

**Project title:** Amendment No. 4 to Miscellaneous Service Contract No. CW2228764 MISC with Snohomish County PUD for Energy Smart Industrial – Wastewater Energy Coaching

**Council Bill #**

**Agenda dates requested:**

September 8, 2021

Briefing

Proposed action

Consent  X

Action

Ordinance

Public hearing

Yes  X No

**Budget amendment:**

Yes  X No

**PowerPoint presentation:**

Yes  X No

**Attachments:**

Proposed Amendment

**Department(s) involved:**

Public Works, Admin

**Contact person:**

Jeff Marrs

**Phone number:**

425-257-8967

**Email:**

jmarrs@everettwa.gov

**Initialed by:**

*RLS*

Department head

Administration

Council President

**Consideration:** Amendment No. 4 to the Wastewater Energy Program Agreement

**Project:** Wastewater Energy Coaching

**Partner/Supplier:** Public Utility District No. 1 of Snohomish County

**Location:** Water Pollution Control Facility

**Preceding action:** Amendment No. 3 11/27/19

**Fund:** 401 – Water & Sewer Utility Fund

**Fiscal summary statement:**

This amendment extends a PUD energy efficiency incentive program that has been in place since 2017. Currently, if the Water Pollution Control Facility (WPCF) meets the conservation goals, the maximum eligible incentive is \$165,000. This amendment will increase the maximum amount by \$44,866.10 to \$209,866.10.

**Project summary statement:**

The PUD and the City have collaborated in a Wastewater Energy Program since 2017. The PUD and its partner, Energy Systems Industrial (ESI), have provided and will continue to provide training and data analysis to WPCF staff regarding energy conservation. The program also provides monetary incentives for energy savings.

**Recommendation (exact action requested of Council):**

Authorize the Mayor to sign Amendment No. 4 to Miscellaneous Service Contract No. CW2228764 MISC with Snohomish County PUD for Energy Smart Industrial – Wastewater Energy Coaching.



Amendment No. 4 to Miscellaneous Service Contract No. CW2228764
Title: Energy Smart Industrial – Wastewater Energy Coaching

Instructions: Please sign PUD original amendment and return to Contracts as shown below.

Participant Name and Address:

City of Everett
Attn: John Smit, WPCF Plant Manager
3200 Cedar St
Everett, WA 98201

Return Amendment To:

Public Utility District No. 1 of Snohomish County
Stephanie Felver, Contracts/Purchasing - O2
P.O. Box 1107
Everett, WA 98206-1107

The change herein described shall become a part of the applicable contract subject to all conditions thereof when authorized by both parties pursuant to execution of this Contract Amendment.

Only applicable changes are completed in sections below

Description of Change:

Identify expenditures to date, add \$50,000.00 to the incentive cap for Years 3 and 4 (as was done in Years 1 and 2), extend the contract term through December 31, 2021, modify terms as per Attachment A.

Contract Expenditures To Date:

Table with 4 columns: Year, Incentive Amount, Performance Tracking Amount, Total. Rows include Year 1 (2017) through Year 4 (2020) and a Contract Total (est) row.

Previous "Not to Exceed" Amount: \$165,000.00

Amendment Amount: \$44,866.10

New "Not to Exceed" Amount: \$209,866.10

Extend Contract Term to: 12/31/2021

Change in Scope of Work: Modify per above

Authorized Representative Signatures:

Snohomish County PUD

Clark Langstraat

Participant/City of Everett

Clark Langstraat, Manager, Contracts & Purchasing

Please Print Name/Title

08/24/2021

Date Signed:

Date Signed:

**Attachment A**

**Amendment No. 4 to Miscellaneous Service Contract No. CW2228764**

**A. Section 5. is amended by the addition of this statement, following the first paragraph:**

For renewed SEM Agreements, a new two-year performance period is established. A re-baselining cycle may be established for re-enrolling sites or the original energy model may be used if still accurate. Any energy model updates and re-baselining modifications will be completed per the current BPA ESI MT&R Reference Guide to improve the accuracy of the model for the new two-year renewal term. ESI shall collaborate with Utility and End User to ensure incentive-eligible savings are transparently displayed throughout the SEM engagement.

**B. All terms starting at Table 1. SEM Funding Amounts and Milestones for Incentive-Eligible Saving Performance Period WEC-1 are replaced in their entirety and amended as follows:**

Funds described in Tables 1 and 2 are allocated for incentives during each respective 2-Year Incentive-Eligible Savings Performance Period, as described in Table 3 below. Funds do not carry over into the next 2-Year Incentive-Eligible Savings Performance Period; as such, unused funds from any 2-Year Incentive-Eligible Savings Performance Period cannot be claimed during any other 2-Year Incentive-Eligible Savings Performance Periods.

**Table 1. SEM Funding Amounts and Milestones for Incentive-Eligible Saving Performance Period WEC-1**

<b>Payment No.</b>	<b>Incentive Formula</b>	<b>Incentive Cap</b>	<b>Milestone</b>
<b>Payment #1:</b>  PTS Setup 1 (Optional)	1.1 Payment Calculation as <i>Lesser of</i> : a. Documented PTS costs; or b. \$0.0025 per kWh of estimated annual energy usage of plant baseline or \$10,000.00, if plant baseline is greater than 4,000,000 kWh annual consumption.	\$10,000.00 cap on Payment #1 PTS initial setup (if applicable)	END USER purchases and installs. BPA and UTILITY approved PTS
<b>Payment #2:</b>  End Year 1 Sustained Savings and PTS Maintenance	2.1 If supporting invoices are not provided, \$0.025 per kWh of actual verified "non-capital" energy savings identified in the "Year 1" SEM Completion Report.*  2.2. PTS Maintenance Payment, for documented Year 1 PTS costs not to exceed \$10,000.00.	\$75,000.00 Total Program Incentive Cap for Energy Savings for Years 1 and 2 combined  \$10,000.00 PTS Maintenance payment funding cap for Year 1	BPA reviews and approves "Year 1" SEM Completion Report.* (All capital energy efficiency projects savings and incentives are recognized under the UTILITY standard rebate program)

Payment No.	Incentive Formula	Incentive Cap	Milestone
<b>Payment #3:</b>  Year 2 Sustained Savings and PTS Maintenance	3.1 If supporting invoices are not provided, \$0.025 per kWh of actual verified "non-capital" energy savings identified in the "Year 2" SEM Completion Report.*	\$75,000.00 Total Program Incentive Cap for Energy Savings for Years 1 and 2 combined	BPA reviews and approves "Year 2" SEM Annual Completion Report.* (All capital energy efficiency projects savings and incentives are recognized under the UTILITY standard rebate program)
	3.2. PTS Maintenance Payment, for documented Year 2 PTS costs not to exceed \$10,000.00.	\$10,000.00 PTS Maintenance payment funding cap for Year 2, subject to PTS Overall Cap	
<b>Overall Cap</b>	<i>\$20,000.00 Total Program Incentive Cap for all Performance Tracking System (PTS) Setup 1 and Maintenance funding and \$50,000.00 Total Program Incentive Cap for Energy Savings.</i>	\$95,000.00 Overall Incentive Cap per 2-Year Incentive-Eligible Savings Performance Period	

**Table 2. SEM Funding Amounts and Milestones for Incentive-Eligible Saving Performance Period WEC-2:**

Payment No.	Incentive Formula	Incentive Cap	Milestone
<b>Payment #1:</b>  PTS Setup 1 (Optional)	1.2 Payment Calculation as <i>Lesser of</i> : a. Documented PTS costs; or b. \$0.0025 per kWh of estimated annual energy usage of plant baseline or \$10,000.00, if plant baseline is greater than 4,000,000 kWh annual consumption.	\$10,000.00 cap on Payment #1 PTS initial setup (if applicable)	END USER purchases and installs. BPA and UTILITY approved PTS
<b>Payment #2:</b>  End Year 3 Sustained Savings and PTS Maintenance	2.1 If supporting invoices are not provided, \$0.025 per kWh of actual verified "non-capital" energy savings identified in the "Year 3" SEM Completion Report.*	\$100,000.00 Total Program Incentive Cap for Energy Savings for Years 3 and 4 combined	BPA reviews and approves "Year 3" SEM Completion Report.* (All capital energy efficiency projects savings and incentives are recognized under the UTILITY standard rebate program)
	2.2. PTS Maintenance Payment, for documented Year 3 PTS costs not to exceed \$10,000.00.	\$10,000.00 PTS Maintenance payment funding cap for Year 3	
<b>Payment #3:</b>  Year 4 Sustained Savings and PTS Maintenance	3.1 If supporting invoices are not provided, \$0.025 per kWh of actual verified "non-capital" energy savings identified in the "Year 4" SEM Completion Report.*	\$100,000.00 Total Program Incentive Cap for Energy Savings for Years 3 and 4 combined	BPA reviews and approves "Year 4" SEM Annual Completion Report.* (All capital energy efficiency projects savings and incentives are recognized under the UTILITY standard rebate program)
	3.2. PTS Maintenance Payment, for documented Year 4 PTS costs not to exceed \$10,000.00.	\$10,000.00 PTS Maintenance payment funding cap for Year 4, subject to PTS Overall Cap	

Payment No.	Incentive Formula	Incentive Cap	Milestone
Overall Cap	\$20,000.00 Total Program Incentive Cap for all Performance Tracking System (PTS) Setup 1 and Maintenance funding and \$120,000.00 Total Program Incentive Cap for Energy Savings.	\$120,000.00 Overall Incentive Cap per 2-Year Incentive-Eligible Savings Performance Period	

\*SEM Completion Reports are prepared at the conclusion of each year during each Two-Year Incentive-Eligible Performance Period.

**Table 3. 2-Year Incentive-Eligible Savings Performance Periods**

Performance Period	Dates*
SEM WEC-1	Year 1: May 1, 2017 – April 30, 2018
	Year 2: May 1, 2018 – April 30, 2019
SEM WEC-2	Year 3: November 1, 2019 – October 31, 2020
	Year 4: November 1, 2020 – October 31, 2021

\*SEM engagements are aligned in two-year performance periods as noted in table above. In the second two-year performance period we are identifying year 3 and year 4 in reference to the 3rd and 4th year from the starting point of the overall engagement.

The start date of each 2-Year Incentive-Eligible Savings Performance Period starts:

- a. No earlier than the BPA kick-off workshop or tune-up event, whichever is applicable.
- b. No later than the date determined by BPA and the customer.

**For re-enrolled SEM participants**, customers may choose a continuous performance period or opt to delay the start of the performance period, as defined in the SEM engagement plan report.

**The incentives paid under this Agreement shall not exceed the amount referenced on Page 1 of this document.**