of electricity and ancillary services and how these charges are allocated
- Transmission access charges
- The ISO's grid management charge
- Processes for generation interconnection and transmission planning.

The CAISO FERC-approved tariff is modified, amended, supplemented or restated as needed. If a provision of an existing CAISO contract, business practice manual or operating procedure conflicts with it, the tariff will prevail to the extent of the inconsistency.

FISCAL IMPACT:

The recommended actions will authorize the amount not to exceed \$250,000 from the Electric Utility Reserves Fund be appropriated to the Electric Utility Fund – Miscellaneous (Account no. 161-300-5125) in the amount not to exceed \$250,000 to procure the required resource adequacy capacities through the end of 2017.

RECOMMENDATIONS:

IPUC recommends the City Council to authorize the Public Utilities Director to procure Resource Adequacy products on behalf of the City in an amount not to exceed \$250,000.