

Renewal License of the MarketBuilder Platform

Presented at the Natural Gas Lead Commissioner Meeting on June 20, 2012

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Time Needed: 10 minutes

Action Requested of Natural Gas Lead Commissioner: The Electricity Analysis Office (EAO) is requesting approval for the licensing renewal fee for the MarketBuilder platform (commonly called North American Regional Gas Model, NARG) with Deloitte MarketPoint LLC. The cost of the renewal is \$40,500 and it allows staff to use the platform from January 1, 2013 to June 30, 2014.

Business Meeting Date: November 14, 2012.

Background: The Energy Commission has a membership agreement with the Baker Institute located on the campus of Rice University in Houston, Texas. The agreement is affective until March 2015. This agreement allows the Energy Commission access to several proprietary products, including the Rice World Gas Trade Model (RWGTM). This model functions within the MarketBuilder platform, proprietary software available from Deloitte MarketPoint LLC.

The Baker Institute has delivered to Energy Commission staff a series of files contained within the RWGTM. The files contain data, inputs, assumptions, and protocols that staff can use to derive outputs such as possible production of natural gas by region for a number of years, demand of natural gas by regions and sectors, prices of natural gas by basin, pipeline flows, infrastructure needs, and others.

The Energy Commission also has a three-year contract that expires in March 2013 with the main architect of the RWGTM, Dr Kenneth Medlock. The purpose of the contract is to make modifications to the RWGTM structure that can simulate more detailed impacts relevant to the Western Electricity Coordinating Council (WECC) and California regions.

Justification for Action Requested: In order to derive outputs from these modified versions of the RWGTM, staff needs to renew the MarketBuilder platform license. The current license expires on December 31, 2012, but renewing the license will allow staff access until June 30, 2014.

What Happens Next: Take the license renewal item to the full Commission for approval on November 14, 2012.