

**DELAWARE SECRETARY OF STATE**

**NOTICE OF COMMITTEE MEETING**

**ELECTRICITY AGGREGATION COMMITTEE**

**AGENDA**

**Wednesday, November 12, 2014 (Revised 11/12/2014)**

- I. Call meeting to order - 1:00 PM, Secretary of State  
Conference Room, Townsend Bldg.  
Dover, DE.
- II. Chairman's introductory comment
- III. Minutes of the August 6, 2014 Meeting
- IV. Summary review of responses to the Electricity  
Aggregation Committee RFP for consulting services
- V. Committee to consider PSC Memorandum and recommendation  
to hire a consultant
- VI. New committee business
- VII. Review of committee assignments
- VIII. Public comment
- IX. Adjournment

**N O T I C E**

Pursuant to 29 Del.C. §10004(e)(2), this Agenda may be changed to include additional items or to delete items that may not require discussion.

Interested persons should contact the Secretary of State's Office at (302) 577-8767 for information or questions about the Agenda.

**A MEETING OF  
THE ELECTRICITY AGGREGATION COMMITTEE  
Wednesday, August 6, 2014**

1. The first meeting of the Electricity Aggregation Committee was called to order by Secretary of State Jeffrey W. Bullock, Chairman, in the Secretary of State's Conference Room, Townsend Building, 401 Federal Street, Dover, DE 19901 on Wednesday, August 6, 2014 at 1:00 PM with the following Committee members in attendance: Robert Scoglietti, Office of Management and Budget (OMB), Courtney A. Stewart, Office of the Controller General (GCO), Robert Underwood, Department of Natural Resources and Environmental Control (DNREC) and Robert Howatt, Public Service Commission (PSC).

Guests, support staff and members of the public in attendance included the following:

Steve Baccino, Delmarva  
Senator Colin R.J. Bonini, Leg Hall  
Malika Davis, PSC Staff  
Compton Ferrier, Pepco/Delmarva  
Rick Geisenberger, Deputy Secretary  
Mario Giovannini, Pepco/Delmarva  
Matt Hartigan, PSC Staff  
Michael Mandzik, T&M Associates  
Andrea Maucher, Public Advocate Staff  
Jeff Montgomery, The News Journal  
Dan Swayze, T&M Associates  
Ed Synoski, DNREC Staff

2. Secretary Bullock provided introductory comment to the Committee, describing the Electricity Aggregation Committee effort as an opportunity to review a potential new approach to reducing customer's electricity costs in Delaware. He cautioned that it would be a learning process for all and that the Committee should keep an open mind during the feasibility review process to ensure the best interests of Delaware consumers.
3. Upon the Secretary's request, Senator Bonini reviewed Section 66 of the 2014 Bond Bill. The Senator noted that the legislation created a joint agency committee to look into the potential for aggregating residential customer electricity loads to secure potential electricity cost savings for Delaware consumers. Members of the Committee as well as guests and staff members entered into general discussion to ensure a better understanding of the Committee's charge and some of the issues that would have to be reviewed in the process.

4. Secretary Bullock then turned the Committee's attention to a discussion of potential actions that would be necessary for the review. There was general agreement that as a starting point, it would be helpful to issue a Request For Information (RFI) to gain insight on other states' aggregation efforts and to identify the key issues that would need resolution in any electricity aggregation process in Delaware, with consideration for current market conditions.
  
5. Under Action Assignments, PSC member Howatt indicated it would take approximately 3 to 4 weeks to develop and issue an RFI and he would provide a draft for the Committee's consideration. The RFI would be for a review of electricity aggregation information, technical analysis and possible recommendations as it may relate to Delaware.
  
6. The Secretary adjourned the meeting at approximately 2:40 PM, indicating that the Committee's next meeting would be scheduled and posted as needed to help ensure the timely completion of the Committee's legislated mandate.

Respectfully submitted,

Robert J. Howatt  
Executive Director  
Delaware Public Service Commission



STATE OF DELAWARE

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**MEMORANDUM**

**TO:** Secretary of State and Members of the Electric Aggregation Committee  
**FROM:** Malika Davis, Public Utility Analyst  
**DATE:** November 3, 2014  
**SUBJECT:** REQUEST FOR PROPOSALS – CONSULTING SERVICES TO THE DELAWARE SECRETARY OF STATE FOR THE PURPOSE OF ASSESSING THE POTENTIAL OPPORTUNITY FOR ELECTRICITY AGGREGATION TO BENEFIT DELMARVA POWER & LIGHT COMPANY RESIDENTIAL AND SMALL COMMERCIAL CUSTOMER’S ELECTRIC SUPPLY COSTS.

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**Background:**

The 147<sup>th</sup> Delaware General Assembly and Governor Jack Markell approved House Bill 425 (“Bond Bill”) on July 1, 2014. Paragraph 66 of that Bond Bill creates an Electricity Aggregation Committee (“EAC” or “Committee”), chaired by the Secretary of State and charged with evaluating the development of an electricity aggregation program(s) for Delaware’s residential customers. The Committee is to evaluate the potential savings based on local market conditions and best practices. If the Committee determines that an aggregation program will reduce electric bills, the Secretary shall have the authority to contract for such program.

Staff of the Delaware Public Service Commission (“PSC Staff”) issued a Request for Proposals (“RFP”) on behalf of the EAC. Invitations to Bid were published in The News Journal and Delaware State News, on September 5, 2014.

PSC Staff sent proposals to the following thirty (30) consulting firms:

Ariadair Economics Group <b>Excelsior Springs, MO</b>	Bates White, LLC <b>Washington, DC</b>
Blue Ridge Consulting Services, Inc. <b>Greenville, SC</b>	Chesapeake Regulatory Consultants <b>Dunkirk, MD</b>
Excel Consulting <b>St. Louis, MO</b>	Exeter Associates, Inc. <b>Columbia, MD</b>

Henkes Consulting Group <b>Old Greenwich, CT</b>	Gorham Gold Greenwich Associates <b>Overland Park, KS</b>
Jacobs Consultancy <b>Houston, TX</b>	J. Kennedy & Associates, Inc. <b>Roswell, GA</b>
Jacobs Consultancy <b>Houston, TX</b>	La Capra Associates <b>Boston, MA</b>
LaCapra Associates <b>Boston, MA</b>	Larkin and Associates <b>Livonia, MI</b>
Lanzalotta & Associates LLC <b>Hilton Head Island, SC</b>	Levitan & Associates Inc., <b>Boston, MA</b>
AUS, Inc. <b>Mount Laurel, NJ</b>	Battelle Headquarters <b>Columbus, OH</b>
Black & Veatch <b>Overland Park, KS</b>	Navigant Consulting, Inc. <b>Washington, DC</b>
Booze Allen Hamilton <b>Philadelphia, PA</b>	Burns & McDonnell <b>Kansas City, MO</b>
C.H. Guernsey & Company <b>Oklahoma City, OK</b>	IHS <b>Englewood, Colorado</b>
Concentric Energy Advisors <b>Marlborough, MA</b>	Energy Ventures Analysis, Inc. <b>Arlington, Virginia</b>
GDS Associates, Inc. - Corporate Office <b>Marietta, Georgia</b>	DNV KEMA US Headquarters <b>Burlington, MA</b>
Nova Energy Consultants <b>Cary, NC</b>	NERA Economic Consulting <b>Washington, DC</b>

Bids were received from nine (9) firms:

Alternative Strategies Consulting, LLC <b>Lewes, DE</b>	Concentric Energy Advisors, Inc. <b>Marlborough, MA</b>
Exeter Associates, Inc. <b>Columbia, MD</b>	Gabel Associates, Inc. <b>Highland Park, NJ</b>
GDS Associates, Inc. <b>Austin, TX</b>	LEAN Energy US <b>Mill Valley, CA</b>
Local Power, Inc. <b>Comptche, CA</b>	Strategic Aggregation Consultants, LLC <b>Uniontown, OH</b>
T&M Associates <b>Middletown, NJ</b>	

PSC Staff received letters declining to bid from two (2) firms:

Blue Ridge Consulting Services <b>Greenville, NC</b>	Excel Consulting <b>St. Louis, MO</b>
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The RFP requested that the consultants provide bids on two (2) separate tasks: Task 1 – Electricity Aggregation Assessment and; Task 2 – Electricity Aggregation Recommendation. The consultants could bid on one or both tasks. All nine firms bid on both tasks.

<b>Firm</b>	<b>Primary Consultant</b>	<b>Not To Exceed Price</b>
Alternative Strategies Consulting	David Stevenson	\$ 17,600
Concentric Energy Advisors	Michael Kagan	\$ 18,000
Exeter Associates, Inc.	Jerome Mierzwa	\$ 53,000
Gabel Associates	Robert Chilton	\$ 81,900
GDS Associates	Erik Rothschild	\$ 145,170
LEAN Energy US	Mark Pruitt	\$ 152,075
Local Power	Paul Fenn	\$ 317,475
Strategic Aggregation Consultants	Brenda Fargo	\$ 125,000
T&M Associates	Daniel Swayze	\$ 44,600

PSC Staff reviewed and considered each proposal based on the following criteria:

- Demonstrated ability to understand and perform the assignment in an expeditious and professional manner
- Innovative suggestions for making the required review and analysis
- Description of the work product to be produced
- Demonstrated knowledge and understanding of competitive energy supplier operations or processes of a similar nature.
- The quality of the staffing plan and qualifications and past experience of the personnel assigned to work on the project
- The specific approach proposed for the project, including the time requirements for different phases of the project, if any, and the presence or absence of briefing of the Committee at the conclusion of the effort.
- Prior experience of other State agencies with the offeror's work product.
- Responses and recommendations of listed references.
- Existence of conflicting or potentially conflicting interest or the appearance of such conflicts.
- Total price of proposal and the components thereof.
- Overall impression of the offeror from the form of the proposal and from services previously performed for State agencies, if any.

The top four (4) firms based on PSC Staff's ranking using the above criteria were Exeter Associates, LEAN Energy, Gabel Associates and T&M Associates. Below are some highlights from each firm's proposal:

- 1) Exeter Associates @ \$53,000
  - Experience working with the Delaware Public Service Commission and Maryland, Pennsylvania, New Jersey and Ohio state and federal Agencies
  - Proposal is to evaluate a representative sample of aggregation programs with applicability to the Delaware and PJM markets rather than conduct a comprehensive review of all aggregation programs
  - Proposal includes an evaluation of how aggregation would influence Delmarva Power & Light Company's Standard Offer Service and the impact on the timing of related SOS bids
- 2) LEAN Energy @ \$152,075
  - Work plan includes identification of potential barriers to aggregation and approaches to mitigate those barriers

- Experience with California, New Jersey, and Illinois aggregation programs
  - Principals have been employed with the Illinois Power Agency
- 3) Gabel Associates @ \$81,900 (tied ranking for 3<sup>rd</sup> place)
- Principals have been employed with the New Jersey Board of Public Utilities
  - Company has completed 8 residential aggregation programs in New Jersey
  - Holistic approach including tariff review
- 3) T&M Associates @ \$44,600 (tied ranking for 3<sup>rd</sup> place)
- Experience with New Jersey aggregation programs
  - Developed and provided project management for the New Jersey Sustainable Energy Meeting
  - Moderately priced proposal

As a result of the internal review process, PSC Staff recommends that the Committee accept the bid of Exeter Associates for a total amount not to exceed \$53,000.00. This vendor has had extensive experience in working with Delaware, Maryland, Pennsylvania, Ohio and New Jersey state agencies on many different energy issues including aggregation and provider of last resort services. It is PSC Staff's opinion that Exeter's previous experience in the regional aggregation market, it's innovative proposed approach for the project, and its experiences in working with other State agencies make it the most qualified firm to perform the tasks set forth by the Committee.