

Correspondence from 09/13/2022
Municipal Services Committee

RECEIVED

2022 SEP 12 PM 3:51

PASADENA 100
www.pasadena100.org

CITY CLERK
CITY OF PASADENA

September 12, 2022
By email

Dear Messrs. Kightlinger and Hormozi:

We write with respect to Agenda item #1 for the Municipal Services Committee (MSC) of the Pasadena City Council, scheduled for hearing on Tuesday afternoon September 13.

We are concerned that the company selected for the state mandated 2023 Integrated Resource Plan (IRP) consultancy, ACES, is ill-suited to the critically important task that our city faces: the necessary rapid transition to carbon-free electric energy.

There are 4 problems with the staff memorandum (the Memo) and the selection of ACES:

- lack of relevant experience;
- apparent bias in favor of gas (methane);
- the lack of pertinent information in the Memo; and
- lack of diversity and local candidate consideration.

We write to respectfully ask for your clarification and further information.

1. **ACES does not appear to have relevant experience.** The Memo has only 1 short paragraph consisting of only 2 sentences on ACES' experience, and neither sentence is informative. (See bottom of page 3, Memo). The first sentence states: *"Since 2007, ACES has been awarded two multi-million wholesale energy contracts for resource trading and settlement services, cumulatively valued at \$12m."* The second sentence refers to a contract unidentified except by an agreement number, price and its 2-year term. We assume that these are contracts between ACES and the City of Pasadena, but neither has anything to do with an IRP.

There is **nothing** in the Memo about ACES' qualifications or expertise to provide modeling and consulting services related to an IRP.

Since the Memo provides no information on relevant experience, Pasadena 100 researchers have resorted to looking at the ACES website and public documents to try to understand ACES' expertise. ACES' expertise is in "risk management" and "energy trading." The firm engages in "Energy Risk Management and Transaction Execution Services." Consistent with the contracts referenced above, ACES' expertise is in "resource trading and settlement services." The firm also is in the business of administering Requests for Proposal for other entities.

On the ACES website, there is a menu heading on "Environmental," but there is no reference to renewable energy other than trading in Renewable Energy Credits (RECs).

PASADENA 100

1

"ACES implemented several services including market identification, purchase and sales hedging strategies, legislation analysis, and Renewable Energy Credits transaction services." <https://www.acespower.com/environmental/>

We were unable to find a single reference on the website to ACES experience as consultants for an IRP process for a California publicly owned utility, or for any utility company.

The ACES website has a menu on Portfolio Modeling. Listening to the video provided as the sole explanation under that heading, the only variables mentioned are **cost, hedge positions, efficiency, markets and risk**. **Not a single mention is made of greenhouse gas emissions or climate change considerations in the five-minute video.**

There is no mention of the Social Cost of Carbon calculation nor of any carbon free energy sourcing knowledge or experience with current open computational models for the transition to renewable energy sourcing.

ACES appears to have no experience with modeling and strategy related to **California's new interim deadlines for the transition to carbon free energy** to be established by SB1020.

There is no reference in the staff Memo or in the ACES public materials to **expertise in distributed energy generation (DER) or storage** and yet this is a critical area for strategic planning. How much DER will PWP rely on in a time when utility scale renewable may or may not be sufficient to assure reliability and resilience? We just experienced an unprecedented heat wave that challenged our electricity supply. PWP acknowledged the important role of DER in meeting that challenge. And yet ACES appears to have no expertise in distributed generation as a complement to utility scale supply.

Has ACES written or supported an Integrated Resources Plan for a publicly owned or investor owned utility company? The staff Memo does not say. It is incredible that the Pasadena City Council would be asked to approve a contract of this significance, not to mention the cost to the city (\$427,200), without any information on the consultant's relevant experience. For the Council to approve such a contract without further information would be irresponsible.

Looking at the scoring sheet for bidders in Table A, it appears that ACES scored highest in cost, meaning that it was the lowest bidder by a small margin. (Three of the other bidders, out of six, are missing scores, making it likely that only 3 bidders were considered.) Given the importance of the IRP for our public health, property values and the very survival of our children, it should be clear that **cost should not be the dispositive consideration.**

2. ACES' focus on the transition from coal to natural gas and its rosy view of gas are worrisome. See: <https://www.acespower.com/fuels/> This entire section on "fuels" talks only about the transition from coal to gas. Gas is primarily methane which is a potent contributor to greenhouse gas emissions. ACES, at least based on its website, seems mired in an old model—the days when people thought that gas was the "bridge" to the future. **Now we know that gas is the path to the destruction of our future.**

The ACES website contains a menu item on Fuels that is revealing. At the very top of this page, it begins by stating:

"The United States generation fleet is highly dependent on natural gas, and is expected to become more dependent as the demand for power grows and building new coal-fired generation becomes increasingly difficult.

ACES is particularly adept at meeting the needs of those who own gas-fired generation, and can actively manage your natural gas assets. ACES can assist with the entire process, from natural gas generation plant development, transportation, and storage agreements, to the execution, transportation, and balancing of natural gas supply.

In addition to ACES providing short-term optimization of natural gas assets, we also provide risk management solutions that offer long-term supply certainty for otherwise uncertain fuel prices. We do this through the development of long-term natural gas supply plans and hedge strategies.

While natural gas continues to fuel a larger portion of the overall U.S. generation fleet, coal-fired power plants continue to demand a large share of overall generation. ACES has the expertise to provide coal market intelligence, coal supply and transportation strategy development, and coal supply and rail contract negotiations. In addition, ACES provides risk management and hedging services for fuel oil exposure found in many rail and coal contracts that fluctuate with the price of crude oil."

The ACES approach to gas is well represented in **this video which extols natural gas** as "the most important fuel for generating electricity": <https://www.acespower.com/fuels/> **To listen to this video, one would think that gas, a toxic poison, is a desirable modern energy source.**

As you know, methane is a **potent greenhouse gas with serious public health risks related to climate change, but also to human respiratory illness.** ACES' focus on the transition from coal to gas shows a lack of understanding of the current crisis. The public deserves to know whether ACES has experience or even an interest in the transition from gas to carbon-free energy.

ACES assertion of 'long-term supply certainty' for cost control sounds like it directly contradicts 2018's IRP where PWP declares it will no longer commit to long-term gas contracts (i.e. less than 10 years).

3. The lack of information and the expectation of a "rubber stamp"

The staff Memo does not provide the text of the proposal submitted by ACES to the public or to the MSC. We realize that it is common practice for city staff to omit proposals and to only provide scoring information for bids. However, **the climate crisis is not a routine contract bidding situation.** The MSC, the Council and the public deserve disclosure of the proposal so that we can see ACES' proffered qualifications and intentions.

The PWP grade sheet on page 3 of the Memo (repeated *verbatim* as Attachment A) evaluates all bidders based on "strength of proposal" and gives ACES a score. The proposal is mentioned a few times in the PWP Memo. But the agenda materials do not include a copy of the proposal. MSC should not be asked to rubber stamp a contract for approval to the full Council without

being able to see the proposal. **And the public deserves transparency as well**, especially since the Memo lacks information on both the contents of the proposal and the qualifications of ACES.

Will you disclose the proposal and give the MSC and the public time to review it before asking for approval?

The lack of information on ACES experience, expertise and interest are particularly worrisome in light of PWP's acknowledged staffing shortage.

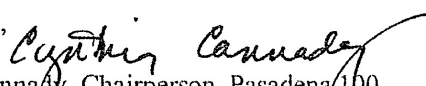
4. The lack of diversity and failure to consider local candidates. ACES is an Indiana based company. Review of the listed ACES executives in the staff Memo reveals a lack of diversity that is not consistent with Pasadena values of DEI. The executives are largely from the gas industry and represent an "old school" of power sourcing that shows an indifference to DEI as well as climate change. The staff Memo states that there were no local candidates, but one bidder appears to have a local connection and also worked on the 2018 IRP. In the first round that bidder was also the lowest cost bidder, so we would like to understand why he was not selected. There may be sound reasons, just as there may be sound reasons why ACES is a good selection, but these reasons are not stated in the staff Memo.

We request an explanation for why PWP did not consult the National Renewable Energy Laboratory (NREL), a United States government national lab that has helped many cities with the modeling necessary for IRPs, including Los Angeles. LADWP, with NREL's help, has committed to 100% carbon free energy by 2035. **NREL has tremendous experience with IRP's and is a publicly funded, privately managed organization with access to a wide library of transparent computational models.**

Pasadena 100, a coalition of 17 non-profit, non-partisan organizations and faith-based congregations that are concerned about climate change, looks forward with positive energy to the STAG and to the public consultations on our city's energy future. However, PWP's decision for the MSC to approve an invisible proposal by a consultant with unexplained experience does not augur well for the collaborative process we seek.

We respectfully request that you provide answers to the question we raise in this letter.

Yours truly,


Cynthia Cannady, Chairperson, Pasadena 100

Active San Gabriel Valley

Wes Reutimann

Arroyo Seco Foundation

Tim Brick, Director

Audubon Society of Pasadena

Dave Weeshoff, Vice President

Ban SUP (Single Use Plastics)

Cheryl Auger, President

<i>Citizens Climate Lobby, Pasadena Foothills Chapter</i>	Sanford Krasner, Group Lead
<i>EDEN, Environmental Ministry of All Saints Church, Pasadena</i>	Tom Brady, Chair
<i>Indivisible Alta Pasadena</i>	John Jackson
<i>League of Women Voters Pasadena Area</i>	Martha Y. Zavala, President John Odell, Kathy Berlin, Christle Balvin, members
<i>Pasadena Complete Streets Coalition</i>	Jonah Kanner
<i>Pasadenans Organizing for Progress (POP)</i>	Rick Cole
<i>Progressive Asian Network for Action (PANA)</i>	Taiji Miyagawa, Co-Founder Una Lee Jost, Member
<i>Sierra Club Pasadena Group</i>	George Vine, Vice-Chair, Treasurer
<i>Social Justice Committee, Pasadena Jewish Temple and Center</i>	Carl Selkin, Co-Chair
<i>Throop Unitarian Universalist Church</i>	Rev. Tera Landers, Pastor
<i>Neighborhood Unitarian Universalist Church, 7th Principle Committee</i>	Peter Eisenhardt, leader church's environmental committee
<i>Transition Pasadena</i>	Robert Haw

cc: Miguel Márquez, Pasadena City Manager
Municipal Services Committee
Vice Mayor Andy Wilson
Councilmember Tyron Hampton
Councilmember Jess Rivas
Councilmember Felicia Williams

Stevenson, Garrett

Subject:

FW: Municipal Services Committee 9.13.22 Item #1 Proposed contract with ACES

From: Genette Foster

Sent: Monday, September 12, 2022 9:06 PM

To: Stevenson, Garrett <gstevenson@cityofpasadena.net>

Cc: Wilson, Andy <awilson@cityofpasadena.net>; Hampton, Tyron <THampton@cityofpasadena.net>; Williams, Felicia <fwilliams@cityofpasadena.net>; Rivas, Jessica <jerivas@cityofpasadena.net>

Subject: Municipal Services Committee 9.13.22 Item #1 Proposed contract with ACES

The Integrated Resources Plan (IRP) serves as a blueprint for PWP to deliver reliable, environmentally responsible electricity services at competitive rates over a **25-year planning period**. The 2023 IRP is of vital importance to the future of the City of Pasadena and cannot be just another boilerplate plan that gathers dust. Despite the special importance of the 2023 IRP, staff recommends a contract with an out-of-state company which seems to lack relevant experience.

The current climate crisis requires a consultant for the IRP with well documented experience planning and modeling for a California publicly owned utility. Among the firms not mentioned as a candidate is the National Renewable Energy Laboratory which has experience with many cities and helped the City of Los Angeles Department of Water and Power develop its IRP committing to 100% carbon free energy by 2035. It would seem that the request for proposals and consultant selection process for the IRP was seriously flawed.

Please do not authorize the City Manager to enter into a contract with ACES.

VOTE NO on Item #1.

Genette Foster
Council District 2

Stevenson, Garrett

Subject:

FW: MSC meeting: Agenda Items #1 + 2

From: Progressive Bodyworks <>

Sent: Tuesday, September 13, 2022 6:46 AM

To: Stevenson, Garrett <gstevenson@cityofpasadena.net>

Subject: MSC meeting: Agenda Items #1 + 2

Given the horrendous heat wave of the past few weeks, the city needs to make responsible choices with regard to climate change. Climate change is here, now.

Agenda Item #1:

Making responsible choices means that the city needs to transition from fossil fuels to clean energy. The city needs to make certain that the consultants share the city's commitment to climate change.

Does this consultant plan to steer away from fossil fuels and make a commitment to clean energy? We are all breathing filthy pollution from dirty vehicles. This affects EVERYONE, including children, the elderly and infirm.

It looks like this consultant is NOT headed in the right direction.

Agenda Item #2:

The mission statement for Pasadena's DOT states:

"The Department of Transportation is committed to achieving the safe, efficient and convenient movement of people and goods within Pasadena, while concurrently ensuring a balance between land use and transportation to maintain a livable community in which cars are not necessary to travel within the city."

<https://www.cityofpasadena.net/transportation/>

Cities around the country / world have created protected mobility lanes for non-vehicle transportation.

It is appalling that Pasadena has **ZERO** protected mobility lanes.

Given the horrendous heat wave, climate change, and the city's commitment to build housing, the city is putting its residents in a transportation chokepoint without providing its residents any alternative to DECREASE traffic, DECREASE pollution, and create a more liveable, walkable, breathable environment.

The Greenways are a tiny step in that direction.

The city needs a transportation network to link people who choose not to use single-passenger vehicles and choose not to contribute to heavy traffic.

With all due respect, will you, at the very least, view your own DOT website and act accordingly?

Our lives, our quality of life, our air quality depend on it.

I am a longtime homeowner in Pasadena.

I am a longtime business owner in Pasadena. Without protected mobility lanes – like in MANY other cities nationally and globally – I feel unsafe using anything other than a vehicle to travel 1.5 miles from my home to my business.

Kathy Braidhill

Stevenson, Garrett

Subject:

FW: MSC Agenda Item #1-IRP Consulting firm

From: Rick Cole <>

Sent: Tuesday, September 13, 2022 10:52 AM

To: Cynthia Cannady <>

Cc: Kightlinger, Jeffrey <jkightlinger@cityofpasadena.net>; Hormozi, John <jhormozi@cityofpasadena.net>; Marquez, Miguel <mimarquez@cityofpasadena.net>; Mellem, Araceli <AMellem@cityofpasadena.net>; Andy Wilson <awilson@alliancesocal.org>; Tyrone Hampton <tyrone@pasadenainteriors.com>; Rivas, Jessica <jerivas@cityofpasadena.net>; Williams, Felicia <fwilliams@cityofpasadena.net>; Stevenson, Garrett <gstevenson@cityofpasadena.net>

Subject: Re: MSC Agenda Item #1-IRP Consulting firm

Honorable Chair and Members of the Municipal Service Committee:

I write in support of the letter from Cynthia Cannady on behalf of Pasadena 100, a coalition of non-profit, non-partisan and faith-based congregations concerned about climate change.

The United Nations has declared climate change a "planetary red alert." However, the report on the hiring of a consultant for Pasadena Water and Power's Integrated Resource Plan feels more like "business as usual." The letter from Pasadena 100 represents a more detailed and substantive analysis of the selection process than the one offered in the report recommending selection of ACES. I hope the concerns raised by Pasadena 100 will be given careful attention by Councilmembers. I believe they warrant serious consideration of the rejection of all bids.

In fairness, the RFP should be revised and reissued with an emphasis on ensuring that Pasadena focuses on the legal and moral requirement to shift to renewables. Moreover, as this transition involves every resident and business customer of our public utility, the RFP should emphasize robust community participation in the preparation of this important plan.

In my 33 year career as an elected official and municipal staff executive, I had extensive experience with the practice of engaging consultants for projects like this. Ideally, they should bring unique knowledge and skills in both the arena under study as well as relevant experience with the particular planning process being undertaken. No case is made in the staff report that ACES possesses either.

We are in the midst of a profound, generational shift. California is leading the nation in moving away from carbon-based fuel sources. The ink is not even dry on ambitious new state mandates passed by the Legislature. This poses striking dangers and opportunities for our public utility. We can be trapped with stranded assets and an obsolete business model or we can lead the way to a more sustainable future. With a new City Manager who will be selecting a new utility director, it is prudent to pause rather than proceed with a plan that fails to address the gravity of the climate crisis, fails to engage the public in a transparent way and fails to provide a bold blueprint for the next generation of public power.

Sometimes when a crisis looms, the moment calls for urgent action. Sometimes, however, it calls for clear thinking. This case calls for clear thinking. Let's plan for 2050, not 1950. Let's plan for a carbon-free, pollution-free, renewable energy future. And let's take the time to engage the right help to accomplish that goal.

Rick Cole

Stevenson, Garrett

Subject: FW: MSC Agenda Item #1-IRP Consulting firm

From: Sam Berndt <>

Sent: Tuesday, September 13, 2022 12:59 PM

To: Stevenson, Garrett <gstevenson@cityofpasadena.net>

Cc: Rick Cole <>; Cynthia Cannady <>; Kightlinger, Jeffrey <jkightlinger@cityofpasadena.net>; Hormozi, John <jhormozi@cityofpasadena.net>; Marquez, Miguel <mimarquez@cityofpasadena.net>; Mellem, Araceli <AMellem@cityofpasadena.net>; Andy Wilson <awilson@alliancesocal.org>; Tyrone Hampton <tyrone@pasadenainteriors.com>; Rivas, Jessica <jerivas@cityofpasadena.net>; Williams, Felicia <fwilliams@cityofpasadena.net>; Carl Selkin <selkincarl@gmail.com>

Subject: Re: MSC Agenda Item #1-IRP Consulting firm

Honorable Chair and Members of the Municipal Services Committee,

I am writing to you today as a member of the Stakeholder Technical Advisory Group (STAG) for the upcoming Integrated Resource Plan, as a resident of District 5 of the City of Pasadena, as a member of Pasadena 100, and as a young person.

I am writing in support of the letters provided by Pasadena 100's Cynthia Cannady, Rick Cole, and Carl Selkin.

We are on the tipping point of climate collapse. We will see the irreversible collapse of ice sheets in the arctic by 2035. We are on track to lose more than 99% of all coral reefs. We are only a few years from the Amazon Rainforest, which produces 20% of Earth's oxygen, collapsing. All due to the human caused warming induced by the use of fossil fuels.

From 1908 to 1922 there was a single (1) "average day" of Pasadena, CA being 90 degrees F. From 2008 to 2022 there was 24. There were 10 in this year alone. What is the future of Pasadena, CA in a world that is continued to be run on fossil fuels?

As a member of the STAG, a resident of Pasadena, and as a young person whose life will be defined by the climate of fossil fuels, it is wholly unacceptable to proceed with a business-as-usual approach toward procuring a contract with an organization (ACES) whose primary business is the expansion of fossil fuels; especially prior to consulting the residents of Pasadena, and the stakeholders of the community who are meant to provide input and feedback into this process.

I believe that Pasadena, our home, has a future. But for this future to exist, we must lead the world in building a sustainable model that will lead to that future.

I ask that you strongly consider the future of Pasadena when making a decision on who will determine the next 25 years of how we source our electricity. I ask that you take time to respond to the letter Pasadena 100 has provided before making this decision. I ask that you provide the STAG an opportunity to evaluate the contractor's proposals prior to making the decision of who we will consult when formulating the IRP.

Best,
Sam Berndt

Stevenson, Garrett

Subject:

FW: MSC Agenda Item #1-IRP Consulting firm

From: Wesley Reutimann <>

Sent: Tuesday, September 13, 2022 2:15 PM

To: Kightlinger, Jeffrey <jkightlinger@cityofpasadena.net>; Hormozi, John <jhormozi@cityofpasadena.net>; Andy Wilson <awilson@alliancesocal.org>; Marquez, Miguel <mimarquez@cityofpasadena.net>; Mellem, Araceli <AMellem@cityofpasadena.net>; Rivas, Jessica <jerivas@cityofpasadena.net>; Tyrone Hampton <tyrone@pasadenainteriors.com>; Williams, Felicia <fwilliams@cityofpasadena.net>; Stevenson, Garrett <gstevenson@cityofpasadena.net>

Cc: Carl Selkin <>; Rick Cole <>; Cynthia Cannady <>

Subject: Re: MSC Agenda Item #1-IRP Consulting firm

Good afternoon Committee Members and Staff,

As a Pasadena resident and co-founder of a community-based organization committed to decarbonizing the transportation sector and supporting a healthier, more equitable San Gabriel Valley, **I urge you to reset the current contracting process.**

Governmental agencies regularly cancel and reissue RFPs. Many times this is done for mundane reasons such as bids coming in significantly higher than anticipated. However the case before you is no ordinary situation. Since staff drafted and issued this RFP the CA legislature adopted SB 1020, setting significantly stronger clean energy standards for municipal utilities.

The City cannot afford to select a contractor that lacks a track record of advising municipalities how to wean themselves from fossil fuels. Legally, financially, and certainly not ethically given your mandate to protect public safety above all else. If updating and reissuing a now dated RFP delays the IRP process a few months, it would be a small price to pay. A price we can most certainly afford as we face a generational challenge.

Thank you for your consideration and service to the community,

Wes Reutimann

Stevenson, Garrett

Subject:

FW: MSC Agenda Item #1-IRP Consulting firm

From: Carl Selkin <>

Sent: Tuesday, September 13, 2022 11:59 AM

To: Rick Cole <>

Cc: Cynthia Cannady <>; Kightlinger, Jeffrey <jkightlinger@cityofpasadena.net>; Hormozi, John <jhormozi@cityofpasadena.net>; Marquez, Miguel <mimarquez@cityofpasadena.net>; Mellem, Araceli <AMellem@cityofpasadena.net>; Andy Wilson <awilson@alliancesocal.org>; Tyrone Hampton <tyrone@pasadenainteriors.com>; Rivas, Jessica <jerivas@cityofpasadena.net>; Williams, Felicia <fwilliams@cityofpasadena.net>;; Stevenson, Garrett <gstevenson@cityofpasadena.net>

Subject: Re: MSC Agenda Item #1-IRP Consulting firm

CAUTION: This email was delivered from the Internet. Do not click links or open attachments unless you *know* the content is safe. Report phish using the Phish Alert Button. [Learn more...](#)

I am writing as a resident of Pasadena (District 5) and as co-chair of the Social Justice Committee of Pasadena Jewish Temple and Center, a member organization of Pasadena 100. I and the group I represent strongly endorse the letters submitted by Cynthia Cannady and Rick Cole. Pasadena needs to access the most forward-looking research and information at this critical inflection point that demands tough decisions to help craft the IRP for the next decade.

It is already the case that California has moved into the future with solar power generation and battery storage, comprising a major transition to non-carbon fueled electricity. Indeed, this recent opinion article in the Los Angeles Times explains not only how crucial this new energy infrastructure has been in navigating the recent heatwave, but it lays out plainly how much carbon-free energy our state relies on already.

I would hope that our city with its major research university, Cal Tech, and proximity to other centers of research and innovation, including UCLA and UC San Diego, could partner with those institutions and with the NREL to craft a plan free from the conflict of interest inherent in ACES longstanding dependence on fossil fuel power and money.