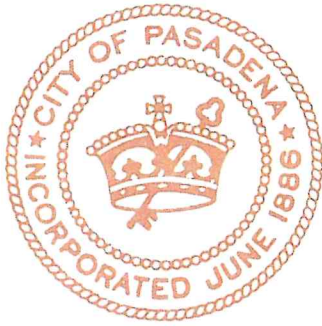




# Agenda Report

July 13, 2026

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT:** **AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH ARTISAN GRID SERVICES, INC TO REPLACE THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR'S REMOTE INTELLIGENT GATEWAY AND METERS FOR THE WATER AND POWER DEPARTMENT FOR AN AMOUNT NOT-TO-EXCEED \$425,000**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find the contract proposed herein to be categorically exempt under the California Environmental Quality Act ("CEQA") pursuant to California Code of Regulations, Title 14, Chapter 3, Article 19, Section 15301, Class 1 – Existing Facilities, Section 15302, Class 2 – Replacement or Reconstruction, and Section 15303, Class 3 – New Construction or Conversion of Small Structures, and that there are no features that distinguish this project from others in the exempt classes and, therefore, there are no unusual circumstances;
2. Award contract to the lowest responsive and responsible bid dated June 8, 2026, submitted by Artisan Grid Services, Inc in response to the project plans and specifications to replace the California Independent System Operator ("CAISO") Remote Intelligent Gateway and CAISO meters for the Water and Power Department, authorize the City Manager to enter into a two year contract for an amount not-to-exceed \$425,000, which includes the base contract amount of \$340,000 and a contingency of \$85,000 to provide for any necessary change orders; and
3. Authorize the City Manager to approve amendments to the subject contract including durational extensions.

## **BACKGROUND:**

As an operator within the CAISO balancing authority, Pasadena Water and Power

("PWP") regularly trades and manages assets within California's wholesale electricity grid and competitive markets. To communicate effectively with CAISO, PWP is required to use a Remote Intelligent Gateway ("RIG") system that allows transfer of real-time operational data. The existing RIG was installed in 1999 and was manufactured by Hathaway Corporation, an organization that is no longer in business. We are unable to service the current RIG or find any troubleshooting support due to the dissolution of the manufacturer and the age of the components. While it is still in compliance with CAISO's current RIG requirements, it lacks the cybersecurity defenses, data transferring speeds, and the ease of locally viewing information that the new RIG will provide upon project completion.

The new RIG will utilize a Schweitzer Engineering Laboratories, Inc. ("SEL") Real-Time Automation Controller ("RTAC") which has been qualified as a CAISO-Certified RIG. SEL's RTAC unit meets CAISO's requirements for data accuracy, data quality, security, and communications. The equipment currently in use exceeds 25 years of service and must be replaced in order for PWP to comply with CAISO's evolving cybersecurity, data accuracy and quality, and communication RIG requirements. In addition, PWP is currently installing a Battery Energy Storage System ("BESS") at the Glenarm location which will require adding a new generation resource to the RIG system and adding two new CAISO revenue meters for data sharing.

To meet CAISO requirements and support the BESS project, PWP will be required to replace and add meters at two locations. Specifically, ten replacements and two new additions at the Glenarm Dispatching Station ("Glenarm"), and three replacements at TM Goodrich Receiving Station ("TM Goodrich"). The collective new equipment will enable the efficient and compliant transfer of data and communications to CAISO.

A Notice Inviting Bids for Specifications to replace the CAISO RIG and CAISO meters for the Water and Power Department was posted on OpenGov, the City's procurement platform, on May 6, 2026. The bid generated notices to all vendors who had previously registered with the City of Pasadena for this particular commodity class. A total of 25 vendors downloaded the specifications, none of which were local. A mandatory job walk was conducted on May 18, 2026, where six companies attended; none of which were local. PWP staff conducted an internet search for local businesses within the bid specification industry class but did not find any companies that met the bid specification requirements. PWP received two bids by the bid closing date of June 8, 2026 and the results are summarized below in Table I.

**Table I: Bid Summary**

| Vendor                       | Location         | Bid Amount |
|------------------------------|------------------|------------|
| Artisan Grid Services, Inc   | Sacramento, CA   | \$340,000  |
| Wunderlich-Malec Engineering | Eden Prairie, MN | \$868,444  |

Artisan Grid Services, Inc (“Artisan”) submitted the lowest responsive and responsible bid, which complies with all requirements of the Specification document. Artisan has not previously worked with the City of Pasadena, but has fifteen years of experience with RIG and CAISO meter installation projects. It is recommended by staff to award a two year contract to Artisan for the replacement of the RIG, the replacement of 10 meters at Glenarm Dispatching Center, replacement of three meters at TM Goodrich Receiving Station, and the addition of two new meters at Glenarm Dispatching Center for an amount not-to-exceed of \$425,000, which includes the base contract amount of \$340,000 and a contingency of \$85,000 to provide funds for any other necessary change orders involving meter replacement and installation. Over the course of the project, PWP may determine it necessary to replace other existing meters or install new meters that are out of the current scope of this project. The 25% contingency accounts for any potential meter procurement and installation labor costs.

Adding three backup meters (one connected to each transformer) at the TM Goodrich Receiving Station will provide the necessary redundancy and security to support one of the most critical parts of PWP’s power grid. Should one of the existing meters fail or need to be taken offline to be repaired, CAISO would not have access to one-third of our transmission data. Installing three backup meters will prevent the disconnection of communications with CAISO when an existing meter fails or needs to be taken offline for repair and will provide more operational flexibility.

The proposed contract complies with the Competitive Bidding and Purchasing Ordinance, Pasadena Municipal Code, Chapter 4.08 and the Living Wage Ordinance, Pasadena Municipal Code 4.11.

#### **COUNCIL POLICY CONSIDERATION:**

The RIG and CAISO Meter Replacement Project are necessary for the Glenarm Power Plant, Glenarm BESS, and the TM Goodrich Receiving Station to continue to communicate with CAISO and provide compliant grid support. This action supports PWP’s further acquisition of renewable energy resources to reduce greenhouse gas (“GHG”) emissions, furthers its goal to source 100% of Pasadena’s electricity from carbon-free sources by the end of 2030 and improves grid reliability for Pasadena ratepayers.



### **ENVIRONMENTAL ANALYSIS:**

The contract award has been determined to be categorically exempt under the CEQA pursuant to California Code of Regulations, Title 14, Chapter 3, Article 19, Sections 15301 (Existing Facilities [Class 1]), 15302 (Replacement or Reconstruction [Class 2]), and 15303 (New Construction or Conversion of Small Structures [Class 3]). Class 1 includes operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use. The proposed contract provides for the replacement/installation of RIG and CAISO meters at the existing Glenarm Dispatching Station and the existing TM Goodrich Receiving Station. There would be no expansion of use as a result of the new meters. Class 2 consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. Specifically included in Class 2 is the replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity. Class 3 consists of, among other things, construction and location of limited numbers of new, small facilities or structures and the installation of small new equipment and facilities in small structures. The proposed project consists of a minor alteration to replace/install the subject meters. There are no features that distinguish this project from others in the exempt classes and, therefore, there are not unusual circumstances.

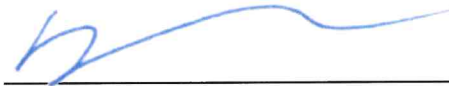
**FISCAL IMPACT:**

The total cost of this action and contract including contingency is \$425,000. Funding for this action will be addressed by the utilization of Power Production Facility Improvements (3236) Capital Improvement Project budget. It is expected that \$300,000 will be spent in Fiscal Year 2027.

The following table represents a project summary.

|                      |           |
|----------------------|-----------|
| Base Bid             | \$340,000 |
| Contract Contingency | \$85,000  |
| Total Fiscal Impact  | \$425,000 |

Respectfully submitted,



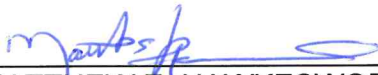
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