AGENDA ITEM
Report: Agreement with Ceiva Logic, Inc. to Provide an In-Home Display, Smart Thermostat, and Remote Provisioning/Web Portal Public Benefit Program for Glendale Water & Power (GWP)

1. Motion authorizing an Agreement with Ceiva Logic, Inc. to provide an In-Home Display, Smart Thermostat, and Remote Provisioning/Web Portal Public Benefit Program for GWP Customers for a term of 12 months in an amount not to exceed $260,000

COUNCIL ACTION

Consent Calendar

Approved for 2/11/14
RECOMMENDATION
It is recommended that the City Council authorize the City Manager, or his designee, to execute an Agreement with Ceiva Logic, Inc. to provide an In-Home Display, Smart Thermostat, and Remote Provisioning/Web Portal Public Benefit Program for Glendale Water & Power (GWP) customers for a term of 12 months in an amount not to exceed $260,000.

BACKGROUND/ANALYSIS

Department of Energy (DOE) Project
On March 2, 2010, the City Council approved a motion authorizing the City Manager to execute all necessary documents with the U.S. Department of Energy (DOE), on behalf of the City, to receive $20,000,000 in American Recovery and Reinvestment Act (ARRA) of 2009 grant funds to support the City's Utility Modernization Program. The grant agreement called for GWP to invest $51,302,105 in a project over three years ending on March 2, 2013. This program was placed on hold in the spring of 2012 due to budgetary reasons. GWP subsequently asked for and received, from the DOE, an extension of the program implementation period until March 2, 2015. As of January 2014, the estimated remaining City investment obligation is $1.1 million. This program cost is reportable to the DOE as part of the City's investment obligation. Approval of this program will reduce the City's remaining DOE obligation to $811,000.

Ceiva Logic Home Area Network Project
Providing customers with new programs to take advantage of the hourly consumption data made available by the new digital meters is a key component of the DOE Program. As part of Glendale's Utility Modernization Program, the City entered into a contract with Ceiva Logic, Inc. on September 13, 2011 to implement a digital photo frame pilot program for such purposes.

Ceiva Logic, Inc. manufactures and provides a patented digital photo frame and photo display technology. Working directly with GWP, Ceiva Logic, Inc. has expanded this technology to include a platform to provide customers with energy and water consumption data, on specifically-designed “channels” that are integrated with personal photos and broadcast upon a digital photo frame in the customer's home. GWP has the added capability to engage customers by displaying energy and water savings tips, upcoming City events, important messages and marketing materials through unique and creatively designed picture messages.

GWP and Ceiva Logic, Inc. are currently piloting these digital frames in 72 GWP customer homes. These frames are connected to the customer's digital meter, and display real time energy usage information and daily water usage. The frames have provided refined communication to pilot the customers' energy and water usage data which has positively influenced their consumption patterns.

As part of this pilot, an independent research firm was engaged to quantitatively measure the impact of the digital photo frames on awareness and understanding of energy consumption. The findings reveal a dramatic, positive, impact on customers’ awareness of their energy and water consumption. For example, the percentage of people that had an awareness of how much electricity their home used grew by over 300%. In addition, the percentage of people that were unaware of how much electricity cost per hour shrank by over 70%. The findings were also dramatic with respect to awareness of water consumption. The percentage of people that were unaware of how much water their sprinklers consumed fell by 40% after having the CEIVA digital photo frames. Interestingly, as a result of having information on the digital photo frames, half of the customers in the pilot program said that they are making adjustments to their water usage.
The research also found that conservation and utility messaging delivered via the digital photo frame was effective. Approximately 74% of customers recalled specific messaging that they had seen on the frames, and 88% of them liked the conservation and utility messaging that they had seen. Most importantly, customers were very satisfied with the Ceiva digital photo frame experience. Ninety-five percent (95%) of the customers in the pilot program said that installing the frame was easy.

The existing pilot program, under this new agreement, would be expanded to 500 customers, and would add smart thermostats for additional customer energy savings, and remote provisioning/web portal software. Integrating smart thermostats with the digital frames and remote provisioning/web portal software will provide customers the added capability to:

1. Remotely adjust set points, monitor temperature, and control system status
2. Manage thermostat schedules remotely via web and mobile applications
3. Automatically respond to demand response events
4. Receive customized energy conservation tips and notifications via digital frame
5. Provide GWP with the capability to call Demand Response (DR) events during critical periods thus reducing system load.

Programs details are as follows:

Full Bundle (Thermostat + Entryway + Gateway) for 500 Homes
- SEP/ZigBee Thermostat
  - $175 per Unit
  - $100 per Unit for optional installation, reimbursed by customer
- Homeview Gateways/Digital Photo Frames
  - $65 per Unit
- Monthly Energy Services:
  - $5/Unit/Month for 12 months
- Entryway:
  - $5,000 a month SaaS for 12 months
  - Includes:
    - Product Licensing/Implementation/Integration/Training/Ongoing Maintenance/Ongoing Service for a minimum of 24 months
    - Includes all PCT integration with Entryway and Homeview as well as the development and integration of the PCT functionality with the web portal and iOS/Android Application
- Total Program Cost on 500 Homes: **$260,000**
  - Thermostat: $87,500
  - Homeview Gateways/Digital Photo Frames: $32,500
  - Energy Services: $30,000
  - Entryway: $60,000
  - Optional Installation (estimated): $50,000, reimbursed by customer
Competitive Process
This proposed agreement is exempt from competitive bidding requirements under the Glendale City Charter, Article VI, Section 9(f) because it is a contract for professional or unique services. Ceiva Logic, Inc. manufactures and provides a unique patented digital photo frame and photo display technology. Working directly with GWP, Ceiva Logic, Inc. has expanded this technology to include a platform to provide customers with energy and water consumption data, on specifically-designed “channels” that are integrated with personal photos and broadcast upon a digital photo frame in the customer’s home. GWP has the added capability to engage customers by displaying energy and water savings tips, upcoming City events, important messages and marketing materials through unique and creatively designed picture messages. This partnership has produced a unique product that is not available from any other vendor.

FISCAL IMPACT
Funding for this program will be provided by Public Benefits Charge revenues. On June 26, 2012, under Resolution No. 12-76, City Council approved $300,000 to support a two-year smart thermostat program with $100,000 budgeted for FY 2012-13, and $200,000 budgeted for FY 2013-14 in Account 43110-290-901 and Project No. 14832.

Section 3 of the Resolution No. 12-76 authorized the carry-over of funds between Fiscal Years 2012-13 and 2013-14 for the various approved programs. The cost of this program is $260,000, and includes the cost of hardware, software, training and optional installation services. Funding that is not expended in FY 2013-14 will be carried over and budgeted for FY 2014-15.

This work is reportable to the DOE as part of the $51,302,105 DOE Grant Project obligation, which is offset by $21,000,000 in DOE and CEC grants. There are no additional staffing costs or personnel requests associated with this item.

ALTERNATIVES
Alternative 1: Approve the staff recommendation to authorize an Agreement with Ceiva Logic, Inc. to provide an In-Home Display, Smart Thermostat, and Remote Provisioning/Web Portal Public Benefit Program for GWP Customers.

Alternative 2: The City Council may consider any other alternative not proposed by staff.

CAMPAIGN DISCLOSURE
In accordance with the City Campaign Finance Ordinance No. 5744, the following are the names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any person or entity with more than ten percent (10%) interest in the company proposed for contract in this agenda item report:

Directors of Ceiva Logic, Inc.:

<table>
<thead>
<tr>
<th>Full Name</th>
<th>Title</th>
<th>Business Address</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
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<tbody>
<tr>
<td>Dean Schiller</td>
<td>Chairman</td>
<td>214 E. Magnolia Blvd.</td>
<td>Burbank CA</td>
<td>91502</td>
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<tr>
<td>Ira Tochner</td>
<td></td>
<td>214 E. Magnolia Blvd.</td>
<td>Burbank CA</td>
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<td>Peter Chu</td>
<td></td>
<td>214 E. Magnolia Blvd.</td>
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<td>Daniel Onorato</td>
<td></td>
<td>214 E. Magnolia Blvd.</td>
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Officers of Ceiva Logic, Inc.:

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<th>Full Name</th>
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<tr>
<td>Dean Schiller</td>
<td>CEO</td>
<td>214 E. Magnolia Blvd.</td>
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<td>Jim Sepe</td>
<td>COO/CTO</td>
<td>214 E. Magnolia Blvd.</td>
<td>Burbank CA</td>
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<td>Robert Birmingham</td>
<td>Secretary</td>
<td>214 E. Magnolia Blvd.</td>
<td>Burbank CA</td>
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Subcontractors of Ceiva Logic, Inc.: None

Ownership Interest in more than ten percent (10%) in Ceiva Logic, Inc.

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<th>Full Name</th>
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<td>The Idea Grove, LLC</td>
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<td>Baring Private Equity</td>
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EXHIBITS

Not applicable.
MOTION

Moved by Council Member ____________________________, seconded by Council Member ____________________________, that the City Manager, or his designee, is hereby authorized to execute an Agreement with Ceiva Logic, Inc., to provide an In-Home Display, Smart Thermostat, and Remote Provisioning/Web Portal Public Benefit Program for Glendale Water & Power customers for a term of twelve months in an amount not to exceed $260,000. The form of said PSA shall be subject to the approval of the City Attorney.

Vote as follows:

Ayes:

Noes:

Absent:

Abstain: