

Agenda Report

May 11, 2026

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH YES ENERGY, LLC FOR COST PRODUCTION MODELING SOFTWARE FOR AN AMOUNT NOT-TO-EXCEED \$1,369,040 FOR UP TO FIVE YEARS

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a “project” subject to the California Environmental Quality Act (“CEQA”) pursuant to Public Resources Code Section 21065 and within the meaning of State CEQA Guidelines Section 15378(b); and
2. Authorize the City Manager to enter into a contract, as the result of a competitive selection process, as specified by Section 4.08.047 of the Pasadena Municipal Code, with Yes Energy, LLC for Cost Production Modeling Software in an amount not-to-exceed \$1,369,040 which includes a base contract amount of \$748,989 for a three-year term, plus contingency in the amount of \$46,000 for any additional services; and two optional one-year terms in the amounts of \$283,124 and \$290,927, respectively, subject to approval by the City Manager. Competitive price bidding is not required pursuant to City Charter Section 1002F contracts for professional or unique services.

BACKGROUND:

On December 11, 2023, the Pasadena City Council unanimously approved Pasadena Water and Power’s (“PWP”) 2023 Power Integrated Resource Plan (“2023 IRP”). This comprehensive, state-mandated power resource planning document, which was approved by the California Energy Commission (“CEC”) in November 2025, details PWP’s plan for providing the community with safe, reliable, environmentally responsible, and competitively priced electricity services for the next 25 years. In

In addition to meeting regulatory requirements, the 2023 IRP incorporates Pasadena's Resolution 9977, which sets a goal to source 100% of the city's electricity from carbon-free resources by the end of 2030, while optimizing affordability, rate equity, stability, and reliability. Approval of the 2023 IRP included a condition that PWP collaborate with an experienced green energy consultant to develop an Optimized Strategic Plan ("OSP") to define and outline actions needed to guide Pasadena's transition to carbon-free electricity by 2030. To support this effort, the City Manager contracted with Energy & Environmental Economics Inc. ("E3"), an industry-recognized, global leader in clean energy policy and solutions, to assist with the development of a plan to achieve the goals of Resolution 9977. E3 conducted comprehensive analyses, stakeholder review, and public updates to complete the OSP, which was approved by the City Council on December 15, 2025, and is currently in the implementation process.

To assist with determining how to best achieve the ambitious goals of the IRP and OSP, PWP requires a cost-modeling solution in order to perform the complex analysis required to effectively identify and evaluate options. Pasadena's largely unprecedented plan must be carefully and responsibly executed to ensure that decisions that drive resource investments and operational actions are in the best interests of the community. While imperative during the early phases of the implementation, having the appropriate technology in-house will help develop internal staff and reduce the need for ongoing, costly consulting services in the longer term. The need for expert modeling will continue dramatically as implementation progresses in order to gauge effectiveness. Ongoing analysis will help identify deficiencies early so that needed changes can be implemented with minimal costs. Additionally, the cost-modeling solution will serve as an ongoing energy portfolio planning tool for PWP to aid future planning.

On July 31, 2025, PWP released a Request for Proposals ("RFP") for Production Cost Modeling Software through OpenGov, the City's procurement platform, which generated notices to all vendors who have previously registered with the City in this particular commodity class. A total of 29 vendors downloaded the specifications, of which one was local. PWP received proposals from three vendors by the August 29, 2025 RFP closing date; none of which represented local firms. Staff conducted research and did not find any local vendors that provided these services. An evaluation team comprised of PWP representatives from Resources Planning and Energy Trading evaluated and scored all three proposals based on pre-established criteria listed in the RFP, as shown in Table I:

Table I: RFP Scoring Criteria

Scoring Criteria	Maximum 100 Points
Proposed Solution	40
Cost Proposal	30
Experience	20
Local Pasadena Business	5
Small or Micro Business	5

A summary of the scoring is shown below in Table II.

Table II: Proposal Scores

Proposer	Location	Average Total Points (Out of 100)
Yes Energy, LLC	Boulder, CO	79.7
Energy Exemplar, LLC	Salt Lake City, UT	78.6
Ascend Analytics, LLC	Boulder, CO	78.0

The evaluation team determined that the proposal from Yes Energy, LLC met the requirements of the RFP and achieved the highest score due to ease of use and compatibility with PWP software, product optionality, and competitive pricing structure.

Yes Energy, LLC provides energy market analytics and software tools designed to support utilities in operational planning and long-term resource management. The EnCompass software enables cost production modeling and market analysis, allowing users to simulate daily operations, forecast costs, and assess long-term resource strategies. The software is used by utilities nationally to gain insights that inform both short-term operational decisions and long-term planning within the energy market. In addition to supporting the OSP requirements, the software will help provide greater overall insight into daily operations that support long-term resource planning.

Based on the scoring criteria, it is recommended to award a contract to Yes Energy, LLC to provide cost-modeling software services for a grand total not-to-exceed amount of \$1,369,040 for up to five years if the optional extensions are exercised. Yes Energy, LLC has previously been awarded three city contracts, cumulatively valued at \$1,696,952 since 2025. Of the two active contracts with the City the largest being for an Energy Trading Risk Management software system and the associated services with a not to exceed value of \$2,453,458 for 9 years of licensing and services. Yes Energy, LLC assumed control of this contract in Fiscal Year 2025 and will provide services through March of 2029.

COUNCIL POLICY CONSIDERATION:

The proposed contract is for production cost modeling software to support PWP's long-term renewable energy planning and is critical to achieving the City Council's carbon-free energy goals outlined in Resolution No. 9977 and the Optimized Strategic Plan, while ensuring reliability, fiscal responsibility, and rate stability.

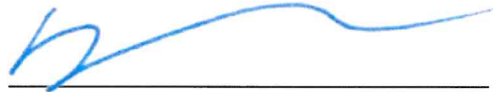
ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not "projects" as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378(b) define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of "project" continuing administrative or maintenance activities. The actions proposed herein, authorizing the City Manager to enter into a contract with Yes Energy, LLC, are administrative activities for the purchasing of services, and therefore not a "project" as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

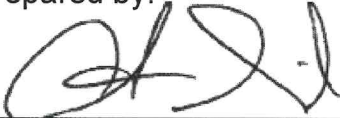
The total cost of this action and contract including contingency is \$1,369,040. Future contract costs will be budgeted as part of the department's annual capital budget in Power Capital Fund (411). There is no impact to the General Fund.

Respectfully submitted,



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