




★ **CALPINE AGREEMENT
EXTENSION**

February 11, 2020

Staff Presenting:

Zach Struyk, Deputy Director of Account Management and Marketing

Lori Mitchell, Director

SAN JOSE 
CLEAN ENERGY
A Program of the City of San José

CURRENT AGREEMENT & SCOPE

- Signed in February 2018 after competitive solicitation
- Contract ends February 25, 2020
 - option to extend for two 1-year periods.
- Scope
 - Customer billing and data management functions
 - Data exchange with PG&E
 - Customer call center support
 - Payment and settlement processing

CALPINE AGREEMENT AMENDMENT



- Amendment Term: 5 years
 - option to terminate after 3 and 4 years, for a fee
- Price reduction of 15+% in exchange for longer term.
- Calpine has performed well under the current agreement
 - continues to serve most CCAs.
- Changing services providers requires significant technical effort and operational risk.

COST SUMMARY

Saves \$269,000 in FY 19-20 and more than \$800,000 annually.

	FY 19-20 (4 months) Current Contract	FY 19-20 (4 months) Amendment	FY19-20 New Projected Annual Total	Annually FY 20-21 through FY 23-24	FY 24-25 (8 months June 24- Feb 25)
Cost/month/meter	\$1.13	\$0.85		\$0.85	\$0.85
Monthly fee	N/A	\$25,000		\$25,000	\$25,000
Expected Total Cost (Monthly fee + meter)	\$1,491,600	\$1,222,000	\$4,205,200	\$3,666,000	\$2,444,000
Estimated cost savings	N/A	\$269,600	\$269,600	\$808,800	\$539,200

QUESTIONS?

- SJCE staff

- Lori Mitchell, Director
- Zach Struyk, Deputy Director of Account Management and Marketing

- Recommendation:

- Approve a First Amendment to the Agreement for Data Management and Customer Call Center Services with Calpine, reducing rates and modifying service terms and increasing the maximum compensation from \$15,683,800 to \$22,000,000 through February 27, 2025, subject to the appropriation of funds.

