



**CALIFORNIA
ENERGY COMMISSION**



**California Energy Commission
October 18, 2023 Business Meeting
Backup Materials for Agenda Item No 03a:
Physicians, Scientists and Engineers for Sustainable and Healthy Energy, Inc.**

The following backup materials for the above-referenced agenda item are available in this PDF packet as listed below:

1. Proposed Resolution
2. Contract Request Form
3. Scope of Work

STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION: Physicians, Scientists and Engineers for Sustainable and Healthy Energy, Inc.

RESOLVED, that the State Energy Resources Conservation and Development Commission (CEC) adopts the staff CEQA findings contained in the Agreement or Amendment Request Form (as applicable); and

RESOLVED, that the CEC approves agreement 800-23-05 with Physicians, Scientists and Engineers for Sustainable and Healthy Energy, Inc., for up to \$999,765 to assist the CEC evaluate the social costs and non-energy benefits of the deployment of clean energy resources. The agreement will initially be for \$500,000. Additional funding, up to \$999,765 total, will require approval from the CEC's Executive Director. This agreement will help the CEC develop standard approaches to evaluate such factors as land-use impacts, public health and air quality, water supply and quality, economic impacts, and resilience; and

FURTHER BE IT RESOLVED, that the Executive Director or their designee shall execute the same on behalf of the CEC.

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CEC held on October 18, 2023.

AYE:

NAY:

ABSENT:

ABSTAIN:

Dated:

Kristine Banaag
Secretariat



CONTRACT REQUEST FORM (CRF)

A. New Agreement Number

IMPORTANT: New Agreement # to be completed by Contracts, Grants, and Loans Office.

New Agreement Number: 800-23-005

B. Division Information

1. Division Name: Energy Assessments
2. Agreement Manager: Brian McCollough
3. MS-21
4. Phone Number: (916)-931-8988

C. Contractor's Information

1. Contractor's Legal Name: **Physicians, Scientists and Engineers for Sustainable and Healthy Energy, Inc.**
2. Federal ID Number: 27-4364320

D. Title of Project

Title of project: **Social Costs and Non-energy Benefits**

E. Term and Amount

1. Start Date: October 18, 2023
2. End Date: October 20, 2025
3. Amount: \$ 500,000

F. Business Meeting Information

1. Operational agreement to be approved by Executive Director?
2. Are the ARFVTP agreements \$75K and under delegated to Executive Director?
3. The Proposed Business Meeting Date: **October 18, 2023**
4. Consent or Discussion? **Consent**
5. Business Meeting Presenter Name: Brian McCollough
6. Time Needed for Business Meeting: 0 minutes.
7. The email subscription topic is: Energy Policy (Integrated Energy Policy Report)

Agenda Item Subject and Description:

Physicians, Scientists and Engineers for Sustainable and Healthy Energy, Inc. Proposed resolution approving agreement 800-23-005 with Physicians, Scientists and Engineers for Sustainable and Healthy Energy, Inc., for up to \$999,765 to assist the CEC evaluate the social costs and non-energy benefits of the deployment of clean energy resources. The agreement will initially be for \$500,000. Additional funding, up to the \$999,765 total, will require approval from the CEC's Executive Director. This agreement will help the CEC develop standard approaches to evaluate such factors as land-use impacts, public health and air quality, water supply and quality, economic impacts, and resilience. (General Fund Funding) Contact: Brian McCollough

G. California Environmental Quality Act (CEQA) Compliance

1. Is Agreement considered a "Project" under CEQA?
Yes.



If yes, skip to question 2.

If no, complete the following (PRC 21065 and 14 CCR 15378) and explain why Agreement is not considered a "Project":

N/A

2. If Agreement is considered a "Project" under CEQA answer the following questions.

a) Agreement **IS** exempt?

Yes

Statutory Exemption?

N/A

If yes, list PRC and/or CCR section number(s) and separate each with a comma. If no, enter "None" and go to the next question.

PRC section number: None

CCR section number: None

Categorical Exemption?

N/A

If yes, list CCR section number(s) and separate each with a comma. If no, enter "None" and go to the next question.

CCR section number: None

Common Sense Exemption? 14 CCR 15061 (b) (3)

Yes

If yes, explain reason why Agreement is exempt under the above section. If no, enter "Not applicable" and go to the next section.

Under CEQA Guidelines section 15061(b)(3), where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

This agreement will not have a significant effect on the environment because the work under this contract is to provide technical expertise and analysis to help CEC evaluate the social costs and non-energy benefits from the deployment of clean energy resources.

b) Agreement **IS NOT** exempt.

IMPORTANT: consult with the legal office to determine next steps.

N/A

If yes, answer yes or no to all that applies. If no, list all as "no" and "None" as "yes".

Additional Documents	Applies
Initial Study	No
Negative Declaration	No
Mitigated Negative Declaration	No
Environmental Impact Report	No
Statement of Overriding Considerations	No



None

Yes

H. Subcontractors

List all Subcontractors listed in the Budget (s). Insert additional rows if needed. If no subcontractors to report, enter "No subcontractors to report" and "0" to funds. **Delete** any unused rows from the table.

Subcontractor Legal Company Name	Budget
HR&A Advisors, Inc.	\$198,645

I. Key Partners

List all key partner(s). Insert additional rows if needed. If no key partners to report, enter "No key partners to report." **Delete** any unused rows from the table.

Key Partner Legal Company Name
No key partners to report

J. Budget Information

Include all budget information. Insert additional rows if needed. If no budget information to report, enter "N/A" for "Not Applicable" and "0" to Amount. **Delete** any unused rows from the table.

Funding Source	Funding Year of Appropriation	Budget List Number	Amount
One Time General Fund	2022/2023	800.100	\$500,000

TOTAL Amount: \$500,000

R&D Program Area: Not applicable.

Explanation for "Other" selection: Not applicable.

Reimbursement Contract #: Not applicable.

Federal Agreement #: Not applicable.

K. Contractor's Contact Information

1. Contractor's Administrator/Officer

Name: Patrick M. Murphy

Address: 1440 Broadway, suite 750

City, State, Zip: Oakland CA 94612

Phone: 510-473-1177

E-Mail: patrick@psehealthyenergy.org



2. Contractor's Project Manager

Name: TBD

Address: 1440 Broadway, suite 750

City, State, Zip: Oakland CA 94612

Phone:

E-Mail:

L. Selection Process Used

There are three types of selection process. List the one used for this CRF.

Selection Process	Additional Information
Competitive Solicitation #	RFP-23-801, # of bids 7

M. Contractor Entity Type

Contractor Entity Type	Yes or No?
Private Company (<i>including non-profits</i>)	Yes

N. Is Contractor a certified Small Business (SB), Micro Business (MB) or Disabled Veterans Business Enterprise (DVBE)?

The contractor is a certified: No.

O. Civil Service Considerations

- Not Applicable (Agreement is with a CA State Entity or a membership/co-sponsorship)? No.
- Public Resources Code 25620, et seq., authorizes the Commission to contract for the subject work. (PIER): No.
- The Services Contracted: Yes.

If no, go to the next question. If yes, which of the following applies to the contract? More than one can apply, list each answer choice, and separate them with a comma:

- are not available within civil service,
- cannot be performed satisfactorily by civil service employee, and
- are of such a highly specialized or technical nature that the expert knowledge, expertise, and ability are not available through the civil service system.

The following applies to the contract "are of such a highly specialized or technical nature that the expert knowledge, expertise, and ability are not available through the civil service system".

- The Services are of such an urgent, temporary, or occasional nature that the delay to implement under civil service would frustrate their very purpose? Yes.

Justification:



These services are by their very nature “urgent” and of such an “occasional nature” that it would not be feasible to implement them under civil service. This type of expertise is not readily available through civil service. This technical support contract provides the necessary specialized expertise and technical support to complement staff’s current analytic capabilities. It also fills in highly technical and specialized knowledge gaps that will be needed to quickly and accurately assess California’s ever changing and highly integrated energy systems.

P. Payment Method

1. Is the payment method Reimbursement, Advanced Payment, or Other?

“Reimbursement”.

If Other, explain:

If Reimbursement, is it in arrears based on Itemized Monthly, Itemized Quarterly, Flat Rate, or One-time?

“Itemized Monthly”.

Q. Retention

Is Agreement subject to retention? Yes.

If Yes, Will retention be released prior to Agreement termination? No.

R. Justification of Rates

The rates are similar to the rates for this company in a previous contract. CEC evaluated the contractor costs and compared them to the contractor costs for past similar work and determined the costs proposed are comparable to costs staff has seen in the past for similar work.

S. Disabled Veteran Business Enterprise Program (DVBE)

Provide requested additional information.

1. Exempt (Interagency/Other Government Entity): No.
2. Meets DVBE Requirements DVBE: No
Amount: \$0; DVBE %: 0%
3. Is the Contractor Certified DVBE or Subcontracting with a DVBE? If subcontracting with a DVBE, provide the name of the DVBE company. If none applies, enter “Not Applicable”.
Not Applicable.
4. Contractor selected through CMAS or MSA with no DVBE participation: Not applicable.
5. Requesting DVBE Exemption (attach CEC 95): Yes.

T. Miscellaneous Agreement Information



STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

Contract Request Form
CEC-94 (Revised 04/2023)

1. Will there be Work Authorizations? Yes.
2. Is the contractor providing confidential information? No.
3. Is the contractor going to purchase equipment? No.
4. What is the check frequency of the progress reports? Monthly, Quarterly, or Other? If Other, please provide explanation.

Monthly.

5. Will a final report be required? Yes.
6. Is the Agreement, with amendments, longer than three years? If yes, why?
No.

U. The following items should be attached to this CRF (as applicable)

List all items that should be attached to this CRF by entering "Yes" or "No".

Item Number	Item Name	Attached
1	Exhibit A, Scope of Work/Schedule	Yes
2	Exhibit B, Budget Detail	Yes
3	DGS-GSPD-09-007, NCB Request	N/A
4	CEC 95, DVBE Exemption Request	Yes
5	Awardee CEQA Documentation	No
6	Resumes	Yes
7	CEC 105, Questionnaire for Identifying Conflicts	Yes

Approved By

Individuals who approve this form must enter their full name and approval date in the MS Word version.

Agreement Manager:

Approval Date:

Office Manager:

Approval Date:

Deputy Director:

Approval Date:

Exhibit A SCOPE OF WORK

TASK LIST

Task #	Task Name
1	Agreement Management
2	Technical Support

ACRONYMS/GLOSSARY

Specific acronyms and terms used throughout this scope of work are defined as follows:

Acronym	Definition
CAM	Commission Agreement Manager
CARB	California Air Resources Board
CEC	California Energy Commission
CPUC	California Public Utilities Commission
EAD	Energy Assessments Division
NEB	Non-Energy Benefit
PM	Program Manager
SB 100	Senate Bill 100 – The 100 Percent Clean Energy Act of 2018
TACPA	Target Area Contract Preference Act
WA	Work Authorization

BACKGROUND/PROBLEM STATEMENT

The 100 Percent Clean Energy Act of 2018 (Senate Bill 100, De Leon, Chapter 312, Statutes of 2018) requires the California Energy Commission (CEC), California Public Utilities Commission (CPUC), and the California Air Resources Board (CARB) to assess various pathways to achieve the Act's targets and provide a report to the legislature every four years. The first report, published March 2021, evaluated scenarios but did not evaluate the social costs and non-energy benefits of the scenarios¹. The report recommended that the next report include an evaluation of social costs and non-energy benefits. This requires developing approaches to evaluate the social costs and non-energy benefits of projected portfolios to meet clean energy goals and system reliability requirements.

¹ The March 2021 report provided preliminary estimates of the social cost of carbon and estimated ranges of select health impacts from decreased PM2.5 pollution linked to power plant emissions for the SB 100 core scenario only.

EAD leads the modeling and analysis for the SB100 reports. As such, EAD is responsible for developing the modeling approach for the next SB100 report. The approach will need to evaluate and compare different portfolios of resources to identify the extent to which each provides for electric system reliability. This requires the development of an innovative new modeling approach to fulfill the requirements of SB 100. The reliability modeling is the scope of a separate contract. EAD also needs to develop and apply tools and metrics to capture social costs and non-energy benefits of the different portfolios. Stakeholders identified the following social costs and non-energy benefits for evaluation in the next SB 100 analysis: land-use impacts, public health and air quality, water supply and quality, economic impacts, and resilience. Additional social costs and non-energy benefits may be valuable for EAD to consider for SB 100 and for other ongoing EAD initiatives (e.g., evaluating the social costs and non-energy benefits of distributed energy resources). Technical assistance is being sought to help EAD in developing standard approaches that CEC can use to evaluate such factors as land-use impacts, public health and air quality, water supply and quality, economic impacts, and resilience. CEC will use these approaches to support multiple responsibilities, including evaluating different clean energy deployment scenarios to meet SB100 goals. For all analysis under this contract, all input provided from the contractor team will be verified by CEC staff and presented to external stakeholders for feedback. CEC staff will then finalize analysis before providing to the leaders of the CEC, the CPUC, and the CARB for their consideration in creating the SB 100 report. The approaches may also be applied, as appropriate, in other CEC programs to evaluate their social costs and non-energy benefits and those efforts will have similar vetting processes by CEC staff.

GOALS AND OBJECTIVES OF THE AGREEMENT

TASK 1- AGREEMENT MANAGEMENT

The goal of this task is to provide for overall administrative management of the contract by the Contractor. In addition to the specific tasks below, the Contractor's Program Manager (PM) is responsible for directing the work performed by the Contractor Team to meet the objectives of the contract. The PM is also responsible for ensuring the quality and timely delivery of all deliverables, both technical and administrative from the Contractor Team. The PM will be the primary point of contact for the Contractor Team and is responsible for oversight of all work under this contract. The PM is also responsible for managing all subcontractor work, including ensuring quality products, enforcing subcontractor Agreement provisions, and in the event of failure of the subcontractor to satisfactorily perform services, recommending solutions to resolve the problem.

Task 1.1 Kick-off Meeting

The goal of this task is to establish the lines of communication and procedures for implementing this Agreement.

The Contractor shall:

- Attend a "kick-off" meeting with the CAM, the Contracts Officer, and a representative of the Accounting Office. The meeting will be held via Zoom or teleconference. The Contractor shall include their Project Manager, Contracts

Administrator, Accounting Officer, and others designated by the CAM in this meeting. The administrative and technical aspects of this Agreement will be discussed at the meeting.

- Arrange the meeting including scheduling the date and time.
- Provide a draft agenda to the CAM for review.
- Provide a final agenda to all potential meeting participants prior to the kick-off meeting.

The CAM shall:

- Review and approve the draft agenda from the contractor prior to the kick-off meeting.
- Coordinate with all relevant CEC staff to participate in the kickoff meeting.

Deliverables:

- Draft and Final Agendas
- Summary of the kickoff to be included in the monthly progress report

Task 1.2 Invoices

The Contractor shall:

- Prepare invoices for all reimbursable expenses incurred performing work under this Agreement in compliance with the Exhibit B of the Terms and Conditions of the Agreement. Invoices shall be submitted with the same frequency as progress reports (task 1.3). Invoices must be submitted to the CEC's Accounting Office.

Deliverables:

- Monthly invoice (to be included with monthly progress reports)

Task 1.3 Progress Reports

The goal of this task is to periodically verify that satisfactory and continued progress is made towards achieving the objectives of this Agreement.

The Contractor shall:

- Prepare progress reports monthly. The reports should summarize all Agreement activities conducted by the Contractor team for the reporting period. Any interim reports or products produced during the period should be included as part of the monthly progress report. The report should provide a graph of expenditures to date and a projection for subsequent months of the contract period. The report should include an assessment of the ability to complete the Agreement within the current budget and any anticipated cost overruns. Each progress report is due within 15 calendar days after the end of the reporting period. The CAM will provide the format for the progress reports.

Deliverables:

- Monthly Progress Reports (including monthly invoice)

TASK 1.4 WORK AUTHORIZATIONS

The goal of this task is to develop and manage all technical and budgetary aspects of work authorizations (WA) in accordance with the requirements of this Agreement for work to be performed under Technical Tasks 2.

The Contractor shall:

- Help prepare WAs in accordance with the contract requirements.
- The WA format and content shall be specified by the CAM.
- The WA end date should be no later than 60 days prior to the term end date of the Agreement.
- Submit all required WA Documents to the CAM.
- Administer WAs.
- Establish and maintain contractual agreements with entities performing work.
- Develop project schedules.
- Manage Subcontractor activities in accordance with the Agreement terms and conditions.
- Provide oversight and first-level review of reports and documentation, and comment on the content of deliverables.
- Review and approve all WA invoices.
- Provide audit and accounting services for all WAs.
- Immediately report any significant variances affecting performance of WAs and recommend mitigation actions for consideration by the Project Manager and CAM. Examples of significant variances include the inability to submit deliverables by key WA due dates, unavailability of key personnel that will affect timely submittal of deliverables, and key technical issues that would require change in scope, redirection of the effort, or discontinuation of the project.
- Coordinate with the CAM to close out completed WAs and remaining unallocated balances.
- Monitor and track each WA and the overall agreement.
- Provide updated WA project schedules, as needed, and determine if each WA is on schedule and deliverables are satisfactory.
- Determine the fiscal status of each WA and the overall Agreement.
- Prevent cost overruns.
- Track the start, progress, and closure of each WA.

Deliverables:

WA Documents

Task 1.5 Final Report

The goal of this task is to prepare a comprehensive written Final Report that describes the original purpose, approach, results and conclusions of the work completed under this Agreement. The Final Report shall be prepared in language easily understood by the public or layperson with a limited technical background.

The Final Report must be completed before the termination date of the Agreement in accordance with the Schedule of Deliverables.

The Final Report shall be a public document. If the Contractor has obtained confidential status from the Energy Commission and will be preparing both a public and a confidential version of the Final Report, the Contractor shall perform the following subtasks for both the public and confidential versions of the Final Report.

Deliverables:

Final Report

TECHNICAL TASKS

The goal of this task is to provide technical expertise to support EAD in the development of an approach to evaluate resource portfolios to meet SB 100 goals and other related electricity policy goals. The work in this task will need to be integrated with other analytical work within SB 100. The CEC CAM will prioritize work performed by the Contractor within this Task and will assess all products before presentation to external stakeholders, who will also be asked to provide input on any proposals and recommendations. Staff will then consider all input received before submitting recommendations to the CEC, CPUC, and CARB regarding their creation of the 2025 SB 100 Report.

Task 2 - Technical Support

The Contractor shall:

- **Analytical Strategy:** Provide support to CEC staff by analyzing a relevant suite of social costs and non-energy benefits that the state may consider in SB 100 analysis. Provide potential quantitative and qualitative approaches to analyzing each social cost and non-energy benefit, including existing approaches used by other California and Federal agencies. The initial support should suggest types of data required for the analysis and availability of the required data for the approach and any available modeling tools. Given the timetable to complete SB 100 analysis by the middle of 2024, provide options for CEC consideration on those analytical approaches that can be applied in the existing timeframe and with available data. Provide support to EAD staff as EAD identifies how to integrate the social costs and non-energy benefits analysis with other analysis being conducted by EAD and its contractors.
- **Data Inputs and Assumptions:** Based on EAD's selection of approaches, provide support in gathering relevant data and making suggestions for CEC consideration on how to address assumptions necessary to conduct the analysis with available data and tools.
- **Analysis:** Support EAD through offering analysis of the social cost and non-energy benefits on each scenario. This will require an iterative approach to analysis, given feedback from the public process and stakeholders, and the complex nature of California's energy policy and energy systems. The social cost and non-energy benefits analysis will provide EAD staff additional tools to

evaluate the scenarios while also meeting the state's need to ensure electric system reliability and achieve its clean energy goals.

- **Documentation:** Document the full scope of the work performed above in two forms: a stand-alone, detailed report and a summarized version for CEC review and consideration that may be used by EAD for the final SB 100 report. The stand-alone report must provide full detail on the analytical strategy evaluation and justification for selected approaches, data inputs and assumptions, results of all scenarios evaluated, and final conclusions. The detailed version must be written for a technical audience. The summarized version must include a high-level overview of the elements in the stand-alone report but written for a general audience.
- **Ad Hoc Support:** Provide for CEC consideration additional social cost and non-energy benefits analysis, as required to inform other CEC programs, to be determined by the CAM.

Deliverables:

- Social Costs and NEBs Update Reports

SCHEDULE OF DELIVERABLES AND DUE DATES

Note: Actual deliverables will be specified in each Work Authorization

Task Number	Deliverable	Due Date
1.1	Draft and Final Agendas	
1.2	Monthly invoice (to be included with monthly progress reports)	Monthly
1.3	Monthly Progress Reports (including monthly invoice)	Monthly
1.4	WA Documents	Ongoing
1.5	Final Report	End of Term
2	Social Costs and NEBs Update Reports	Monthly