Agenda Item No. 17

File Code No. 630.06

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 8, 2015

TO: Mayor and Councilmembers

FROM: Facilities Division, Public Works Department

SUBJECT: Assignment Of Agreement For Energy Management System

RECOMMENDATION:

That Council authorize the Public Works Director to assign Agreement No. 388117 from McKinstry, Inc., to Energy Hippo, Inc.

DISCUSSION:

In 2012, the City entered into an agreement with McKinstry, Inc., (McKinstry) to implement and host the City's Enterprise Energy Management Information System (EEMIS) for a period of five years after system launch. The agreement expires on September 30, 2019. The EEMIS is a software program that receives 15-minute interval data from the City's 25 largest electric meters and three largest gas meters as well as bill data from the City's 500 electrical accounts and 70 gas accounts. Staff is then able to use the software to produce a wide variety of reports on energy usage and costs.

The many benefits of an EEMIS include the ability to perform bill analysis, energy use analysis, electricity rate analysis, demand point management, greenhouse gas reporting, and energy efficiency and conservation opportunity identification. By creating a database of facility and energy data, the City will be able to identify the best and worst performing sites and prioritize energy management activities. The collection of real-time interval data from large electricity accounts will allow the City to better manage daily energy demand and usage, and identify cost saving measures that will allow shifting power usage to non-peak hours.

The City's EEMIS is in the final stages of implementation after experiencing some significant delays on the Southern California Edison (SCE) side with receiving bill data. It took nearly two years for SCE to dependably and regularly deliver the necessary historical and current data, and an additional six months for McKinstry to filter through the massive amount of data. This was a necessary and cumbersome step in order to input three years of historical data into the software and have the ability to do historical analyses.

In April of 2015, McKinstry sold its Enterprise Energy Management software to Energy Hippo, Inc., (Energy Hippo). Energy Hippo is operated by former McKinstry employees and contractors who will continue to provide the City with expertise and further investment in the software.

Staff is therefore requesting that Council authorize the Public Works Director to negotiate and assign the City's existing hosting and maintenance contract with McKinstry to Energy Hippo.

SUSTAINABILITY IMPACT:

The EEMIS will enable the City to forecast energy usage on a day-ahead basis and execute load control commands to help the City reach its demand-reduction goals in response to California grid conditions, as indicated by the California Independent System Operator. The City may achieve additional permanent load reductions using the analytic capabilities of EEMIS to identify inefficient end uses and prioritize energy conservation measures related to plug load, as well as mechanical and lighting systems.

By reducing peak demand of electricity, the City will reduce the burden on California's peak power plants and will help negate the need to build additional power plants in the future. An EEMIS is the first step toward achieving this goal because it will help end users manage and reduce their energy use.

PREPARED BY: Jim Dewey, Facilities & Energy Manager/AP/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office