



## Recommendation for Action

**File #:** 19-1013, **Agenda Item #:** 20.

2/21/2019

### **Posting Language**

Authorize negotiation and execution of four multi-term contracts with ecobee, EnergyHub, Inc., Virtual Peaker, Inc. and Whisker Labs, Inc., to provide demand response management portals and application programming interfaces for smart thermostats and other distributed energy resources, each for up to five years for total contract amounts not to exceed \$6,250,000 divided among the contractors.

(Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

### **Lead Department**

Purchasing Office.

### **Client Department(s)**

Austin Energy.

### **Fiscal Note**

Funding in the amount of \$729,167 is available in the Fiscal Year 2018-2019 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Purchasing Language:**

Austin Energy is designating this purchase as a Critical Business Need in accordance with Senate Bill 7, as adopted by the City as Resolution No. 20040610-002. The Purchasing Office issued a Request for Qualification Statements (RFQS) 1100 SMB4000 for these services. The solicitation issued on July 16, 2018 and it closed on August 14, 2018. Of the seven responses received, the recommended contractors were the most qualified. A complete solicitation package, including a log of responses received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=125351) <[https://www.austintexas.gov/financeonline/account\\_services/solicitation/solicitation\\_details.cfm?sid=125351](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=125351)>.

### **For More Information:**

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or [AgendaOffice@austintexas.gov](mailto:AgendaOffice@austintexas.gov) <<mailto:AgendaOffice@austintexas.gov>>

NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Sandy Brandt, at 512-322-6594 or [Sandy.Brandt@austinenergy.com](mailto:Sandy.Brandt@austinenergy.com) <<mailto:Sandy.Brandt@austinenergy.com>>.

### **Council Committee, Boards and Commission Action:**

January 14, 2019 - Recommended unanimously by the Electric Utility Commission on an 8-0 vote, with Chair Ferchill and Commissioner Hopkins absent and one vacancy.

January 15, 2019 - Recommended by the Resource Management Commission on a 6-0-1 vote, with

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Commissioner Babyak abstaining, Commissioner Kohan absent and three vacancies.

**Additional Backup Information:**

These contracts are for access to demand response portals and application programming interfaces (API) for use with Wi-Fi enabled thermostats enrolled in Austin Energy's Power Partner Thermostat program. The portals and APIs allow Austin Energy to modify program participants' thermostats by two to three degrees at times when demand for electricity is highest. This helps reduce wholesale energy costs, prevent outages, and reduce energy use.

Eligible program participants include homeowners, single family home renters, multifamily unit renters, business owners, and commercial space renters in the Austin Energy service territory. Austin Energy has enrolled over 27,000 thermostats to date in the Power Partner Thermostat demand response program.

Through the demand response programs during the summer of 2018, Austin Energy was able to curtail electricity by up to 40 megawatts (MW) during peak demand times, saving customers approximately \$2 million in Electric Reliability Council of Texas allocation transmission fees. Austin Energy intends to meet the 200 MW demand response goal by 2027 by adding new thermostat vendors through these contracts to its demand response program.

These contracts will allow customers already enrolled in the Power Partner Thermostat program to continue their participation uninterrupted through the current vendors. ecobee and EnergyHub, Inc. are current providers of these services.

An evaluation team with expertise in this area evaluated the responses and scored ecobee, EnergyHub, Inc., Virtual Peaker, Inc. and Whisker Labs, Inc. as the best to provide these services based on qualifications and experience.

**Contract Detail:**

<b><u>Contract Term</u></b>	<b><u>Length of Term</u></b>	<b><u>Contract Authorization</u></b>
Initial Term	1 yr.	\$1,250,000
Optional Extension 1	1 yr.	\$1,250,000
Optional Extension 2	1 yr.	\$1,250,000
Optional Extension 3	1 yr.	\$1,250,000
Optional Extension 4	1 yr.	\$1,250,000
<b>TOTAL</b>	<b>5 yrs.</b>	<b>\$6,250,000</b>

**Note:** Contract Authorization amounts are based on the City's estimated annual usage.