



- **Board of Directors**  
***Engineering, Operations, and Technology Committee***

6/9/2026 Board Meeting

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7-3

## Subject

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Authorize a five-year agreement with ZGlobal Inc., for a not-to-exceed amount of \$609,000 for power scheduling services associated with the output from up to fourteen of Metropolitan's hydroelectric plants; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

## Executive Summary

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This action authorizes the General Manager to enter into an agreement with ZGlobal Inc. (ZGlobal) for power scheduling services commencing October 1, 2026, through September 30, 2031. Early termination provisions are also provided in the agreement. ZGlobal currently provides power scheduling services for fourteen of Metropolitan's hydroelectric plants that are interconnected to the California Independent System Operator (CAISO) balancing area. This action to enter into a new five-year agreement would allow for continuous service by ZGlobal to serve as Metropolitan's scheduler.

## Proposed Action(s)/Recommendation(s) and Options

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### Staff Recommendation: Option #1

#### Option #1

Authorize a five-year Scheduling Coordinator Services agreement with ZGlobal Inc. for a not-to-exceed amount of \$609,000, for power scheduling services.

**Fiscal Impact:** \$609,000. Cost is determined to be \$9,600 per month, for a total of 60 months, with annual escalations of 3 percent starting January 2028 and every year thereafter, the total cost of the agreement for the five-year term not to exceed \$609,000.

**Business Analysis:** Metropolitan will receive scheduling services for its hydroelectric plants as required to transact energy on the CAISO grid. ZGlobal has provided timely and accurate scheduling for Metropolitan's hydroelectric plants, and their customer service has been satisfactory and responsive. ZGlobal was originally chosen through a competitive process based on it providing the highest overall value to Metropolitan and has performed the services in a timely and cost-effective manner.

#### Option #2

Do not authorize extension of the agreement with ZGlobal for power scheduling services.

**Fiscal Impact:** The supply of energy under Metropolitan's hydroelectric plant contracts requires the services of a scheduling coordinator qualified by the CAISO. Metropolitan's performance under such contracts would be compromised without hydroelectric plant scheduling coordination services.

**Business Analysis:** Without a new agreement in place, Metropolitan would be required to hold discussions with new scheduling entities and incur startup costs and business process development cost associated with the new supplier.

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## Alternatives Considered

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Staff examined alternatives to this new agreement with ZGlobal, including performing the scheduling coordinator function internally or initiating a new competitive solicitation. Performing the function of a registered scheduling coordinator requires 24-hour operations for scheduling power, which Metropolitan currently does not have. Additionally, Metropolitan is not registered with the CAISO to perform these scheduling coordinator functions. Contracting these services from a firm performing this function for multiple clients provides efficiencies that result in far lower cost than could be achieved internally.

Staff also considered a competitive selection process for these services through issuance of a new Request for Proposal (RFP). This approach was ultimately not utilized as it was determined that doing so would not provide additional value to Metropolitan. The cost of schedule coordinator services under this contract are competitive with other firms providing similar services. Further, Metropolitan's investment in scheduling processes and procedures with ZGlobal is already in place, and ZGlobal has a firm understanding of Metropolitan's water operations system which has allowed them to perform the services accurately and efficiently. Finally, ZGlobal has frequently provided value-added services and has responded promptly to Metropolitan's requests.

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## Applicable Policy

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Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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## Related Board Action(s)/Future Action(s)

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Not applicable

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## California Environmental Quality Act (CEQA)

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### CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378(a)).

### CEQA determination for Option #2

None required

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## Details and Background

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### Background

Metropolitan owns and operates fifteen hydroelectric plants located on its water distribution system. These plants recover energy from water flow supplied by the State Water Project and the Colorado River Aqueduct. Fourteen of the plants are interconnected to the CAISO balancing area, and one plant is interconnected to the Los Angeles Department of Water and Power balancing area. Presently, ZGlobal provides power scheduling services for the fourteen hydroelectric plants that are within the CAISO balancing area. The energy, capacity, and renewable attributes of the hydroelectric plants are sold to counterparties under term contracts.

The output from the fourteen plants is scheduled into the CAISO electric grid and settled by the CAISO, requiring the services of a scheduling coordinator, qualified and registered by the CAISO. The services provided by the scheduling coordinator include the following: (1) submitting schedules into the CAISO day-ahead and real-time markets; (2) providing 24-hour service to implement schedule changes and respond to CAISO requests; (3) preparing settlement statements of power transactions to support counterparty billing and payment; and (4) implementing any changes to the scheduling process required by the CAISO tariff.

ZGlobal was originally chosen from a competitive solicitation, via RFP 1155 in 2017, for services based on it providing the highest overall value to Metropolitan. The original agreement provided services for six plants (original plants) with a maximum expenditure of \$130,685, covering the period of September 1, 2017, through December 31, 2020. A later extension of terms for the agreement was amended to add four additional plants for a

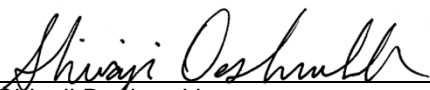
total of ten plants with a maximum of \$250,000 to the term October 31, 2022, and finally, a second amendment was added for the remaining four plants for a total of fourteen plants to the end of the contract on September 30, 2026 with an amount not to exceed \$733,000 total. The original and the first amendment of the agreements were entered into under the authority of the General Manager; the second amendment was entered into under the Metropolitan Water District’s Board of Directors’ approval in April 2021.

ZGlobal has worked with Metropolitan to implement processes to interface with Metropolitan’s water and power operations and submit timely schedules and schedule changes for the plants. Furthermore, ZGlobal provides Metropolitan access to a third-party provider of analytical tools used to analyze plant settlements that would otherwise be an additional expense to Metropolitan. The experience with ZGlobal has been positive, with the firm providing accurate and timely responses to Metropolitan’s scheduling needs.

Due to the overall successful delivery by ZGlobal, Metropolitan proposes to establish a new 5-year agreement with ZGlobal commencing October 1, 2026, to September 30, 2031, for an amount not to exceed \$609,000, to have seamless, uninterrupted scheduling services for Metropolitan’s fourteen hydroelectric plants.

  
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Keith Nobriga  
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and Support Services

5/20/2026  
Date

  
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Shivaji Deshmukh  
General Manager

5/20/2026  
Date