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June 28, 2012

## DECISION MEMORANDUM

**TO:** Council Members

**FROM:** Charlie Black  
Director, Power Planning Division

**SUBJECT:** Jeff King Contract Extension

**PROPOSED ACTION:** Staff recommends extending Jeff King's existing contract through the end of the fiscal year.

**SIGNIFICANCE:** Jeff King has been providing transitional support to the Power Division, and some production work.

## BUDGETARY/ECONOMIC IMPACTS

The current budget for Jeff King's contract is \$60,000 for fiscal 2012 which is expected to be expended by early July. The proposal is to add \$31,800 for a total expenditure of \$91,800 for fiscal 2012.

## BACKGROUND

The Council allocated \$60,000 in September 2011 to contract with Jeff King, former Council Senior Resource Analyst. The contracted work consisted largely of maintenance of Power Division databases and performance of special studies. Much of the contemplated work has been successfully completed and taken over by other Council staff. However, certain tasks related to the MicroFin and Aurora models, analysis, and data need to be taken up by new staff that are not fully trained at this time. The primary purpose of the extension will be for Jeff to train the new Energy Analyst on how to perform tasks necessary to produce an electricity market price forecast and develop levelized costs of resources to support the latest staff transitions. The proposed contract extension, based on an average of two staff-days of work per week, will facilitate the training of new personnel.

## ANALYSIS

Staff has reviewed the alternatives for providing these services, which are described below.

## **ALTERNATIVES**

The two primary alternatives are 1) not to provide the support, and 2) attempt contract with another person or entity to provide the support. The staff believes that the former would risk delay or non-performance of the Council's ongoing activities relating to generating resource data and analysis. Contracting with another person would not likely be successful, and if successful, would be far more costly and time consuming than direct support from the Council's former Senior Resource Analyst.

## **ATTACHMENTS**

A seven-point memo justification for sole-source contracting is attached.

enclosure

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## MEMORANDUM

**TO:** Steve Crow, Executive Director  
Sharon Ossmann, Administration Division Director

**FROM:** Charlie Black, Director, Power Planning Division

**SUBJECT:** Seven-Point Memorandum - Jeff King Contract Extension

### 1 - PURPOSE

The purpose of this contract extension to provide Council staff with needed training to develop levelized costs of new generation technologies and electric market price forecasts. The work is needed to support recent staff transitions.

### 2 - SPECIFIC PROBLEMS

The contract addresses the problem of obtaining support and training services relating to the development of the Council's electricity market price forecasting capability. Recent staffing changes have left a need to rapidly train new personnel on modeling practices and techniques. The tasks and deliverables associated with this project are detailed in the attached Statement of Work.

### 3 - RECOMMENDED ACTION

Staff recommends that the Council contract with Jeff King to perform the tasks identified in the contract. This is an extension of an existing contract with Mr. King that had been budgeted for \$60,000 and for which staff recommends adding \$31,800 to continue services through the end of the current fiscal year.

### 4 - SUMMARY OF RELATED ACTIONS

The Council recently hired a new Energy Analyst.

## 5 - ALTERNATIVES

The two primary alternatives are 1) not to provide the support and 2) to attempt to contract with some other person or entity to provide the support. The staff believes that the former would risk significant delay and quality of Council's responsibilities, including the Mid Term Assessment. The latter would be inefficient and likely far more costly and not likely to result in meeting established work product deadlines.

## 6 - IMPACT ON STAFF AND FACILITIES

Managing this contract will have minimal impact on the staff. Some time would be required to review the contractor's work. Choosing a contractor unfamiliar with this process would increase staff time requirements significantly.

## 7 - CERTIFICATION

By this request, I certify that the proposed acquisition is appropriate and desirable for the Council. I understand that the necessary funding is available for the contract in fiscal year 2012 for the Power Planning Division.

**RESEARCH AND ANALYTICAL SUPPORT FOR THE  
NORTHWEST POWER AND CONSERVATION COUNCIL**

**DRAFT AMENDED  
STATEMENT OF WORK  
C2012-027**

**Purpose and Objective:** The purpose of this agreement between the Northwest Power and Conservation Council (the Council) and Jeffrey C. King & Associates (Contractor) is to provide the Council with research and analytical services as described below.

**Statement of Work:** The scope of this agreement includes assistance in the performance of the tasks described below, plus additional research and analytical services, as defined by agreement between the Project Manager and the Contractor.

- A. Maintenance of the Council's databases of Existing, New and Proposed Power Plants.
- B. Maintenance and application of the MicroFin resource cost workbook.
- C. Maintenance of the generating resource technology datasheets.
- D. Comparison of the electricity price forecasting capability of the AURORA<sup>xmp</sup> and ENERGY2020 models.
- E. Maintenance of the input data base for the AURORA<sup>xmp</sup> Electric Market Model.
- F. Compilation of resource data for other Council models including ENERGY2020, GENESYS and the Resource Portfolio Model.
- G. Development of revised wholesale electricity price forecasts using revised fuel prices, demand forecasts and other revisions to forecasting parameters as they are proposed and adopted by the Council.
- H. Assessment of the sensitivity of the Resource Portfolio Model to cost, schedule, performance and other characteristics of generating resources.
- I. Developing representative thermal resource dispatch parameters for use in the updated GENESYS model.
- J. Be present in the Council offices one day per week, on average for consultation, review and other assistance related to the activities of the Power Division. If needed to more efficiently accomplish certain tasks, the Contractor may be present for concurrent days or two or more days in a single week.
- K. Train designated Council staff in the production of electricity market price forecasts, including data collection, data input, study design, modeling methods, and output reporting techniques.

- L. Train designated Council staff in the production of levelized costs using the MicroFin model, including model methods, data development, and output reporting.

**Period of Performance:** The work described herein will be performed between October 1, 2011 and September 30, 2012.

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