


# MEMORANDUM

**DATE:** March 2, 2016

**TO:** Mayor and City Council Members

**FROM:** George Campbell, City Manager 

**SUBJECT:** Renewable Denton Plan Consultant Selection

During the City Council Work Session on February 16 the City Council reviewed and expressed unanimous agreement with the Scope of Work to be used as the basis for engaging a consultant to review the Renewable Denton Plan (RDP) and to make recommendations regarding that plan and/or other options for achieving the City's objectives with regard to our long term energy portfolio. Pursuant to that discussion Council requested that the City Manager evaluate the qualifications and availability of various consultants who meet the credentials as presented to Council. Those qualifications agreed upon were:

*The consultant will need to possess the knowledge and experience below and meet criteria as follows:*

- *ERCOT and nodal market – Record of previously completed projects that have resulted in an implementation of consultant's recommendations*
- *Electric generation technologies including storage and natural gas. The consultant chosen should also be able to assess the current RDP based upon his/her knowledge and experience as measured in comparison to other technologies including residential and commercial rooftop solar, battery storage, compressed air storage, pumped hydro storage and liquefied air storage.*
- *Consideration of demand response and energy efficiency as strategies to help Denton increase renewable power while protecting rates and reliability.*
- *Experience and proven record for implementing plans and strategies and operating in the market space with responsibility/accountability for P&L. Knowledgeable about current best practices in integrating renewables into an ERCOT utility portfolio to serve load while minimizing both rate impacts and risks.*

I have now identified the following three firms that are well qualified and available to meet the expressed needs of the City Council. These three firms have adequate resources and experience in all areas of energy options to meet the needs of the City of Denton and the expertise to make recommendations for integrating renewables into Denton's portfolio. In researching the firms I have asked specifically for identification of the project managers and team members who would be assigned to this engagement given the Scope of Work that was recommended to and agreed upon by Council. The three firms are listed below and it is my recommendation, based upon the

credentials of those who would perform the work, that I enter into contract negotiations with the Brattle Group.

1. The Brattle Group ([website](#))
2. Navigant ([website](#))
3. Deloitte ([website](#))

Attached is a short description of the Brattle Group followed by a more detailed work history and experience resume of the two Principals who will, if Brattle is selected, perform the Scope of Work. Links to the web site of all three firms is included above in the event you wish to view more detail on all three firms. While all three firms are clearly capable of performing the work I am recommending the Brattle Group, in part, because their principle offices are outside of Texas and I think would clearly represent an objective assessment of all the elements of the Scope of Work to be performed.

If Council is comfortable with the recommendation to engage the Brattle Group, I will proceed by initiating contract negotiations with them to perform the Scope of Work. Until I enter into those negotiations I will not know the engagement cost. If the cost for the consultant exceeds \$250,000, Council approval will be necessary. For your convenience, the agreed upon Scope of Work is shown below.

### ***Scope of Work***

***The Consultant shall perform the following in a professional manner:***

- ***Review of the Renewable Denton Plan (the Plan).*** Consultant will read and review applicable charts, graphs, narratives, cost estimates, spreadsheets, and other materials, and discuss with DME staff as necessary to understand the elements and logic of the Plan.
- ***Review other options considered by DME to serve load with an increasingly renewable portfolio.*** Consultant will review applicable charts, graphs, narratives, cost estimates, spreadsheets, and other materials, and discuss with DME staff as necessary to understand the alternatives to the Plan that have been researched.
- ***Determine what alternatives should be considered that would meet the Council direction regarding renewables, rates, and reliability.*** Consultant will identify risks, and determine whether DME should make modifications or explore other alternatives.
- ***Report findings to Denton City Council.*** Consultant will create an Executive Summary of their findings, and present their findings to the City Council

**I would appreciate your response to this recommendation by Tuesday, March 8** in order that we may move the project ahead in a timely manner. Please give me a call if you have other questions.