

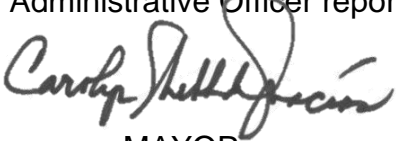
0150-12718-0000

TRANSMITTAL

TO Janisse Quinones, General Manager Los Angeles Department of Water and Power	DATE 10/09/2024	COUNCIL FILE
FROM The Mayor	COUNCIL DISTRICT ALL	

**LOS ANGELES DEPARTMENT OF WATER AND POWER PROPOSED RESOLUTION
AUTHORIZING A SECOND AMENDMENT TO AGREEMENT NO. 47565 WITH POWER
SETTLEMENTS CONSULTING AND SOFTWARE, LLC FOR ENERGY IMBALANCE
MARKET MERCHANT AND ENTITY SETTLEMENT AND TRANSMISSION BILLING
SYSTEMS SOFTWARE**

Transmitted for further processing and Council consideration.
See the City Administrative Officer report attached.



MAYOR

(Carolyn Webb de Macias for)

Attachment
MWS:PJH:BC:JVW:IR:JFH:10250002t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER


Date: July 12, 2024

CAO File No. 0150-12718-0000

Council File No.

Council District: ALL

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer 

Reference: Correspondence from the Department of Water and Power dated May 31, 2024; received and referred by the Mayor for a report on July 1, 2024

Subject: **LOS ANGELES DEPARTMENT OF WATER AND POWER PROPOSED RESOLUTION AUTHORIZING A SECOND AMENDMENT TO AGREEMENT NO. 47565 WITH POWER SETTLEMENTS CONSULTING AND SOFTWARE, LLC FOR ENERGY IMBALANCE MARKET MERCHANT AND ENTITY SETTLEMENT AND TRANSMISSION BILLING SYSTEMS SOFTWARE**

RECOMMENDATIONS

That the Mayor:

1. Approve the Los Angeles Department of Water and Power proposed Board Resolution authorizing a Second Amendment to Agreement No. 47565 with, Power Settlements Consulting and Software, LLC to extend the existing five-year term of the agreement by an additional three years, with two one-year extension options, for a total term of ten years from October 9, 2024, through October 8, 2029, with an increase in the not-to-exceed contract amount of \$5,959,710 from \$3,909,230 to \$9,868,940, including contingencies, to continue the software support of the Energy Imbalance Market Merchant and Entity Settlement and Transmission Billing Systems, including new options and enhancements;
2. Authorize and direct, upon proper certification, the Chief Accounting Employee to draw demands on the Power Revenue Fund over the term of this Amendment to the Agreement and accompanying Resolution; and,
3. Return the proposed Resolution to the Los Angeles Department of Water and Power for further processing, including Council consideration.

SUMMARY

The Los Angeles Department of Water and Power (LADWP, Department) requests authority to execute a Second Amendment to Agreement No. 47565 with Power Settlements Consulting and

Software, LLC (Power Settlements), for software support and maintenance of the Energy Imbalance Market Merchant and Entity Settlement and Transmission Billing Systems.

Approval of a proposed Second Amendment will extend the contract's current five-year term for an additional three years with two one-year extension options, from October 9, 2024, through October 8, 2029, for a total term of ten years. The proposed Amendment also increases the total not-to-exceed amount of Agreement 47565 by \$5,959,710 from \$3,909,230 to \$9,868,940 including contingencies. Additional amendments are made to the Contract as described in a revised Exhibit H, Statement of Work, Attachment A and Revised Exhibit C, Fee Schedule. All other contract terms and conditions remain unchanged.

In 2017, the Board and Council approved the Energy Imbalance Market Implementation Agreement with the California Independent System Operator (CAISO) in an effort to attain the lowest cost energy to serve real-time customer demand, while sharing resources with participating entities in the western United States. The Energy Imbalance Market Merchant and Entity Settlement and Transmission Billing Systems support critical functions performed by the LADWP's Open Access Same-Time Information System and the Energy Reconciliation group that are part of the Power System's Energy Control Center and are essential for continued participation in CAISO.

Power Settlements is the sole provider of this proprietary software previously purchased by the LADWP under competitive solicitation and therefore all functional upgrades and updates must be provided by the firm.

In accordance with Charter Section 373 and the Los Angeles Administrative Code Section 10.5(e), The Second Amendment requires City Council approval because the total term of the agreement is greater than five years. This Office has reviewed the request and recommends approval.

BACKGROUND

In 2017, the Board and the City Council approved the LADWP's Energy Imbalance Market Implementation Agreement with CAISO in an effort to attain the lowest cost energy to serve real-time customer demand, while sharing resources with participating entities in the western United States which has since expired as implementation was completed in 2019 (Council File No. 17-0312).

Initial Contract and First Amendment - On September 24, 2019, as a result of a competitive procurement, the Board approved Resolution No. 020 050, awarding the initial contract to Power Settlements for the Energy Imbalance Market Merchant and Entity Settlement and Transmission Billing Systems for a term of three years. On September 13, 2022, the Board approved Resolution No. 023 046 authorizing a First Amendment to the Power Settlements Agreement which amended the term by providing two one-year extension options and increased the new not-to-exceed compensation amount in the Agreement by \$1,010,800 from \$2,520,374 to \$3,531,174.

The Energy Imbalance Merchant and Entity Settlement and Transmission Billing Systems are critical to the operation of the Open Access Same-Time Information System and the Energy Reconciliation group that are part of the Power System's Energy Control Center. The Systems automate LADWP's processes for Energy Imbalance Market energy and transmission system

transactions and provide an interface with CAISO systems and were required for entrance into the CAISO Energy Imbalance Market as a Balancing Authority on April 1, 2020.

The contracts for three other LADWP information systems which are equally critical for continued participation in CAISO are also expiring soon and their extension or replacement is being addressed by the Department in separate requests to the Board and Council. The other information systems and agreement numbers are:

1. EIM Meter Data Management System Solution and Support Services (Agreement No, 47573)
2. EIM Merchant Bidding and Scheduling System (Agreement No. 47577)
3. EIM Merchant Variable Energy Resource Forecasting Services (Agreement No. 47595)

Second Amendment Changes and Costs - The proposed Amendment provides additional new software options for settlement and transmission billing to load serving entities (LSE) within LADWP's Balancing Authority Area (BAA). The Amendment will also continue hosting, software maintenance, and technical support services, and provide for additional services for LSE within the BAA and provide other potential enhancements, modifications and adaptability to new market opportunities while supporting LADWP's continued participation in the Energy Imbalance Market Merchant.

The proposed Amendment extends the terms of the agreement by three years, from five to eight years, with two one-year extension options, from October 9, 2024, through October 8, 2029, for a potential total of ten years. The proposed Amendment also increases the not-to-exceed contract maximum amount by \$5,959,710 from \$3,909,230 to \$9,868,940, including contingencies, new software options and enhancements as described in a revised Exhibit H, Statement of Work, Attachment A and Revised Exhibit C, Fee Schedule. All other contract terms and conditions remain unchanged.

Power Settlements has performed satisfactorily under the current agreements.

Alternatives Considered – There are no viable alternatives. Power Settlements is the sole provider of this proprietary software previously purchased under a competitive procurement. All functional upgrades and updates must come from Power Settlements. A new competitive solicitation to replace the existing software would not be practical or cost effective when the current software is still useful for many years. A new software system would involve costly and time-consuming design, testing, integration, and training before implementation and is therefore not a viable solution.

As a substantial participant in the Western Energy Imbalance Market supporting nearly 80 percent of California's total energy consumption, LADWP's assets are vital to this market. During the 2022-2023 fiscal year, the LADWP's Power Settlements software systems contributed to a net ratepayer savings of approximately \$50 million. Lack of availability of these software packages would force LADWP's withdrawal from the Western Energy Imbalance Market as required by the CAISO Tariff and result in significant financial losses.

CITY COMPLIANCE

California Environmental Quality Act (CEQA) – The LADWP has determined, subject to Board approval, that the item is exempt from CEQA pursuant to Section 15060(c)(3) that states an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378(b)(2) states that governmental fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant impact on the environment do not meet that definition. Therefore, the amendment of a contract for software services is not subject to CEQA.

Charter Section 1022 – Pursuant to Charter Section 1022, the Board determined that it is more feasible to have the work performed by an independent contractor than by City employees.

The City Attorney has approved the proposed Second Amendment as to form. In accordance with Charter Section 373 and the Los Angeles Administrative Code Section 10.5(e), the amendment requires City Council approval because the total term of the agreement is greater than five years. Our Office has reviewed the request and recommends approval.

FISCAL IMPACT STATEMENT

Approval of the proposed Second Amendment to Agreement No. 47565 with Power Settlements Consulting and Software, LLC for the continued support of the Energy Imbalance Market Merchant and Entity Settlement and Transmission Billing Systems software will not have an impact on the General Fund. Approval of the proposed Second Amendment increases the maximum not-to-exceed contract amount by \$5,959,710 from \$3,909,230 to \$9,868,940, extends the term by an additional three years, with two one-year extension options, for a total of ten years funded by LADWP's Power Revenue Fund.

Attachment – May 31, 2024 Correspondence from LADWP, Proposed Resolution, and Amendments

MWS:PJH:BC:JVW:IR/JFH:10250002

Attachment



BUILDING A STRONGER L.A.

Karen Bass, Mayor

Board of Commissioners

Richard Katz, President

George S. McGraw, Vice President

Nurit D. Katz

Mia Lehrer

Wilma J. Pinder

Chante L. Mitchell, Secretary

Janisse Quiñones, Chief Executive Officer and Chief Engineer

May 31, 2024

The Honorable Karen Bass
Mayor, City of Los Angeles
Room 303, City Hall
Mail Stop 370

Attention: Ms. Heleen Ramirez, Legislative Coordinator

Dear Mayor Bass:

Subject: Amendment No. 2 to Agreement No. 47565 for Energy Imbalance Market Merchant and Entity Settlement and Transmission Billing Systems with Power Settlements Consulting and Software, LLC

In accordance with Executive Directive No. 4, enclosed is a copy of a Board letter and supporting documents recommending approval and transmittal to the Los Angeles City Council of Amendment No. 2 to Agreement No. 47565 between the Los Angeles Department of Water and Power and Power Settlements Consulting and Software, LLC, for Western Energy Imbalance Market, Merchant and Entity Settlements, and Transmission Billing Systems.

It is respectfully requested that your office complete its review as soon as possible. Once the required City Administrative Officer report has been received, the matter will be scheduled for action by the Los Angeles Board of Water and Power Commissioners and forwarded to the City Council for final consideration.

Please contact Mr. Paul Habib, Interim Director of Legislative and Intergovernmental Affairs, at (213) 367-3846 upon completion of the review, if the review will take longer than 30 days, or if there are any questions regarding this item.

Sincerely,

A handwritten signature in dark ink, appearing to read "Quiñones", is written over a faint, larger signature that appears to read "Quiñones".

Janisse Quiñones
Chief Executive Officer and Chief Engineer

JNL:slr

Enclosures

c/enc: Mr. Luis Gutierrez, Office of the Mayor
Dr. Frederick H. Pickel, Office of Public Accountability
Board of Water and Power Commissioners
Mr. Paul Habib



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

A blue ink signature of Simon Zewdu, written in a cursive style.

SIMON ZEWDU
Senior Assistant General Manager
Power System

ARAM BENYAMIN
Chief Operating Officer

A red ink signature of Janisse Quinones, written in a cursive style.

JANISSE QUINONES
Chief Executive Officer and Chief Engineer

DATE: May 23, 2024

SUBJECT: Amendment No. 2 to Agreement No. 47565 for Energy Imbalance Market Merchant and Entity Settlement and Transmission Billing Systems with Power Settlements Consulting and Software, LLC

SUMMARY

The proposed Amendment No. 2 (Amendment) to Agreement No. 47565 (Agreement) with Power Settlements Consulting and Software, LLC (Power Settlements) is to add scope, extend the term of the Agreement by an additional three years with two one-year extension options for a total term of up to ten years, and increase the not-to-exceed amount by \$5,959,710 from \$3,909,230 to \$9,868,940 (budgeted), including contingency. This contract was originally the result of a competitive solicitation (Request for Proposal [RFP] 90478).

The Amendment will include additional new software options for settlement and transmission billing services to load serving entities (LSE) within LADWP's Balancing Authority Area (BAA). The Amendment will also continue hosting, software maintenance, and technical support services, and provide for additional services for LSE with BAA and potential enhancements, modifications, and adaptability to new market opportunities while supporting LADWP's continued participation in the Energy Imbalance Market (EIM) Merchant. This will allow LSEs to participate in EIM with opportunities for future market expansion. Providing these services to our LSE will help automate and modernize participation in EIM, offering a practical route to explore the

possibility of engaging in other California Independent System Operator (CAISO) market initiatives and enhancements.

City Council approval is required in accordance with Charter Section 373.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council's approval of the Amendment to the Agreement with Power Settlements as required in Charter Section 373.

ALTERNATIVES CONSIDERED

There are no viable alternatives. Power Settlements is the sole provider of this proprietary software previously purchased under competitive solicitation. All functional EIM upgrades and updates must come from Power Settlements. Therefore, a new solicitation would not be practical when the current software is still usable for many years nor would it be cost effective to procure a new system to design, test, integrate and implement the new software, which also requires training LADWP staff to use the new software. Amending the Agreement is the most desirable option.

FINANCIAL INFORMATION

The proposed Amendment will extend the term of the Agreement by an additional three years with two one-year extension options, for a total term of up to ten years, and increase the not-to-exceed amount by \$5,959,710, from \$3,909,230 to \$9,868,940 (budgeted).

	Original Maximum Expenditure	Requested Amendment No. 1	Requested Amendment No. 2	Amended Maximum Expenditure
Agreement Amount	\$2,520,374	\$1,010,800	\$5,959,710	\$9,490,884
Contingency (15 percent)	\$ 378,056	\$0	\$0	\$378,056
Not-to-Exceed Amount	\$2,898,430	\$1,010,800	\$5,959,710	\$9,868,940

BACKGROUND

The EIM Merchant and Entity Settlement and Transmission Billing Systems (Systems) are critical functions performed by the Open Access Same-Time Information System and the Energy Reconciliation groups that are part of the Power System's Energy Control Center. The Systems automate LADWP's processes for EIM energy and transmission system transactions and provide an interface with CAISO systems. Additionally, they allow for an efficient method for reviewing, disputing, and approving settlement charges.

In 2017, the Board and the City Council approved the EIM Implementation Agreement with CAISO in an effort to attain the lowest cost energy to serve real-time customer demand, while sharing resource with participating entities in the western states.

On September 24, 2019, the Board approved Resolution No. 020 050, awarding the Agreement to Power Settlements, as a result of a competitive solicitation process, under RFP No. 90478 for a term of three years. The Agreement allowed LADWP to procure the Systems, which both are the first EIM software procurement among the following list of EIM software procurements required for entrance into CAISO EIM.

- Agreement No. 47565: EIM Merchant and Entity Settlement and Transmission Billing Systems
- Agreement No. 47577: EIM Merchant Bidding and Scheduling System
- Agreement No. 47573: EIM Meter Data Management System Solution and Support Services
- Agreement No. 47595: EIM Variable Energy Resource Forecasting Services

On April 1, 2021, LADWP joined the CAISO EIM as a Balancing Authority. On September 13, 2022, the Board approved Resolution No. 023 046, authorizing Amendment No. 1 to the Agreement for two one-year extension options.

Power Settlements has performed satisfactorily under the current agreement.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report has been requested.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060(c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378(b)(2) states that continuing administrative or maintenance activities, such as amendments to existing contracts, do not meet that definition. Therefore, the award of a contract amendment for EIM Systems with Power Settlements Consulting and Software, LLC is not subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Amendment and Resolution as to form and legality.

ATTACHMENTS

- Procurement Summary
- Resolution
- Amendment

PROCUREMENT SUMMARY

1.	Recommended Vendor(s): Power Settlements Consulting and Software, LLC
2.	Procurement Type: Amendment
3.	Procurement Details: A. Contract Status: Amendment No. 2 B. Bid Advertisement Date: N/A C. Pre-Bid Conference Date: N/A D. Bid/Proposal Due Date: N/A E. Number of Downloads of Solicitation: N/A F. Number of Proposals Received: N/A G. Protest Received: (Yes/No) N/A
4.	Buyer Assigned: Richard Francisco
5.	Contract Administrator: Patrick Borricano
6.	LADWP System/Division: Power System / Power External Energy Resources
7.	Contact Person for Item: Patrick Borricano / Jaime Pinedo

A. Evaluation Rating Summary of Proposals

Not applicable to the Amendment.

B. Evaluation of Amendment

Power Settlements have not increased their pricing for software and related technical support and maintenance services, including software updates, upgrades, and hosting fees since the inception of the contract in 2019. The average Consumer Price Index from 2019 to 2023 have increased an average of 10 percent per year. Pricing for additional years 6-10 has been determined to be fair and reasonable based on historical costs, current market trends, and increasing Consumer Price Indexes.

C. Procurement History

Service/Item History – Number of Times Item or Service has been Procured					
Contract/ PO No.	Contractor	Term of Contract	Start Date	Ending Date	Contract Amount
47565	Power Settlements Consulting and Software, LLC	5 years	10/9/2019	10/8/2024	\$3,909,230

Vendor Experience – Number of Contracts Vendor had with LADWP During the Past 10 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
47565	Energy Imbalance Market (EIM) Merchant and Entity Settlements and Transmission Billing Systems	5 years	10/9/2019	10/8/2024	\$3,909,230

D. Local Business Preference Program

Not applicable to the Amendment.

E. Additional Outreach Efforts Taken

Not applicable to the Amendment.

F. Small Business Enterprises/Disabled Veterans Business Enterprises/Minority Business Enterprises/Women Business Enterprises/Other Business Enterprises Subcontracting Participation

Not applicable to the Amendment.

Resolution No. _____

WHEREAS, Power Settlements Consulting and Software, LLC (Power Settlements) was awarded Agreement No. 47565 (Agreement) by the Los Angeles Department of Water and Power (LADWP) Board of Water and Power Commissioners (Board) on September 24, 2019, to provide software, configuration, hosting, maintenance, and technical support services for the Energy Imbalance Market (EIM) Merchant and Entity Settlements and Transmission Billing Systems (Systems) as a result of a competitive solicitation process under Request for Proposal (RFP) No. 90478; and

WHEREAS, the Agreement was awarded under Resolution No. 020 050 for a term of three years and an amount not-to-exceed \$2,898,430, including 15 percent contingency; and

WHEREAS, on September 13, 2022, the Board adopted Amendment No. 1 to the Agreement, under Resolution No. 023 046, to extend the Agreement term by two one-year extension options to October 8, 2024, and increase the not-to-exceed Agreement amount by \$1,010,800 from \$2,898,430 to \$3,909,230, including contingency; and

WHEREAS, LADWP has determined that, due to the need for additional software configuration and continued hosting, maintenance, and technical support services from Power Settlements for the EIM Systems, it is necessary to extend the term of the Agreement by an additional three-years with two one-year extension options for a total term of up to ten years; and increase the Agreement not-to-exceed amount by \$5,959,710, from \$3,909,230 to \$9,868,940 including contingency; and

WHEREAS, the term of the Agreement exceeds the total contract time period set by Ordinance, and in accordance with City Charter Section 373, City Council approval is required.

NOW, THEREFORE, BE IT RESOLVED that the Amendment No. 2 (Amendment) to the Agreement, approved as to form and legality by the City Attorney, and filed with the Secretary of the Board, is hereby approved.

BE IT FURTHER RESOLVED that pursuant to City Charter Section 1022, the Board finds that it is more feasible to have the work performed by an independent contractor.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund, in accordance with the terms of this Amendment to the Agreement and this Resolution.

BE IT FURTHER RESOLVED that the President or Vice President of the Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute said Amendment for and on behalf of LADWP upon approval by the City Council pursuant to City Charter Section 373.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the Resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held

Secretary

**AMENDMENT NO. 2 TO AGREEMENT NO. 47565
BETWEEN
LOS ANGELES DEPARTMENT OF WATER AND POWER
AND
POWER SETTLEMENTS CONSULTING AND SOFTWARE, LLC**

THIS AMENDMENT NO. 2 to Agreement No. 47565 is made and entered into by and between the City of Los Angeles, acting by and through the Los Angeles Department of Water and Power, a municipal corporation (hereinafter referred to as LADWP) and Power Settlements Consulting and Software, LLC (hereinafter referred to as "Consultant"), collectively the "Parties"; and

WHEREAS, the Parties have entered into Agreement No. 47565 (Agreement), as a result of a competitive solicitation process, under Request for Proposal no. 90478 wherein Consultant agreed to provide software, configuration, hosting, maintenance, and support services for the Merchant and Entity Settlement and Transmission Billing Systems for the Energy Imbalance Market (EIM), for a not-to-exceed amount of \$2,520,374 and a term of three years, effective October 9, 2019; and

WHEREAS, Amendment No. 1 to the Agreement added two one-year extension options, for a maximum term of five years, and increased the not-to-exceed amount by \$1,010,800, from \$2,520,374 to \$3,531,174, for total compensation that may be paid to the Consultant; and

WHEREAS, the Parties are amending the Agreement for the purpose of adding three years with two one-year extension options to the Agreement term, for a total term of up to ten years; adding new software and configuration and continuing hosting, maintenance, support, and services of the Agreement; and increasing the Agreement amount by \$5,959,710, to a new not-to-exceed amount of \$9,490,884.

NOW, THEREFORE, BE IT RESOLVED that for good value and consideration including mutual exchange of promises, the Parties agree to amend the Agreement as follows:

1. Subsection 12. i) Compensation as previously amended with Amendment No. 1 and read as the following:

"The total compensation that may be paid to the Consultant by LADWP for complete and satisfactory performance of services under this Agreement shall not exceed Three Million Five Hundred Thirty-One Thousand One Hundred Seventy-Four dollars (\$3,531,174)."

Subsection 12. i) Compensation is amended and now read as the following:

"The total compensation that may be paid to the Consultant by LADWP for complete and satisfactory performance of services under this Agreement shall not exceed Nine Million, Four Hundred Ninety Thousand, Eight Hundred Eighty-Four dollars (\$9,490,884)."

2. Subsection 13a.1) Extension Options as previously added with Amendment No. 1 and read as the following:

“At LADWP’s sole option, the term of this Agreement may be extended for up to an additional two years, exercisable in one-year increments, or any portion thereof.”

Subsection 13a.1) Extension Options is amended and now read as the following:

“At LADWP’s sole option, the term of this Agreement may be extended for up to an additional two years, exercisable in one-year increments, or any portion thereof. Thereafter, the term of this Agreement may be extended for an additional five years, exercisable in one three-year and two one-year increments, or any portion thereof.”

3. Exhibit C, Fee Schedule, is replaced in its entirety with Exhibit C, Fee Schedule (Revision No. 1), attached herein.
4. Exhibit H, Statement of Work, Attachment A, EIM Merchant Settlement System, Article 2, EIM Merchant Settlements System eDAM Requirements, is revised in its entirety to read as follows:

ID	Requirement Description
740	The Settlement validation system shall be able to validate the new settlement charge codes settling imbalance reserve products. The functional areas shall include but not limited; 1. Imbalance reserve capacity settlement; 2. Performance evaluation of the imbalance reserve capacity; 3. No Pay/Penalty for Imbalance reserve capacity; 4. Bid cost recovery for imbalance reserve capacity.
747	The system shall be able to validate the charge codes that settle the day-ahead corrective capacity.
752	The system shall be able to validate the charge code changes relevant to inter-tie bidding in EIM area if that becomes effective. This validation shall be consistent with the validation of charge codes for CAISO inter-tie bidding activities.
SIM1	Acquisition of new data from CAISO Market Portal
SIM2	Acquisition of new 1 st principle input defined by the client
SIM3	Shadow calculations of existing Chare Codes impacted
SIM4	Shadow calculations of new Charge Codes
SIM5	Changes to Sub-Allocation methods for existing Charge Codes impacted
SIM6	Sub-Allocation of new Charge Codes

SIM7	Portfolio & Business Rule Reporting for EIM DA market expansion enhancement analogous to existing Real-Time Market item
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5. Exhibit H, Statement of Work, Attachment B, EIM Entity Settlement and Transmission Billing System, Article 4, EIM Entity Settlements and Transmission Billing System eDAM Requirements, is revised in its entirety to read as follows:

ID	Requirement Description
741	<p>The settlement validation system shall be able to validate the charge code changes related to cost allocation changes in the day-ahead market enhancement. The functional areas shall include but not limited to,</p> <ol style="list-style-type: none"> 1. Changes due to the merging of IFM and RUC – Two tier cost allocation, 2. Changes due to the day-ahead imbalance reserve product.
742	<p>The settlement validation system shall be able to validate all existing charges and their changes related to the additional load serving entity and transmission provider settlement related to a new joint BAA if/when LADWP joins in the full market as part of the extended day-ahead market (eDAM) initiative. LADWP will be seen as an additional load serving entity (LSE) and participating transmission provider (PTO) in the full market. This would include the settlement charge codes for all the LSEs and PTOs in both day-ahead and real-time. (Essentially, similar to the settlement rules for Pacific Gas Electric or Southern California Edison.) The functional areas shall include but not limited to:</p> <ol style="list-style-type: none"> 1. Day-ahead and real-time load settlement in other BAAs; 2. Day-ahead energy and ancillary service settlement for non-participating resources which are self-schedule energy or ancillary service into the full market; 3. Day-ahead and real-time transmission access charge in other BAAs; 4. Day-ahead Congestion settlement in other BAAs; 5. Day-ahead and Real-time financial rights for transmission contracts in other BAAs; 6. Day-ahead and real-time reserve, energy, bid cost allocation charges; 7. Various new penalties.
SIE1	Acquisition of new data from CAISO Market Portal
SIE2	Acquisition of new 1 st principle input defined by the client
SIE3	Shadow calculations of existing Chare Codes impacted
SIE4	Shadow calculations of new Charge Codes
SIE5	Changes to Sub-Allocation methods for existing Charge Codes impacted

SIE6	Sub-Allocation of new Charge Codes
SIE7	Portfolio & Business Rule Reporting for EIM DA market expansion enhancement analogous to existing Real-Time Market item

Except as amended herein, all terms and conditions of Agreement No. 47565 shall remain in full force and effect.

This Amendment No. 2 may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by LADWP) and sent by e-mail shall be deemed original signatures.

This Amendment consists of five (5) pages and Exhibit C, Fee Schedule (Revision No. 1).

[Signature Page follows.]

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 2 to Agreement No. 47565 to be executed by their authorized representatives on the date written below.

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS

By signing below, the signatories of the Department of Water and Power attest that they have no personal, financial, beneficial, or familial interest in this contract.

Date: _____

By: _____

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

And: _____

CHANTE L. MITCHELL
Board Secretary

POWER SETTLEMENTS CONSULTING
AND SOFTWARE, LLC

Date: _____

By: _____

DAVID DAN
President

And: _____

JASON HEBERT
Senior Vice President

EXHIBIT C
Fee Schedule
(Revision No. 1)

Agreement No. / Title:	47565 / EIM Merchant & Entity Settlement and Transmission Billing Systems
Firm Name:	Power Settlement Consulting and Software, LLC
Firm Address:	2011 E. Financial Way, Suite # 116 Glendora, CA 91741

No.	Milestone Description	Amount Due Upon Delivery	Percentage Due Upon Delivery
1	Approval of Functional, Technical design for OOTB	\$ 47,250	7.00%
2	EIM OOTB Application Successfully Delivered and Populated with Test Data	\$ 47,250	7.00%
3	Application Functional Design Complete and LADWP sign off	\$ 47,250	7.00%
4	Interface and Technical Design Complete and LADWP sign off	\$ 33,750	5.00%
5	Vendor Training (Phase I), Pre-FAT orientation and FAT Test Plan Complete	\$13,500	2.00%
6	Factory acceptance testing (FAT) * / Site Acceptance Testing (SAT) Complete and LADWP sign-off	\$114,750	17.00%
7	Day in the life Testing Successfully Complete	\$ 121,500	18.00%
8	Market Simulation Testing Successfully Completed	\$ 27,000	4.00%
9	User acceptance testing (UAT) Complete and LADWP sign-off	\$ 20,250	3.00%
10	Parallel Operations	\$ 27,000	4.00%
11	Go live	\$ 175,500	26.00%
	Milestone Total:	\$ 675,000	100.00%

**Hosting Fess will be due beginning with the first day of the Factory Acceptance Testing phase.*

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EXHIBIT C
Fee Schedule
(Revision No. 1)

Other Direct Costs			
Item Description and Purpose	Billing Unit	Amount	Extended Amount
Software Maintenance & Support for Year 1	Annually*	\$ 340,000	\$ 340,000**
Software Maintenance & Support for Year 2	Annually*	\$ 346,800	\$ 346,800**
Software Maintenance & Support for Year 3	Annually*	\$ 353,736	\$ 353,736**
Software Maintenance & Support for Year 4	Annually*	\$ 357,000	\$ 357,000**
Software Maintenance & Support for Year 5	Annually*	\$ 374,000	\$ 374,800**
Software Maintenance and Support for Year 6	Annually*	\$ 393,540	\$ 393,540**
Software Maintenance and Support for Year 7	Annually*	\$ 413,217	\$ 413,217**
Software Maintenance and Support for Year 8	Annually*	\$ 433,878	\$ 433,878**
Software Maintenance and Support for Year 9	Annually*	\$ 455,572	\$ 455,572**
Software Maintenance and Support for Year 10	Annually*	\$ 478,350	\$ 478,350**
PROD Cloud Hosting Fee (Year 1-3)	Monthly	\$ 5,450	\$ 147,150
TEST Cloud Hosting Fee (Year 1-3)	Monthly	\$ 2,249	\$ 47,229
DEV Cloud Hosting Fee (Year 1-3)	Monthly	\$ 2,249	\$ 60,723
PROD, TEST, DEV Cloud Hosting Fee for Year 4	Monthly	\$ 11,000	\$ 132,000
PROD, TEST, DEV Cloud Hosting Fee for Year 5	Monthly	\$ 12,250	\$ 147,000
PROD, TEST, DEV Cloud Hosting Fee for Year 6	Monthly	\$13,475.00	\$161,700
PROD, TEST, DEV Cloud Hosting Fee for Year 7	Monthly	\$14,822.50	\$177,870

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PROD, TEST, DEV Cloud Hosting Fee for Year 8	Monthly	\$16,304.75	\$195,657
PROD, TEST, DEV Cloud Hosting Fee for Year 9	Monthly	\$17,935.25	\$215,223
PROD, TEST, DEV Cloud Hosting Fee for Year 10	Monthly	\$19,728.75	\$236,745
EIM day-ahead (DA) market expansion enhancement implementation	One-Time	\$500,000	\$500,000
EIM DA market expansion enhancement Annual License/Maintenance/Support Fees Year 7	Annual*	\$61,983	\$61,983**
EIM DA market expansion enhancement Annual License/Maintenance/Support Fees Year 8	Annual*	\$65,082	\$65,082**
EIM DA market expansion enhancement Annual License/Maintenance/Support Fees Year 9	Annual*	\$68,336	\$68,336**
EIM DA market expansion enhancement Annual License/Maintenance/Support Fees Year 10	Annual*	\$71,753	\$71,753**
Other Direct Costs Not-To-Exceed			\$6,235,344

**Payment for Maintenance and Support shall be billed on a prorated monthly basis if less than one year.*

*** A pricing increase of 10% shall apply after the first of the following occurs, due to increased user support required:*

- 1) 10 or more Scheduling Coordinators*
- 2) 500 or more resource IDs (including Transaction IDs) utilized in a calendar month.*

A pricing increase of 5% shall apply after the following occurs, due to increased user support required:

- 1) 15 or more Scheduling Coordinators*
- 2) No limit to resource IDs*

The price increase shall not be applicable to changes in the number of SCID's or resources by merger or acquisition.

EXHIBIT C
Fee Schedule
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Option Services (Exercised by LADWP in writing)			
Item Description	Billing Unit	Amount	Extended Amount
Deal Capture (License, Implementation, Configuration, and Training)	One-Time	\$ 195,000	\$ 195,000
Deal Capture (Support)	Monthly	\$ 3,958	\$ 71,250
10-hour Annual Customization Bundle*	EACH	\$ 20,000	\$ 20,000
Full-time onsite support (post Go-Live)**	Monthly	\$ 30,000	\$ 90,000
MRTU Additional Test Environmental pre EIM Go-Live (Shadow Settlements and Allocations)***	Monthly	\$ 8,749	\$ 122,486
After-Hours support for the SettleCore-Visual Analytics Module	Monthly	\$ 2,000	\$ 36,000
75 Customization hours to Implement and Integrate with WebData	Monthly	\$ 15,000	\$ 15,000
Load Serving Entities (LSE) within LADWP BAA SettleCore Services Implementation - EIM (Option 1)	One-Time	\$200,000	\$ 200,000
LSEs within LADWP BAA SettleCore Services (EIM) – Annual License/Maintenance/Support Fees Year 7	Annual*	\$230,000	\$230,000**
LSEs within LADWP BAA SettleCore Services (EIM) – Annual License/Maintenance/Support Fees Year 8	Annual*	\$241,500	\$241,500**
LSEs within LADWP BAA SettleCore Services (EIM) – Annual License/Maintenance/Support Fees Year 9	Annual*	\$253,575	\$253,575**
LSEs within LADWP BAA SettleCore Services (EIM) – Annual License/Maintenance/Support Fees Year 10	Annual*	\$266,254	\$266,254**
LSEs within LADWP BAA SettleCore Services Implementation – EIM DA market	One-Time	\$300,000	\$ 300,000

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expansion enhancement (Option 2)			
LSEs within LADWP BAA SettleCore Services (EIM DA market expansion enhancement) – Annual License/Maintenance/Support Fees Year 7	Annual*	\$45,000	\$ 45,000**
LSEs within LADWP BAA SettleCore Services (EIM DA market expansion enhancement) – Annual License/Maintenance/Support Fees Year 8	Annual*	\$47,250	\$ 47,250**
LSEs within LADWP BAA SettleCore Services (EIM DA market expansion enhancement) – Annual License/Maintenance/Support Fees Year 9	Annual*	\$49,613	\$ 49,613**
LSEs within LADWP BAA SettleCore Services (EIM DA market expansion enhancement) – Annual License/Maintenance/Support Fees Year 10	Annual*	\$52,093	\$ 52,093**
Annual Hosting Fees for Additional LSEs Data Year 6	Annual*	\$56,595	\$ 56,595**
Annual Hosting Fees for Additional LSEs Data Year 7	Annual*	\$62,255	\$ 62,255**
Annual Hosting Fees for Additional LSEs Data Year 8	Annual*	\$68,480	\$ 68,480**
Annual Hosting Fees for Additional LSEs Data Year 9	Annual*	\$75,328	\$ 75,328**
Annual Hosting Fees for Additional LSEs Data Year 10	Annual*	\$82,861	\$ 82,861**
Option Services Total:			\$2,580,540

* Applies for both the pre go-live One-time allotment of 500 Customization Hours as well as the post go-live Annual 100 Customization Hours.

** This is separate and distinct from the 208 days LADWP may require Power Settlements to be on-premise pre Go-Live and any mutually agreed upon troubleshooting that requires Power Settlements to be on-premise up to 3-months post Go-Live.

*** Requested by LADWP for using the SettleCore System for MRTU processing before EIM Go-Live. Includes ISO downloaded Module, Settlements Analyzer Module, Shadow Settlements Module, Allocations Module, and the Visual Analytics Module, Subscription/License Fee, Hosting Fees, 1 new environment non-HA.

END OF FEE SCHEDULE