Strategic Energy Management and Operator Training/Programming - RFQ
Solicitation Number: Q-21-003-SM

ADDENDUM 1
April 20, 2021

To Respondent of Record:

RESPONSES TO QUESTIONS

1. **Question: The RFQ (pg. 1) states that the 2020 Energy Management Plan can be shared as requested. Please share the Plan document or point us to the appropriate website, if applicable.**

Response: *Plans attached to this Addendum.*

2. **Question: The RFQ (pg. 2) states "Proposed platform must comply with all SAWS IT rules and restrictions." If the IT policy is available in summary or otherwise, please share the document or point us to the appropriate website, if applicable.**

Response: *SAWS will discuss and cover the IT policy with the selected vendor.*

3. **Question: Our firm performs third-party background checks on employees as standard procedure. The following information is checked during the screening process: Consent Based SS Number Verification, SS Trace, Statewide Search Direct, County Criminal Court Records, National Criminal Database Search, Federal Courts Criminal Search, Sex Offender Search, 7 Year Employment History, Education Verification, 7 Year Residential Address Verification, and Global Watch List. We can provide a summary of our screening to SAWS as attestation and documentation that the screening was performed, in lieu of additional third-party screening. Is that acceptable?**

Response: *Please see Exhibit "D" Security Procedures in the RFQ.*

4. **Question: Do the required 1-page project team resumes count toward the 25-page limit?**

Response: *Team resumes do not count towards the 25 page limit. See changes to the RFQ below.*

5. **Question: For the roughly 10 targeted facilities in the program, does SAWS have access to daily—or better—interval data for the associated electric meters? If so, at what delay?**

Response: *As of now, SAWS only received the energy data on a monthly basis. However, once the 10 targeted facilities have been selected, SAWS can reach out to our utility providers to request historical interval data for these sites (that request may or may not be granted). If it is deemed cost effective, SAWS may investigate the possibility of adding the capability to collect real time interval data moving forward.*

CHANGES TO THE RFQ

IV. Submitting Response, Section B. Submission - ***Electronic Submittals Accepted Only***
Include the following to section 3.

3. Responses are limited to a maximum of twenty five (25) pages per proposal. Required forms do not count toward the page limit. Required forms are the Submittal Response Checklist, Respondent Questionnaire, W-9 form, Insurance requirements, Good Faith Effort Plan, SCTRCA Certificates and the Conflict of Interest Questionnaire and **Team Resumes**. The cover page and tabs do not count towards the page limit. Number each page starting with the cover letter, including text charts and graphic images.

END OF ADDENDUM 1

This Addendum is 10 pages in its entirety, with 8 attachments.

Energy Management Strategic Plan

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Jan 2021

Addendum 1

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Energy Management Strategic Plan

Introduction

The San Antonio Water System serves more than 1.8 million people including 525,000 water connections and 470,000 wastewater connections. The mission of SAWS is to provide “Sustainable, Affordable Water Services, and its Vision is “To be leaders in delivering responsible water services for life.”

SAWS is firmly committed to energy conservation, which is synergistic with the long-standing commitment to water conservation. If SAWS’ facilities operate at optimal energy efficiency, the organization can measurably contribute to the success of the City of San Antonio’s Climate Action Plan and other energy programs like CPS Energy’s STEP program. If the infrastructure, e.g. facilities, systems, and equipment, can operate with the lowest possible energy expenses, it will help to minimize the rates and charges assessed to SAWS’ customers.

Energy consumption and expense reduction will be pursued in a cost-effective program that extends to both new and existing infrastructure throughout the system. This Energy Management Strategic Plan describes SAWS’ commitment, goals, timeline, approaches to reducing energy waste, and allocation of the resources that are necessary for success of this program.

SAWS’ energy program will be fact-based, measured and verified, and continually reported to senior leadership.

Section 1: Long-Term Goals and Timelines

Energy Usage

SAWS is committed to reducing baseline energy consumption intensity by 10% over a 5-year period. Important components to this commitment include:

- Energy consumption intensity is defined as energy usage that is compared to output volumes specific to a SAWS service. For example; water production energy consumption intensity may be measured in kWh/MG produced, water treatment may be kWh/MG of effluent, and chilled water may be kWh/tons of chilled water produced. These metrics will be solidified in 2021 and may or may not change from the above.
- Energy consumption intensity baselines will be established in 2021. Once baselines have been established, the 5 year reduction timeline will then begin.
- The energy usage reductions will take place in a manner that supports and respects all ongoing and future regulatory, financial, research, and environmental commitments.
- The energy associated with the Vista Ridge operations will be measured and reported separately from the reduction goals, because SAWS has no operational control over the pipeline system.
- Energy consumption related to the unusual/outlier events like the H2Oaks ASR test slated for 2022 will be measured and reported separately, because it is a 3 month performance-testing project that will consume extraordinary amounts of energy. Senior leadership and the Office of Energy Management will identify any such future additional projects.

Energy Expense

While the conservation initiatives addressed above will produce utility expense savings, SAWS has additional opportunities to directly reduce expenses. SAWS will concurrently pursue other programs that produce financial gains through indirect energy usage reduction, such as:

- Participation in Demand Response programs through CPS Energy or other entities that earn payments for load reductions/load shifting during times of peak electrical system stress.

- Tariff rate reviews to ensure that the various SAWS operations are assigned to the optimal rate structure.
- Rebate programs through CPS Energy to help offset the costs of new, energy-efficient equipment.

It is also important to note that staff reporting will separately address the financial impacts of any CPS Energy, Bluebonnet Electric Cooperative, Guadalupe Valley Electric Cooperative, or New Braunfels Utility rate increases, since SAWS has no control over rates.

Section 2: Approach to Reducing Energy Usage

Baseline energy consumption intensity will be reduced by 10% over 5 years in a cost-effective manner through the design, construction, retrofit, operation, and maintenance of the infrastructure. SAWS will reduce electric power consumption throughout the system in an approach based on data collection and analysis, performance measurement and reporting, and teamwork. Significant components of this approach include:

- Development and approval of annual energy conservation plans (see the 2021 Energy Conservation, Efficiency, and Expense Reduction Plan) that identify specific potential projects and priorities, and that address the business cases for each.
- Creation of a cross-functional energy team led by the Office of Energy Management, to assist in identifying potential projects and implementing those that are funded. Some projects will require capital funding while others, such as operator training, will require O&M expense funding.
- Strategic installation and/or use of electrical sub-metering on representative equipment and processes, adequate to establish a factual database of current usage profiles throughout the system. This data will be used to provide accurate performance improvement information as conservation projects are implemented.
- Formal setting of quarterly status meetings with senior management to report out on progress to date, description of projects that are under study, being piloted, or being implemented. Technical performance of each implemented project will be summarized and compared with predictions. Recommendations for next steps and requests for assistance will also be addressed.

Section 3: Human, Financial, and Other Resources

The investment of the resources necessary to meet the goals will be an important component of this strategic plan. Decisions regarding any additional resource needs for energy management will be addressed, while being balanced with the needs of other departments and initiatives. Among the resources that will be allocated to achieving SAWS' energy goals are:

- Human: For the program to be successful, it must be focused and have dedicated staff. The program will be led by the Office of Energy Management (OEM), which will be adequately staffed by technical and financial professionals. Today, OEM is adequately staffed but any additions or changes to the OEM staff will be evaluated by senior management throughout the life of this program. One of the responsibilities of the OEM will be to constantly engage with all other departments, in order to make energy decisions that are consistent with the program. That allocation of staff time from all departments is critical to the success of this Plan.

- Financial: There will be a financial investment necessary to achieve success with the energy plan, particularly in the early years. Appropriate support will be available for salaries and expenses. Funding of actual projects is addressed in the next section.

- Organizational: To assure continued success of the energy program, its key members and initiatives will report directly to the Director of Fleet & Facility Maintenance and the Chief of Staff/VP of Operations Support. Any future changes to this reporting structure will be a senior leadership decision.

- Training: Many of the initiatives that will reduce energy usage involve routine decisions made by operations personnel who are focused on the System's primary Mission and Vision. Necessary training will be provided to identify and implement operational changes that will protect the System's Mission while reducing energy consumption.

Section 4: Funding of Energy Projects

Funding of energy conservation and efficiency initiatives contemplated by this program will use well-understood processes that are consistent with SAWS guidelines, including the following characteristics:

- Budgeting: Requests for energy-related capital and expenses will be made as a part of the annual budgeting process and scheduled to align with the January 1 fiscal year.

- Interim Funding: Requests for funding of energy projects during a fiscal year will be considered by the CFO (among others) on a case-by-case basis, with decisions depending on the availability of funding as well as the payback associated with the request.

- Financial Return: Projected simple payback period of 7-years or less, or an equivalent ROI-based estimate of returns, will be required unless amended by the CFO's office.

- New Facility Capital Budgets: Energy efficiency and conservation will be an important part of the design, construction, and operation of all future SAWS infrastructure. Initial designs will specify that energy performance will be optimal, and subsequent "value engineering" decisions will address impacts on energy performance, based on available information.

- Revolving Fund Consideration: When a particular energy initiative has been proven to create financial benefit of a known amount, then a portion of those savings may be set aside to fund pending/future energy projects. Any criteria and amount of set-aside funding will be determined by senior management.