

to post deposit as required would cause the account service transfer request to be rejected, and the account would remain with PG&E.

CHAPTER 10 - Procurement Process

Introduction

This Chapter describes MBCP's initial approach to power supply procurement, while it retains authority to modify this initial approach from time to time at its discretion.

Procurement Methods

MBCP may enter into agreements for variety of services needed to support program development, operation and management. MBCP will generally utilize competitive procurement methods for services but may also utilize direct procurement or sole Source Procurement, depending on the nature of the services to be procured. Direct Procurement is the purchase of goods or services without competition when multiple sources of supply are available. Sole Source Procurement is generally to be performed only in the case of emergency or when a competitive process would be an idle act.

Key Contracts

Electric Supply Contracts

MBCP will initiate service using supply contracts with one or more qualified providers to supply sufficient electric energy resources to meet MBCP customer demand as well as applicable resource adequacy requirements, ancillary and other necessary services. MBCP may complete additional solicitations to supplement its energy supply and/or to replace contract volumes provided under the original contract. MBCP would begin such procurement sufficiently in advance of contract expiration so that the transition from the initial supply contract occurs smoothly, avoiding dependence on market conditions existing at any single point in time.

MBCP will solicit the services of a certified Scheduling Coordinator to schedule loads and resources to meet MBCP customer demand. MBCP may designate the primary supplier to be responsible for day-to-day energy supply operations of the MBCP Program and for managing the predominant supply risks for the term of the contract. The primary supplier may also contribute to meeting the Program's renewable energy supply goals. However, additional suppliers may be identified to supplement requisite renewable energy supplier of the MBCP program. Finally, the primary supplier may be responsible for ensuring MBCP's compliance with all applicable resource adequacy and regulatory requirements imposed by the CPUC or FERC.

In August 2017, MBCP intends to commence the requisite competitive solicitation process to identify its initial energy supplier(s) and anticipates to execute the electric supply contract for

Phase 1 loads in late-2017. The contract for Phase 2 loads will be executed contemporaneously or shortly thereafter.

Data Management Contract

A data manager will provide the retail customer services of billing and other customer account services (electronic data interchange or EDI with PG&E, billing, remittance processing, and account management). Recognizing that some qualified wholesale energy suppliers do not typically conduct retail customer services whereas others (i.e., direct access providers) do, the data management contract may be separate from the electric supply contract. It is anticipated that a single contractor will be selected to perform the data management functions.⁵ If feasible and practical, MBCP may utilize the incumbent utility to perform that service

The data manager is responsible for the following services:

- Data exchange with PG&E;
- Technical testing;
- Customer information system;
- Customer call center;
- Billing administration/retail settlements;
- Settlement quality meter data reporting; and
- Reporting and audits of utility billing.

Utilizing the incumbent utility or a third party for account services eliminates a significant expense associated with implementing a customer information system. Such systems can impose significant information technology costs and take significant time to deploy. Separating the data management contract from the energy supply contract gives MBCP greater flexibility to change energy suppliers, if desired, without facing an expensive data migration issue. The data management contract will also require that services be provided consistent with MBCP's customer confidentiality policies as described earlier in this Chapter, and the contractor will be required to provide, prior to contract award, adequate assurances to MBCP that appropriate data security measures are employed.

As this point in time, MBCP has not yet commenced the requisite competitive solicitation process to identify its data management services provider. However, it is anticipated that MBCP will execute a contract for data management services in September or October, 2017.

⁵ The contractor providing data management may also be the same entity as the contractor supplying electricity for the program.

