

# THIRD-PARTY ENERGY EFFICIENCY PROGRAMS

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## REQUEST FOR ABSTRACTS

Seeking third-party designed, proposed, and implemented energy efficiency programs and/or services.

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**PG&E Bid Event Coordinator**

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Together, Building  
a Better California

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## **SECTION 1: INTRODUCTION**

### **A. BACKGROUND**

Pacific Gas and Electric Company (“PG&E”) is one of the largest combined electric and natural gas companies in the United States. PG&E delivers some of the nation’s cleanest energy in the country to nearly 16 million people throughout a 70,000-square-mile service area in Northern and Central California. PG&E serves more than 5 million electric distribution customers and more than 4 million natural gas distribution customers. As an energy provider with a mission rooted in public service, PG&E embraces its role as a pioneer in the transition to a clean energy future and low-carbon economy. In 1976, PG&E became one of the first utilities in the nation to offer energy efficiency programs to its customers. Today, PG&E’s commitment to saving energy is stronger than ever.

California has adopted the most ambitious greenhouse gas (“GHG”) reduction targets in North America. Assembly Bill (“AB”) 32 requires the state to cut GHG emissions to 40% below 1990 levels by 2030, a more ambitious target than the previous goal of hitting 1990 levels by 2020. Senate Bill 350: Clean Energy and Pollution Reduction Act (“SB 350”) legislatively mandates a goal of doubling energy efficiency savings in electricity and natural gas end uses by 2030. As California’s largest energy utility, PG&E is doing its part now, and will do even more in the future to help California achieve this goal. In 2015, nearly 30% of the electricity that PG&E delivered to our customers came from Renewable Portfolio Standard (“RPS”)-eligible resources. More than 58% of the electricity that PG&E delivers to customers comes from greenhouse gas-free sources—helping achieve a carbon dioxide (“CO<sub>2</sub>”) emissions rate two-thirds cleaner than the national utility average.

Over nearly four decades, PG&E’s energy efficiency programs have avoided releasing more than 375 million metric tons of CO<sub>2</sub> emissions based on cumulative lifecycle gross energy savings. At PG&E, we are proud of what we have accomplished to date to provide clean energy to our customers, and we are committed to increase our deliveries of clean energy and enable a low-carbon future. PG&E has proven that energy companies have a unique ability to achieve GHG emissions reductions and accelerate the use of GHG-free resources on a large scale. It is against this backdrop of steadfast commitment to California’s clean energy future that we begin the next chapter of EE in California.

### **B. THIRD-PARTY PORTFOLIO VISION**

Pursuant to the California Public Utilities Commission (“CPUC”) Decision (“D.”) 18-05-041 – Decision Addressing Energy Efficiency Business Plans (the “BP Decision”), Pacific Gas and Electric Company (“PG&E”) is seeking abstracts through this Request for Abstracts (“RFA”) from Third-Party (“3P”) Energy Efficiency (“EE”) Implementers (“Bidder(s)”) to design, propose, and implement energy savings services and/or programs (“3P Programs”). PG&E’s goal is to establish a new portfolio of 3P Programs by 2022. 3P Programs resulting from this

solicitation will contribute toward PG&E's 3P outsourcing milestones established by the CPUC in D.18-01-004 – Decision Addressing Third Party Solicitation Process for Energy Efficiency Programs (the “Solicitation Decision”).

**Figure 1 – PG&E 3P Program Outsourcing Milestones Per D.18-01-004**

% of EE Budget	Program Year	Due Date
25% minimum	2020	By December 31, 2019
40% minimum	2021	By December 31, 2020
60% minimum	2023	By December 31, 2022

According to the above figure, PG&E's overall EE portfolio will have a minimum of 25% of its 2020 program year budget under contract to 3P Programs by December 31, 2019. These 3P Programs are needed to help PG&E deliver on its EE savings goals, metrics and budgets as outlined in the BP Decision, refiled metrics attached to the Annual Budget Advice Letter (“ABAL”) true up.

PG&E envisions a revised portfolio structure centered on the five customer sectors — Residential, Commercial, Public, Industrial, and Agricultural, with four cross-cutting activities supporting them — Codes & Standards (“C&S”), Workforce Education & Training (“WE&T”), Emerging Technologies (“ET”), and Financing (“FIN”).

PG&E's revised portfolio structure departs from its current portfolio approach wherein program design resulted in an assortment of customer-centric (e.g., winery subprogram), technology-specific (e.g., Lighting program), and project-type (e.g., Deemed and Calculated subprograms) programs and subprograms. The current structure has resulted in over one hundred discrete programs which contributes to dispersed customer transactions and portfolio complexity.

PG&E does not wish to recreate this portfolio structure with 3Ps. PG&E's revised portfolio structure favors simplification to yield scaled energy savings at lower costs and reduced customer confusion. In this new structure, PG&E proposes a refreshed portfolio of customer-centric programs at the sector and/or subsector levels coupled with cross-cutting programs/subprograms and statewide programs that complement each sector/subsector. Customer sector programs may have elements of cross-cutting activities where and when they are beneficial.

As PG&E transitions to a fully 3P supported EE Portfolio, the role of 3Ps will also evolve. Traditionally 3P implementers have played a relatively small program execution role ‘filling in gaps’ around utility programs. Going forward this model will flip with 3Ps providing the foundational program design and implementation of the portfolio with PG&E's legacy programs maneuvering out of the way for new and innovative 3P Programs.

**C. RFA SOLICITATION OVERVIEW**

As described in PG&E’s Solicitation Plan and in the Solicitation Decision, PG&E will utilize a 2-stage solicitation process for soliciting third-party program designs. The first stage will be a Request for Abstract (“RFA”) followed by a second stage which is the Request for Proposal (“RFP”).

This RFA process will collect abstracts, which are short high-level summaries of 3P Program design concepts, from across all customer sectors. Only selected RFA bidders will be eligible to submit a full 3P Program proposal in response to a later RFP. Selected RFP bidders may advance to contract negotiations and contract award.

PG&E will refresh its program portfolio with the objective to streamline program offerings, introduce more competition into program implementation, and improve the overall customer experience. It is anticipated that programs submitted as part of this RFA will exhibit a large amount of variation and overlap with each other. PG&E will assess to what extent a proposed program is duplicative or competing with other 3P Programs proposed in this RFA. These overlaps will be considered when building the portfolio at the end of the RFP process.

PG&E may consider and allow programs that overlap and compete with each other. However, on a case-by-case basis PG&E will assess if adjustments to program scope from what was originally proposed are necessary to ensure there are no destructive conflicts between programs and a well-functioning portfolio of programs is created. PG&E would engage and collaboratively work with the Bidder on any proposed adjustment to program scope during contract negotiations.

Evaluation factors, scoring criteria and their weightings will vary depending upon the specific need of the solicitation. The following typical evaluation factors are provided here to illustrate what information will be required at each stage of the solicitation process.

**Figure 2 – Typical RFA and RFP Evaluation Factors**

RFA Evaluation Factors	RFP Evaluation Factors
<ul style="list-style-type: none"> <li>• High Level Program Concept</li> <li>• Team Experience &amp; Qualifications</li> <li>• Innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed Program Design Elements</li> <li>• Team Experience &amp; Qualifications</li> <li>• Innovation</li> <li>• Cost &amp; Cost Effectiveness</li> <li>• Compliance with Regulatory Requirements</li> <li>• Commercial Terms</li> <li>• Supply Chain Responsibility</li> </ul>

#### **D. REGULATORY COMPLIANCE**

It is essential that any programs recommended for contract execution as a result of this solicitation process demonstrate compliance with all regulatory program requirements. While regulatory compliance is not the focus of the RFA stage of the solicitation, Bidders should be aware of and familiar with key regulatory rulings as they formulate program concepts and engage in preliminary program design. These topics will all be thoroughly reviewed in the RFP stage of the solicitation. A set of references has been compiled for bidders and can be found in the Appendix of this document and in the 'Resources' section of the EE Solicitations webpage (<https://www.pge.com/eesolicitations>).

## **SECTION 2: SCOPE OF SOLICITATION**

This section describes what 3P Programs are eligible and ineligible for this solicitation.

### **E. IN-SCOPE PROGRAMS FOR THIS SOLICITATION**

PG&E encourages submitting a wide range of abstracts with a high level of innovation and creativity around cost effective approaches to identifying and capturing deep, long-term energy savings of all customers. PG&E is seeking and will consider a wide variety of 3P Program proposals that in total contribute to a cost-effective program portfolio which:

- Serves all PG&E customer sectors and sub-sectors outside the scope of EE Programs identified for statewide administration (see D.18-05-041, page 91);
- Serves all PG&E customer sizes;
- Serves all geographies within PG&E's service territory;
- Addresses the specific needs of Hard-To-Reach Markets and Disadvantaged Communities;
- Promotes long-term Market Transformation of the EE market;
- Includes local pilot ideas to test new programs in PG&E territory with potential for future Statewide Administration;
- Includes any combination of resource and/or non-resource program elements that support energy savings acquisition;
- Utilizes Deemed, Custom and/or Meter-based energy savings calculation methodologies or any combination of these methodologies;
- Utilizes any combination of upstream, midstream, downstream or direct installation delivery channels;
- Includes EE programs that have an integrated Demand Response ("DR") capability;
- Provides novel approaches to improving the customer experience and outcomes;
- Adds to the diversity, safety and sustainability of PG&E's supplier base.

Bidders are encouraged to team with other firms to provide the most complete and compelling 3P Program ideas. Bidders are not limited to the number of unique 3P Program concepts they can submit but should refrain from submitting multiple variations of the same concept.

## F. OUT-OF-SCOPE PROGRAMS FOR THIS SOLICITATION

The types of programs **ineligible** for consideration as part of this RFA include the following:

- EE Programs identified for statewide administration (see D.18-05-041, page 91);
- Non-Resource activities provided by lead local partners of Local Government Partnerships (“LGPs”). LGP proposals will be collected in a separate process;
- Workforce Education and Training (“WE&T”), Emerging Technologies (“ET”), and Codes and Standards (“C&S”) programs;
- Programs that overlap with PG&E’s Low-Income Energy Savings Assistance (“ESA”) Program;
- Programs that overlap or duplicate EE programs offered by other entities active in PG&E service territory like Community Choice Aggregators (“CCAs”) such as Marin Clean Energy (“MCE”) and Regional Energy Networks (“RENs”) such as San Francisco Bay Area REN (“BayREN”).
- Standalone Demand Response Programs. However, the integration of EE with DR, as described by D.18-05-041, where EE is the main component of the Program, is allowed;
- Cogeneration, distributed generation, or self-generation projects. However, 3P Programs that can demonstrate alignment with or tangential benefits to other programs beyond EE is allowed and encouraged (community solar, electric vehicles, energy storage, etc.)
- Programs that solely rely upon unproven new technology, technologies in research and development (“R&D”), or limited production technologies that cannot support an effective EE Program.

### SECTION 3: PROGRAM CHARACTERISTICS

This section describes high-level program characteristics that will be considered in this RFA.

#### G. ELIGIBLE CUSTOMER CLASSES

Bidders are invited to submit 3P Program proposals that serve any combination of PG&E's customer base. PG&E's revised portfolio structure, as described in the Business Plan and summarized in Figure 3 below, divides PG&E's customer base into 5 main customer sectors (Residential, Commercial, Industrial, Agricultural, and Public). Each customer sector is further divided into more specific sub-sectors. Figure 3 below depicts the customer sectors and sub-sectors as defined in PG&E's Business Plan. However, Bidders are not limited to the customer sectors and sub-sectors as they are listed here and may propose 3P Programs that focus on other clearly-defined sub-sectors beyond those in PG&E's business plan.

For some examples, Bidders may propose a 3P Program that focuses on a single customer sector / sub-sector (e.g., Residential Single-Family), multiple sub-sectors within a single sector (e.g., Agricultural Dairies and Crop Production), multiple customer sectors / sub-sectors (e.g., Small Businesses in the Commercial, Industrial, and Agricultural sectors), or in the case of sub-sectors not explicitly listed (e.g., a wastewater program that targets public and privately-owned operations would select the Public sector, Commercial Sector, and/or Industrial Sectors as appropriate).

**Figure 3 – Customer Sectors Defined in PG&E's Business Plan**

<b>Customer Sector</b>	<b>Sub-Sector</b>
<b>Residential</b>	Single-Family Multi-Family
<b>Commercial</b>	High Tech Hospitality Healthcare Large Office Retail
<b>Industrial</b>	Manufacturing Food Processing Petroleum
<b>Agricultural</b>	Dairies Wineries & Breweries Crop Production
<b>Public</b>	K-12 Local and Federal Government

## **H. RESOURCE AND NON-RESOURCE CUSTOMER PROGRAMS**

PG&E will consider both resource, non-resource, or any combination of resource and non-resource customer programs. Resource Programs are EE programs that generate energy savings that are quantified and tracked. Energy Efficiency savings is the level of reduced energy use (or savings) resulting from the installation of an energy efficiency measure or the adoption of an energy efficiency practice, subject to the condition that the level of service after the investment is made is comparable to the baseline level of service. Energy savings for electricity are typically expressed in the units of kilowatt-hours (“kWh”), electrical demand savings in the units of kilowatts (“kW”), and gas energy savings as therms (“therms”). Non-resource programs are EE programs that do not directly procure energy resources that can be counted such as marketing, outreach and education, workforce education and training, and emerging technologies. Bidders are invited to submit any 3P Program design that helps support short-term and long-term energy savings goals and achieve PG&E’s EE Business Plan objectives.

## **I. PROGRAM FUNCTION**

To assemble a collection of 3P Programs capable of delivering on all portfolio requirements and goals, PG&E has defined the following 3P Program functions.

- Energy Savings Acquisition
- Hard to Reach Customers and Disadvantaged Communities
- Market Transformation
- Grid Resource

These 3P Program functions are designed to align with specific portfolio goals and metrics and provide the fundamental portfolio building blocks which bidders can base a 3P Program design. In this solicitation, PG&E is requiring each proposed 3P Program abstract to be associated with one or multiple of these defined program types. A 3P program can fit the definition of multiple program types and any 3P Program type can be associated with any customer sector. Precise budget allocation across program types will be dependent upon the opportunities submitted and portfolio needs signaled within PG&E’s Business Plan and ABAL filings.

Examples include a Grid Resource program targeting Residential Multi-Family, a program focusing on addressing the needs of HTR markets in the Commercial, Industrial, and Public spaces, or an Industrial Manufacturing program targeting deep and highly cost-effective savings. The following section provides a more detailed description of each Program Function.

## 1. Energy Savings Acquisition

Delivering, or supporting the delivery, of the most cost-effective savings possible from the target market.



Energy Savings is the level of reduced energy use resulting from the installation of an energy efficiency measure or the adoption of an energy efficiency practice, while maintaining a baseline level of service. Programs in this classification are to seek out the most cost-effective energy savings possible in their chosen target customer sector/sub-sector, or in the case of non-resource programs support and/or enable the cost-effective acquisition of energy savings for the portfolio. In addition, programs should be aspirational with regard to maximizing savings potential of proposed measures as well as ensuring the comprehensiveness and durability of resulting benefits.

## 2. Hard to Reach Customers & Disadvantaged Communities

Addressing the unique barriers and proving benefits of Hard-to-Reach Customers and Disadvantaged Communities.



Programs with this function are to propose specific strategies for maximizing the benefit of EE to HTR customers and for disadvantaged communities. Programs should tailor methods and approaches to address and overcome the unique challenges and historic barriers that exist in reaching these underserved customers. Programs in this classification must derive a high proportion of their savings from HTR customers and disadvantaged communities.

**Hard-to Reach Customer Definition** – Those customers who do not have easy access to program information or generally do not participate in EE programs due to a language, income, housing type, geographic, or home ownership (split incentives) barrier. Specific criteria were developed by the Commission to be used in classifying a customer as HTR and is summarized in Figure 4.

- Three criteria are required to satisfy the HTR definition, however
- Two criteria are considered sufficient if one of the criteria met is the geographic criteria as defined in the table

When defining HTR for residential versus small business customers, the geography and language criteria are common to both classes with income and housing type specific to residential HTR customers and business size and lease/rented facility criteria specific to small business HTR customers.

**Figure 4. Criteria determining whether Customer is HTR**

Residential	Small Business
<b>Geography</b>	
<p>A. Business or home is located in areas other than the United States Office of Management and Budget Combined Statistical Areas of the San Francisco Bay Area or the Greater Sacramento Area,</p> <p style="text-align: center;">OR</p> <p>B. Customer resides in an area defined as a Disadvantaged Community (see next section for definition).</p>	
<b>Language</b>	
Primary language spoken is other than English	
<b>Income</b>	<b>Business Size</b>
Customers who qualify for the California Alternative Rates for Energy (“CARE”) or the Family Electric Rate Assistance Program (“FERA”)	Less than 10 employees and/or demand is less than 20kW and/or gas consumption under 10,000 therms annually
<b>Housing Type</b>	<b>Leased or Rented Facilities</b>
Multi-Family and Mobile Home tenants (rent and lease)	Investments in improvements to a facility rented or leased by a participating business customer

***Disadvantaged Community Definition*** – Pursuant to Section 39711 of the Health and Safety Code, the California Environmental Protection Agency (“CalEPA”) developed a means for identifying disadvantaged communities, which may include, but are not limited to:

(1) Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.

(2) Areas with concentrations of people that are of low income, high unemployment, low levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment.

The CalEnviroScreen Tool utilizes a number of indicators to develop a composite “score,” which ranks a given census tract’s overall burden across the variety of indicators relative to

all other census tracts' scores. Indicators include both Pollution Burden indicators (exposure to ozone concentrations, particulate matter ("PM") 2.5 concentrations, diesel PM emissions, drinking water contaminants, pesticide use, toxic releases from facilities, traffic density; and environmental effects of cleanup sites, groundwater threats, hazardous waste generators and facilities, impaired water bodies, and solid waste sites and facilities) and Population Characteristic indicators (higher pollution vulnerability due to asthma, cardiovascular disease, or low birth weight infants, educational attainment, housing burden, linguistic isolation, poverty, and unemployment).

For a current list of DACs, please see <https://calepa.ca.gov/envjustice/ghginvest/>.

### 3. Market Transformation

Creating long-lasting sustainable changes in the market by reducing barriers to EE adoption and advancing next generation technologies and approaches.



Decision (D.) 09-09-047, defines market transformation as “long-lasting, sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where continuation of the same publicly-funded intervention is no longer appropriate in that specific market.” Market transformation includes promoting one set of efficient technologies until they are adopted into codes and standards (or otherwise adopted by the market) while also moving forward to bring the next generation of even more efficient technologies to the market. Programs incorporating this program function should clearly describe the market transformation that is being attempted, the barriers to that transformation, and the strategy to implement.

PG&E will consider Market Transformation programs as part of larger multi-function customer program or as a stand-alone locally tested pilot in PG&E territory and may be suitable for future SW administration.

#### 4. EE as a Grid Resource

Providing measurable, verifiable energy savings aligned and targeted to the right time and location of grid needs.



Programs in the Grid Resource category can propose to include the cost effective integration of EE and DR functionality. PG&E invites Bidders to submit program designs to test various strategies and technologies for integrating demand response capability with existing energy efficiency activities. PG&E is interested in all program proposals which include the integration of EE and DR, but is specifically interested in the following areas:

- For the residential sector, the EE and DR integration efforts should be focused, initially, on HVAC technologies and facilitating automatic response to new time-varying rates, possibly involving customer education on the rates and thermostats.
- For the non-residential sector, including small commercial customers, the EE and DR integration efforts should be focused initially on HVAC and lighting controls. For non-residential customers, the programs must validate that, if Integrated Demand Side Management (“IDSM”) funds are used to facilitate integration of DR capabilities into energy efficiency efforts already occurring, the customer is enrolled in a DR program (e.g., dispatchable capacity program or, for bundled customers, an event-based rate or real-time pricing), for at least one year after the installation of the technology at the customer site, and up to 36 months if a large, deemed, or calculated incentive is involved.

Program designs should include elements that respond to Commission directives regarding integrated demand side management (“IDSM”) including:

- Customer marketing, education and outreach related to the value to the customer of IDSM.
- Workforce education and training related to the value of IDSM and the installation and uses of Auto Demand Response (“ADR”) enabled technologies.

Program designs should not include elements related to establishing an alternative to existing ADR enablement programs offered by PG&E but instead should include elements showing how the proposed program IDSM elements are complimentary to existing ADR enablement programs for example how the IDSM element of the program design incorporates PG&E’s existing:

- Fast Track ADR Program for small and medium business customers and
- Custom ADR Program for large commercial and industrial customers.

In the Business Plan Decision, the Commission has further provided the following principles for program implementers to consider when proposing an EE / DR integrated program.

- Help customers save on their energy bills by shifting HVAC use away from peak pricing periods (e.g., pre-cooling or pre-heating strategies in insulated buildings) through automated response to time-of-use (“TOU”) rates, and where there is customer interest, critical peak pricing events;
- Insure there is no incremental measure or transaction cost for a building to participate in a DR program after an EE retrofit by installing automated and communicating DR control technologies as part of EE retrofits, or design and commissioning of new construction;
- Capitalize on “co-benefits,” where the same technologies or device upgrades that enable DR (e.g., smart thermostats, building energy management systems or lighting controls), produce other benefits by allowing a building to operate more efficiently - and can reflected as reduced upfront costs for adding DR functionality to EE controls;
- Minimize duplication of outreach, marketing, site visits, etc. and associated costs, both to PAs and participants, through integrated programs.

In addition, to better align the benefits of the EE portfolio with the dynamic operations of the grid and position EE programs to be a significant contributor to the emerging Distributed Energy Resources (“DER”), PG&E is requesting program designs that can target the right customers with the right measures at the right time and the right location. This entails having 3P Program designs that are informed by data that reflects the needs of the grid which varies by the time of day, the time of year, and geographic location on the grid. The following is a set of key program characteristics that enable a program to provide a Grid Resource program function.

- Geographic Alignment – program must align to the four Distribution Planning Regions (“DPRs”) as depicted in Figure 5. These regions align with the physical structure of PG&E’s grid and are used by PG&E Distribution Planning and the Integrated Resource Planning (“IRP”) process to study future grid needs and integrate flexible resources into grid planning and operations. Programs may align to multiple DPRs. More detailed maps of each DPR can be found in Tab C of the Data Response Form.

**Figure 5 – Map of PG&E Distribution Planning Regions**



- Savings Delivery Windows – programs that are able to align energy savings to the unique delivery window for each DPR are preferred. Energy savings delivered during time frames indicated by green are preferred, and otherwise accepted during timeframes indicated by white. Bidders should utilize this data to build an effective program design (i.e. within a defined planning region, target the appropriate customers with the appropriate measures to deliver savings within the savings delivery window specified for that planning region).

**Figure 6 – Distribution Planning Region Savings Delivery Windows**

DPR Energy Savings Delivery Windows																										
Bay Area Region																								10:00am - 10:00pm		
Central Coast Region																								10:00am - 10:00pm		
Central Valley Region																								12:00pm - 11:00pm		
Northern Region																								1:00pm - 10:00pm		
Hour Beginning	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		

- Preference for Meter-based approach – programs that utilize AMI customer data to support near real-time M&V (“M&V 2.0”) and deliver verified energy savings and/or capacity that can be substantiated to a specific time and geographic location.

**J. PROGRAM COST EFFECTIVENESS**

Cost effectiveness is an important element of all programs in PG&E’s portfolio. California uses two separate tests to assess the benefits and costs of a program. The predominant test used is the Total Resource Cost Test (“TRC”). The Commission relies on the TRC as the primary indicator of EE program cost effectiveness. The TRC measures the net resource benefits from the perspective of all ratepayers by combining the net benefits of the program to participants and non-participants. The benefits are the avoided costs of the supply-side resources avoided or deferred. The TRC costs encompass the cost of the measures/equipment installed and the costs incurred by the program administrator.

The Program Administrator Cost Test (“PAC”) measures program benefits the same as in the TRC. The costs however, are defined to include only the net present value of all costs incurred by the program administrator while excluding the costs incurred by the participating customers.

Programs typically achieve higher TRC by optimizing several variables including: achieving high savings (kW, kWh, therms), achieving savings at times of day with the highest avoided costs benefits (typically summer and fall afternoons for electricity), have low incremental measure costs (“IMC”), have low full measure costs (“FMC”), have low free ridership or high net-to-gross (“NTG”) values, have low program implementation costs (including administration and marketing), utilize interventions with long estimated useful lives (“EUL”), and utilize interventions with high installation/in-service rates (“ISR”).

In PG&E's revised portfolio structure, program designs need to strike a balance; beyond focusing on superficial but short-lived cost-effective measures and target more comprehensive and deep energy savings retrofits.

#### **K. INNOVATION IN PROGRAM DESIGN**

PG&E seeks new and innovative ways to achieve energy savings and fund EE projects delivered by 3Ps. The inclusion of innovative program elements will be taken into consideration during abstract reviews and may help differentiate a program proposal from those already on the market or submitted along with this solicitation. PG&E will consider abstracts that include a mix of technologies that are new and commercially available in the marketplace. However, programs that rely solely on pre-commercial technologies and are still in R&D will not be considered.

Bidders are encouraged to incorporate in their abstracts any of the following elements that differentiates a program from those already on the market. This list is providing illustrative examples and is not meant to be prescriptive in any way.

- Deliver increased customer participation or installation of existing technologies per unit of program cost through cutting-edge, inventive recruiting techniques
- Proactively seek and develop emerging technologies for the market via a program designed to demonstrate the costs and benefits to opinion leaders and decision-makers (i.e., manufacturing and distribution channel members) and increase market penetration in the technology market.
- Seek out and develop new combinations of existing and new technologies, control systems or software to dramatically increase the anticipated savings from each component of the system due to synergies between components, which may be implemented elsewhere but are currently not in use in California.
- Conceive and deliver new methods to increase the likelihood of program spillover effects (e.g., customers looking for more efficiency opportunities beyond those offered by the program) to other technologies or sustainability options by providing customers with increased awareness of program options and benefits, feedback on savings / performance data, and cross-program coordination that provides for seamless and ease of use on customer side.
- Establish untapped relationships and channels (e.g., upstream such as manufacturing processes) to effectively target and generate support for energy-related change leading to new outlets and greater economies of scale that increase permanent changes in the utilization of energy efficient products.
- New marketing methodology and/or new implementation model.
- Program utilizes advanced data analysis methodology

## **SECTION 4: ABSTRACT EVALUATION AND SELECTION FACTORS**

PG&E will assess the abstract submissions to determine which, if any, will provide PG&E with suitable 3P Programs to achieve its EE portfolio goals.

### **L. ABSTRACT REVIEW**

Abstracts will be evaluated holistically using the qualitative and quantitative information provided. Abstracts may be eliminated for any reason, including but not limited to:

- The abstract is substantively incomplete or exceeds length limitations;
- The abstract is not responsive to the objectives and requirements of this RFA;
- PG&E determines that a conflict of interest exists.

PG&E has assembled a pool of Independent Evaluators (“IEs”) with demonstrated EE expertise and an EE Procurement Review Group (“PRG”) comprised non-financially interested stakeholders to oversee the solicitation process and ensure that PG&E conducts all solicitations in a fair and transparent manner. The IEs and the PRG will be consulted at all stages of the solicitations and will provide input on solicitation plans, solicitation language and evaluation criteria, and provide recommendations based on their review of materials. All IEs and PRG members have completed a Conflicts of Interest screen.

### **M. KEY ABSTRACT SELECTION FACTORS**

While PG&E will not disclose specific selection criteria for any solicitation, all abstracts will be evaluated on the same set of key selection factors:

- Overall alignment with future portfolio vision laid out in the PG&E Business Plan, PG&E Solicitation Plan, and metrics;
- Confidence in the assessment and underlying assumptions of the proposed program savings and/or benefits;
- The proposal demonstrates an awareness and understanding of all key implementation steps;
- The proposed firm possess the qualifications and capabilities essential for program execution;
- The proposed firm demonstrates a successful track record of prior program implementation experience;
- The proposed program incorporates new, innovative or unique program design elements that will enhance program effectiveness;

- Completeness of the proposal and responsiveness to the requirements of this RFA.

These factors are not necessarily listed in any order of importance. PG&E at its sole discretion may decide to use some or all of these factors when evaluating the potential value of a proposed program in PG&E's portfolio.

## SECTION 5: ABSTRACT FORMAT

This RFA is comprised of the following set of documents which can be downloaded from the PG&E EE Solicitations webpage and PowerAdvocate:

- **RFA General Instructions:** This document and exhibits provides a description of the RFA structure, process, schedule, and submittal instructions for this RFA.
- **Intent to Submit (optional):** PG&E requests that bidders confirm their intent to respond and provide information on the number and customer sector focus of abstracts they intend to propose. This information will aid PG&E in allocating resources to the RFA review, is completely optional, and not required to submit an abstract. The Bidder can provide the Intent to Bid information in PowerAdvocate under the “Commercial Data” tab of the Power Advocate Dashboard by the due date specified in the solicitation schedule.
- **Narrative Response Form:** This is a pre-formatted Microsoft “MS”) Word document the bidder is required to utilize to submit a narrative description of the proposed 3P Program. This Narrative Response Form along with the Data Response Form together constitute a complete abstract submission.
- **Data Response Form:** This is a pre-formatted MS Excel document the bidder is required to utilize to submit requested 3P Program data. This document is organized by a series of tabs, each with a set of questions focusing on Company Information, Program Summary, Geographic Regions, Measures, Disadvantaged Workers, Workforce Standards, Supply Chain Responsibility and PG&E Support Services. This Data Response Form along with the Narrative Response Form together constitute a complete abstract submission.
- **Abstract Submission Checklist:** This document provides a comprehensive list of all documents required to submit a complete abstract, the location of any document templates, due dates, and method of submission.

Bidders must submit Abstracts that are responsive to all sections listed below. Unless PG&E elects otherwise or the information is deemed not applicable, abstracts that do not include the information requested in this section will be ineligible for further evaluation. A complete Abstract submission is composed of a Narrative Response Form and a Data Response Form.

### N. NARRATIVE RESPONSE FORM

Abstracts must utilize the provided RFA Narrative Response Form template (MS Word format) and adhere to an overall limitation of **12 pages** (13 pages including a coversheet).

Abstracts shall be formatted on 8.5" x 11" page size, have one-inch margins, utilize Arial 11-point font, and at a minimum have 1.15 line spacing. Information provided in the Program Data Response Form (MS excel format) will not count towards the 10-page limitation of the Narrative Response Form. No other attachments or supplemental information will be accepted for consideration during this RFA process. Suggested page lengths for sections are provided but may be adjusted up or down depending on the judgement of the Bidder so long as the overall length of the abstract narrative does not exceed 10 pages.

**1. Executive Summary (Suggested Length - 1 page)**

In this section include a concise summary of the program description including innovative aspects of program design, and any unique or compelling reasons for selection of the program.

**2. Program Description (Suggested Length - 8 pages)**

This section of the abstract response requires a clear description of key elements of the 3P Program and explain how the program will deliver the program benefits. At a minimum, cover the following:

**Portfolio Alignment:** Describe how the program aligns with the overall vision and objectives outlined in PG&E's Business Plan, PG&E Solicitation Plan, and metrics.

**Assessment of Program Benefits:** Describe the proposed savings or other benefits the program will deliver, outline any assumptions used to derive this estimate, and discuss any barriers to deliver these benefits. Address why you think Customers will respond sufficiently to the proposed program design.

**End-to-End Approach:** Provide a description of the end-to-end program development and implementation process demonstrating an overall understanding of what is required to accomplish the program deliverables and goals.

**Marketing and Outreach:** Bidders shall provide an overview of their proposed marketing and customer acquisition plans, and how specific tactics will result in customer participation levels necessary to achieve the proposed program benefits.

**Channel and Partnership Strategies:** Describe any channel and partnership strategies with enough details to evaluate the merit of the strategies themselves.

**Energy Savings Measurement Platforms:** Describe what energy savings measurement platforms will be utilized. Bidders proposing changes to existing platform rulesets must include a description and justification for its use. Bidders advancing to the RFP stage of the solicitation will be required to demonstrate how

their Proposal will satisfy the savings platform requirements as set forth in the PG&E Savings Platform Ruleset document.

**Coordination with CCAs / RENs / LGPs:** Describe how the program will coordinate activities with Community Choice Aggregators (“CCA’s”), Renewable Energy Networks (“REN’s”), and Local Government Partnerships (“LGP’s”) located throughout PG&E’s territory if necessary.

**Incentive Structure / Value to Customer:** Describe what incentive or rebate approach will be used and in which form the program will offer it to Customers. Also describe if the proposed program will utilize PG&E’s Financing platform.

**Performance Pricing:** Describe the extent which the 3P will adopt performance payment contracting terms between PG&E & Implementer.

**3. Company Experience and Qualifications (Suggested Length - 3 pages)**

In this section provide a description of each firm’s experience as it relates to the proposed work scope of designing and implementing successful 3P EE Program(s) with similar breadth, focus, technical skill set, or other relevant experience that qualifies the Bidder to implement the proposed program. Please provide information of all constituent companies in a partnership or subcontractors key to the implementation of a proposed program.

**Team Composition:** Identify the team capabilities and any key partnerships that will enable program execution.

**Prior Program Implementation Experience:** Provide a track record or history of prior program implementation experience. Examples related to a similar work scope of the program proposed are preferred. Examples closely relevant to the CA EE market are preferred.

**O. DATA RESPONSE FORM**

Bidders must provide the following key 3P Program information to communicate the alignment of the proposed program to the future vision of the portfolio. Please fill in the requested fields and do not reformat the template provided.

**Tab A – Company Information:** Provide Bidder’s general company information and identify two contacts for communications regarding the proposal. Expand the table as necessary to accommodate additional firms.

**Tab B – Program Summary:** Provide general program summary information including proposed program function, proposed budget and savings, target customer segments, and energy savings platforms employed.

**Tab C – Geographic Regions:** Describe the geographic area the 3P Program will serve by utilizing a single methodology defined by either PG&E Distribution Planning Regions, California Energy Commission (“CEC”) Building Climate Zones, or by California Counties.

**Tab D – Measures:** If applicable, provide a list of the measures proposed to be included in the program.

**Tab E – Disadvantaged Workers:** For programs that directly involve the installation, modification, repair, or maintenance of EE equipment, indicate if a proposed program would provide Disadvantaged Workers with improved access to career opportunities in the EE industry. Responses to this section are required, however will not factor into the scoring of this RFA.

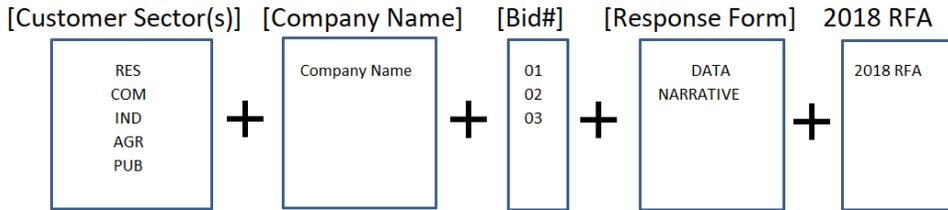
**Tab F – Workforce Standards:** Prospective bidders with program proposals that directly involve the installation, modification, repair, or maintenance of HVAC and Lighting equipment must indicate how program would comply with the Decision Addressing Workforce Requirements and Third-Party Contract Terms and Conditions. Responses to this section are required, however will not factor into the scoring of this RFA.

**Tab G – Supply Chain Responsibility:** Indicate if a Bidder is considered a small business enterprise, minority-owned, women-owned, service disabled veteran-owned, or lesbian, gay, bisexual, or transgender-owned business enterprise. Responses to this section are required, however will not factor into the scoring of this RFA.

**Tab H – PG&E Support Services:** PG&E would like your input as to what services your firm would find valuable if they were offered by PG&E. Indicate any areas a Bidder would consider engaging PG&E to provide services to help support program implementation and administration. Responses to this section are required, however will not factor into the scoring of this RFA.

Bidders are asked to adhere to this specific format to aid the project team in its efforts to efficiently evaluate all information. Responses that deviate from the requested format and/or failure to address all requirements and respond to questions within both forms will increase the time required to review and evaluate its contents and may disqualify Bidders.

## P. FILE NAMING CONVENTION



Customer Sector = List all that apply

Company Name = List the name of the firm submitting the abstract

Bid# = For any bidders submitting more than one abstract, sequentially number in double digit format

Response Form = List either Narrative or Data Response Form

Solicitation Name = 2018 RFA

Examples:

Company named "Energy Today" submits two abstracts that focus on the Commercial sector.

Their complete set of submission files are saved and uploaded as the following:

COM\_ENERGY\_TODAY\_01\_NARRATIVE\_2018 RFA  
 COM\_ENERGY\_TODAY\_01\_DATA\_2018 RFA  
 COM\_ENERGY\_TODAY\_02\_NARRATIVE\_2018 RFA  
 COM\_ENERGY\_TODAY\_02\_DATA\_2018 RFA

Company named "Future Energy" submits three abstracts. Two focus on Industrial and Agriculture sectors. The third abstract focuses on municipal wastewater treatment.

Their complete set of submission files are saved and uploaded as the following:

IND\_AGR\_FUTURE\_ENERGY\_01\_NARRATIVE\_2018 RFA  
 IND\_AGR\_FUTURE\_ENERGY\_01\_DATA\_2018 RFA  
 IND\_AGR\_FUTURE\_ENERGY\_02\_NARRATIVE\_2018 RFA  
 IND\_AGR\_FUTURE\_ENERGY\_02\_DATA\_2018 RFA  
 PUB\_FUTURE\_ENERGY\_03\_NARRATIVE\_2018 RFA  
 PUB\_FUTURE\_ENERGY\_03\_DATA\_2018 RFA

## SECTION 6: ABSTRACT SUBMITTAL PROCESS AND PROVISIONS

The following section outlines the RFA schedule and details the RFA submission process.

### Q. SCHEDULE

The following RFA event schedule and deadlines apply to this solicitation.

**Figure 7 – RFA Solicitation Schedule**

RFA Solicitation Event	DATE
RFA distributed to Bidders	November 28, 2018
Bidders Conference (in-person and via webinar)	December 10, 2018 9:00am – 12:00am PST
Deadline to submit written questions to PG&E	December 14, 2018 Due 4:00pm PST
Submit Intent to Bid form (OPTIONAL)	December 14, 2018 Due 4:00pm PST
PG&E Response to Bidder Questions	December 21, 2018
Abstract submissions due in PowerAdvocate	January 14, 2019 Due 4:00pm PST
PG&E selection and notification to respondents	February / March 2019 (Tentative date)

PG&E reserves the right to modify, cancel or withdraw this RFA and to revise the schedule specified above if PG&E determines such changes are necessary. PG&E shall not be liable for any change in the schedule or for failing to provide notice of any change.

### R. RFA ISSUANCE

PG&E will communicate the start of this RFA solicitation process with a Contract Opportunity Announcement (COA) posted to the following locations:

PG&E's EE Solicitations website  
<https://www.pge.com/eesolicitations>

PG&E's Bidding Opportunities website  
[https://www.pge.com/en\\_US/for-our-business-partners/purchasing-program/bid-opportunities/bid-opportunities.page](https://www.pge.com/en_US/for-our-business-partners/purchasing-program/bid-opportunities/bid-opportunities.page)

CA IOU Proposal Evaluation & Proposal Management Application (PEPMA) website  
<https://www.pepma-ca.com/Public/ContractingOpportunities.aspx>

California Energy Efficiency Coordinating Committee (CAEECC) website  
<https://www.caeecc.org/current-rfps>

## **S. BIDDER'S CONFERENCE WEBINAR**

PG&E invites potential Bidders to participate in a Bidder's Conference / Solicitation Webinar that provides an overview of the RFAs objectives, structure, and guidelines. Time for open forum Q&A will follow the presentation. Registration for the RFA Bidder's Conference will be through the Power Advocate platform. PG&E uses a third-party web-based video conferencing software application called WebEx to provide remote access to Bidder's Conferences. Information to remotely access the Bidder's Conference via WebEx will be provided on the EE Solicitations webpage and also within PowerAdvocate.

Troubles registering: Contact Bid Event Coordinator, Michelle Cheng at  
[Michelle.Cheng@pge.com](mailto:Michelle.Cheng@pge.com).

## **T. RFA SUBMITTAL PROCESS PROVISIONS**

### **I. ELECTRONIC SUBMITTAL**

PG&E uses a third-party web-based software application called Power Advocate to administer sourcing events. Information to register with PowerAdvocate and access the solicitation 'event' will be provided on the EE Solicitations webpage when the RFA is announced.

Unless authorized by the Bid Event Coordinator, all solicitation communications and submission of abstracts shall be submitted electronically within the PowerAdvocate platform. Should Bidder have any questions about PowerAdvocate, please contact PowerAdvocate's Customer Support at (857) 453-5800.

### **II. QUESTIONS AND COMMUNICATIONS PROTOCOL**

Any questions, clarifications or requests for additional information regarding this RFA should only be submitted via PowerAdvocate using the "Messaging" function and the provided Questionnaire template before the schedule deadline to submit written questions (or otherwise amended by the bid event coordinator). Questions submitted after the deadline may not be answered. If Bidder is in doubt as to the intent of any part of the RFA documents, the Bidder must notify the bid event coordinator. Original questions and the written response will be posted to the 'Download Documents' tab in PowerAdvocate for all Bidders to access but will not identify who submitted the question.

PG&E staff is not available for verbal conversations with individual Bidders and will not respond to additional requests for information outside of the PowerAdvocate platform. Submission of questions is not mandatory and does not impact the review or scoring of the RFA. Out of fairness for all participants of the solicitation process, all submitted questions and answers are posted for all Bidders to review. Bidders should consider this when asking questions that reveal confidential and/or proprietary information.

**Any and all responses to questions regarding this RFA will be transmitted to all Bidders.**

**Any attempt to communicate about this RFA with any other PG&E employees or consultants may result in Bidder's Abstract being disqualified.**

In addition, Bidder agrees that it will not engage in communications with any other Bidder concerning any terms contained in Bidder's proposal unless explicitly authorized by PG&E. Bidder agrees not to engage in any activities in violation of State or Federal antitrust laws or other unlawful or unfair business practices in connection with the RFA ("Prohibited Communication Activities"). Notwithstanding the foregoing, Bidder may engage in communications with its advisors, counsel, experts or employees or subcontractors who will provide services in Bidder's proposal. Bidder may also engage in communications with other Bidders submitting a Proposal in the RFA and their advisors ("Other Bidders"): (1) Other Bidders are under common ownership and control with Bidder; (2) Bidder and Other Bidders do not engage in Prohibited Communication Activities; and (3) in the event Bidder and Other Bidder share a common advisor, Bidder has, prior to sharing communications with such Other Bidder and the common advisor, provided PG&E with (a) notice of such Other Bidder and common advisor and (b) an attestation that Bidder has not and will not engage in Prohibited Communication Activities with either the Other Bidder or the common advisor.

### **III. METHOD OF DELIVERY**

Submissions for this RFA must be electronic and provided through the Power Advocate platform, unless otherwise authorized by the bid coordinator. All uploaded documents need to be formatted as either MS Word or Excel files using the formatted templates provided and adhere to the formatting specifications outlined in Section 5 of this document. PG&E will not accept Abstracts after the due date and time indicated in the RFA solicitation schedule.

### **IV. TENTATIVE DATE FOR SELECTION OF PROGRAMS**

When PG&E completes the RFA Abstracts review process, PG&E will determine which, if any, of the Abstracts will be selected to participate in the next stage by submitting a RFP. PG&E intends to notify Bidders of their status on or before the date listed in the RFA solicitation schedule. While PG&E will endeavor to notify Bidders of any schedule change, PG&E shall not be liable for any change in the schedule or if notice was not provided.

**V. ABSTRACT REVIEW – PG&E’S RIGHT TO CLARIFY ABSTRACT**

PG&E reserves the right to clarify Abstract ambiguities by contacting a Bidder, at any time, with questions about Bidder’s Abstract. PG&E will perform clarification interviews via telephone or request clarifications in writing. PG&E will not compensate Bidder for any costs, fees or expenses incurred for the performance required to clarify their Abstract.

**VI. RFA WITHDRAWAL**

PG&E reserves the right to modify, cancel or withdraw this RFA and to revise the solicitation schedule if PG&E determines such changes are necessary. PG&E shall not be liable for any change in the schedule or for failing to provide notice of any change. Bidder, by submitting an Abstract in response to this RFA, acknowledges and agrees PG&E assumes no liability to Bidder under any circumstances.

**U. ABSTRACT CONFIDENTIALITY**

Following the deadline for submission for Abstracts, PG&E will keep Abstracts confidential. However, PG&E may submit Bidder’s Abstracts and proposals to the Commission and their authorized agents for review per request. PG&E will not share program information and ideas provided in RFA and RFP with other Bidders nor any other energy efficiency service providers. By submitting an Abstract in response to this RFA, Bidder acknowledges and agrees that PG&E will not assume any liability to a Bidder or other party as a result of any public disclosure of any Abstract, following the deadline for submission for Abstracts.

**V. OTHER TERMS AND CONDITIONS OF SUBMISSION**

PG&E will NOT return Abstracts, or any other documentation submitted in connection with this RFA. All materials submitted will become and remain the property of PG&E.

By submitting an Abstract, Bidder acknowledges and agrees the following:

- To be bound by the RFA terms and conditions;
- To seek independent legal and financial advice of its own choosing about responding to this RFA and submitting its Abstract;
- Has obtained all necessary authorizations, approvals and waivers, if any, required by it as a condition of submitting its Abstract;
- The Abstract is subject to all applicable laws;
- There has not and will be no communications with any other Bidder in the RFA concerning the price or other economic terms contained in its Abstracts. Bidder

agrees to not engage in collusion or other unlawful or unfair business practices in connection with this RFA;

- PG&E in its sole discretion, to modify, suspend or withdraw this RFA or the selection process; respond to inquiries during the question period; obtain additional clarifying information from any Bidder; waive any immaterial defects as to form or content of the RFA or any other document or procedure used in the selection process; negotiate with Bidders to resolve technical or contractual issues; and reject any and all responses submitted. PG&E shall not be deemed to have accepted any response or Abstract, until the Bidder and PG&E execute a definitive agreement.
- Responding to this RFA does not commit or obligate PG&E to allow Bidder to participate in the second stage/RFP process, to pay, or reimburse any costs, fees or expense incurred in the preparation of or submittal of Bidder's Abstract.

#### **W. WAIVER OF CLAIMS**

The Bidder, by submitting its Abstract in response to this RFA, waives any and all claims against PG&E or PG&E property by reason of any or all of the following:

- Any aspect of this RFA;
- The selection process or any part thereof;
- Any informalities, or defects in the selection process;
- Any statements, representations, acts, or omissions of PG&E;
- The exercise of any discretion set forth in or concerning any of the foregoing; and
- Any other matters arising out of all or any of the foregoing.

## APPENDICES

### X. COMMON DEFINITIONS

**ABAL:** Annual Budget Advice Letter

**Avoided Costs:** Avoided costs refers to the incremental costs avoided by the investor-owned utility when it purchases power from qualifying facilities, implements demand-side management, such as energy efficiency or demand-response programs, or other wise defers or avoids generation from existing/new utility supply-side investments or energy purchases in the market. Avoided costs also encompass the deferral or avoidance of transmission and distribution-related costs. (D.08-01-006, Footnote 2)

**Baseline Data:** The state of performance and/or equipment that what would have happened in the absence of the program induced energy efficiency.

**Bidder:** The entity submitting an abstract and/or bid Proposal to PG&E to perform Work

**Business Plan (BP):** [Document](#) outlining PG&E's high-level approach to achieving state energy efficiency policy goals through 2025 as directed by the [Decision](#) (D.) 15-10-028

**Change Order:** A revision or modification to the Contract reflected on a PG&E Field Order form or a PG&E Change Order form.

**Competitive Solicitation:** The process whereby parties are requested to submit bids offering innovative approaches to energy savings or improved program performance.

**Contract:** This executed master service agreement between PG&E and Contractor, including the cover page signed by each Party, each CWA, the Specific Conditions and these General Conditions, together with any and all attachments and exhibits, all of which together shall constitute the Contract.

**Contractor or Consultant:** The entity or entities entering into this Contract with PG&E to perform the Work.

**Contract Opportunity Announcement (COA):** A COA is the document/announcement PG&E utilizes to communicate future solicitation opportunities. Each COA defines the type of contract, estimated contract value, location, deadline and opportunity description.

**Cost Effectiveness:** An indicator of the relative performance or economic attractiveness of any energy efficiency investment or practice when compared to the costs of energy produced and delivered in the absence of such an investment.

**CPUC:** The California Public Utilities Commission.

**Criteria:** These are elements that are part of how PG&E scores bids. Examples include but are not limited to: Proposed Team, Expertise in Energy Efficiency, Conflicts of Interest, Supply Chain Responsibility.

**Custom Measures/projects:** Energy efficiency efforts where the customer financial incentive and the ex ante energy savings are determined using a site-specific analysis of the customer's facility (D.11-07-030 page 31).

**Customer:** Any person or entity that pays an electric and/or gas bill to an IOU or CCA and that is the ultimate consumer of goods and services including energy efficiency products, services, or practices.

**Customer Segments:** Residential, Commercial, Industrial, Agricultural, and Public

**CWA:** Contract Work Authorization. If specified in the Specific Conditions of this Contract, Work may be assigned to Contractor through CWAs which are signed by both PG&E and the Contractor. The terms and conditions of this Contract shall apply independently to each CWA executed by both Parties.

**Day:** Unless otherwise specified, reference to a “day” means a calendar day.

**Deemed Measure:** A prescriptive energy efficiency measure

**Disadvantaged Communities (“DAC”):** Pursuant to Section 39711 of the Health and Safety Code, the California Environmental Protection Agency (“CalEPA”) developed a means for identifying disadvantaged communities, which may include, but are not limited to:

(1) Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.

(2) Areas with concentrations of people that are of low income, high unemployment, low levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment.

**Distributed Energy Resources (“DER”):** Distributed energy resources (DERs) are electricity-producing resources or controllable loads that are directly connected to a local distribution system or connected to a host facility within the local distribution system

**Evaluation, Measurement and Verification (EM&V):** Activities that evaluate, monitor, measure and verify performance or other aspects of energy efficiency programs or their market environment.

**Energy Efficiency:** Activities or programs that stimulate customers to reduce customer energy use by making investments in more efficient equipment or controls that reduce energy use while maintaining a comparable level of service as perceived by the customer.

**EE Platform:** A platform is a ruleset that governs how regulatory objectives are connected to market actors and activities. A platform provides the ruleset to connect the two.

**EE Procurement Review Group (EE PRG):** Authorized by D.18-01-004<sup>1</sup>, advisory groups to the utilities with representation from Commission Staff, the Public Advocates Office, the California Energy Commission, consumer representatives, and non-market participants who 1) have no financial interest or other conflict of interest regarding the outcome of any EE solicitations, 2) ensures proper informal oversight and transparency for IOU procurements, and 3) provides timely feedback on materials and decisions made as part of the IOU procurement process.

**Energy Efficiency Programs:** Programs that reduce customer energy use by promoting

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<sup>1</sup> D.18-01-004, OP4, Conclusion of Law (COL) 11.

energy efficiency investments or the adoption of conservation practices or changes in operation which maintain or increase the level of energy services provided to the customer.

**Energy Efficiency Savings:** The level of reduced energy use (or savings) resulting from the installation of an energy efficiency measure or the adoption of an energy efficiency practice, subject to the condition that the level of service after the investment is made is comparable to the baseline level of service. The level of service may be expressed in such ways as the volume of a refrigerator, temperature levels, production output of a manufacturing facility, or lighting level per square foot.

**Grid Resource Program:** Program capable of providing measurable and verifiable energy savings aligned to the right time and location of grid needs.

**Hard-To-Reach (“HTR”) Customer:** Those customers who do not have easy access to program information or generally do not participate in energy efficiency programs due to a language, income, housing type, geographic, or home ownership (split incentives) barrier.

**Hard-to Reach (HTR) Program –** Program that derives a significant portion of its energy savings from HTR customers

**Independent Evaluator (IE) Consultant:** IE Consultant engaged to provide services to monitor, evaluate, and report information during the 3P EE Solicitation(s) from the RFA design to contract execution with selected bidder(s)

**Implementer (or, Program Implementer):** An entity or person that puts a program or part of a program into practice based on contacts or agreements with the portfolio manager.

**Independent Evaluator (IE) Consultant:** IE Consultant engaged to provide services to monitor, evaluate, and report information during the 3P EE Solicitation(s) from the RFA design to contract execution with selected bidder(s)

**Innovation:** Criteria for Demonstrating Innovation in California’s Third-Party Energy Efficiency Programs:

1. Deliver increased customer participation or installation of existing technologies per unit of program cost through cutting-edge, inventive recruiting techniques
2. Proactively seek and develop emerging technologies for the market via a program designed to demonstrate the costs and benefits to opinion leaders and decision-makers (i.e., manufacturing and distribution channel members) and increase market penetration in the technology market.
3. Seek out and develop new combinations of existing and new technologies, control systems or software to dramatically increase the anticipated savings from each component of the system due to synergies between components, which may be implemented elsewhere but are currently not in use in California.
4. Conceive and deliver new methods to increase the likelihood of program spillover effects (e.g., customers looking for more efficiency opportunities beyond those offered by the program) to other technologies or sustainability options by providing customers with increased awareness of program options and benefits, feedback on savings / performance data, and cross-program coordination that provides for seamless and ease of use on customer side.
5. Establish untapped relationships and channels (e.g., upstream such as manufacturing

processes) to effectively target and generate support for energy-related change leading to new outlets and greater economies of scale that increase permanent changes in the utilization of energy efficient products.

6. New marketing methodology and/or new implementation model.

7. Program utilizes advanced data analysis methodology

**Malicious Code:** Collectively, any malicious or unauthorized code, scripts, routines or techniques (including without limitation any virus, spyware, ransomware or other malware) that is designed to erase data or programming, or infect, impair, modify, record, take control of, disrupt, damage, destroy, disable, shut down or permit or cause unauthorized access to or misuse of a computer system or any component thereof.

**Market Transformation:** Decision (D.)09-09-047 (p. 354, OP 10) defines market transformation as “long-lasting, sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where continuation of the same publicly-funded intervention is no longer appropriate in that specific market. Market transformation includes promoting one set of efficient technologies until they are adopted into codes and standards (or otherwise adopted by the market), while also moving forward to bring the next generation of even more efficient technologies to the market.”

**Measures:** 1) Specific customer actions which reduce or otherwise modify energy end use patterns. 2) A product whose installation and operation at a customer’s premises results in a reduction in the customer’s on-site energy use, compared to what would have happened otherwise.

**Meter-based approach** – program must deliver verified energy savings that can be substantiated to a specific time and geographic location.

**NERC:** North American Electric Reliability Corporation, which enforces reliability standards with all users, owners and operators of the bulk power system in the United States.

**Non-Resource Program:** Energy efficiency programs that do not directly procure energy resources (i.e. generate energy savings themselves). Examples of non-resource programs include: marketing, outreach and education; workforce education and training; and emerging technologies.

**Party or Parties:** In the singular, PG&E or Contractor, and in the plural, both PG&E and Contractor.

**Pay-for-Performance** – program contract must operate with payment terms between PG&E and implementer contingent upon the successful delivery of verified energy savings.

**PG&E:** Pacific Gas and Electric Company, a California corporation.

**Platform:** See EE Platform

**Portfolio:** All IOU and non-IOU energy efficiency programs funded by ratepayers that are implemented during a program year or cycle. May also refer to a group of programs sponsored, managed, and contracted for by a particular IOU.

**PRG:** See EE Procurement Review Group

**Program:** A collection of defined activities and measures that

- are carried out by the administrator and/or their subcontractors and implementers,
- target a specific market segment, customer class, a defined end use, or a defined set of market actors (e.g. designers, architects, homeowners),
- are designed to achieve specific efficiency related changes in behavior, investment practices or maintenance practice in the energy market,
- and are guided by a specific budget and implementation plan.

**Proposal:** Bidder's firm bid quotation and package to perform Work

**Request for Abstract (RFA):** A request or invitation to bidders to submit information about their prospective programs. The bidder's RFA response needs to include a summary of the proposed program, approach, qualifications and experience, and indicative pricing.

**Request for Proposal (RFP):** A request or invitation to bidders to submit proposals to perform the work described in an attached SOW or specification. The terms "bid," "Response to RFP," and "proposal" are used interchangeably.

**Resource Programs:** Energy Efficiency programs that generate energy savings that are quantified and tracked by program administrators.

**Savings Delivery Window** – programs must align energy savings to the unique delivery window for each DPR are preferred. Energy savings delivered during times indicated by green are preferred, allowed during timeframes indicated by white, and not allowed during times indicated by red. Bidders should utilize this data to build an effective program design (i.e. within a defined planning region, target the appropriate customers with the appropriate measures to deliver savings within the savings delivery window specified for that planning region).

**Segment(s):** See "Customer Segments"

**Solicitation:** Activities for requesting, evaluating, selecting, and contracting for 3P EE services to procure energy savings.

**Statewide Program (SW):** Program delivered uniformly through the four investor-owned utility (IOU) territories, overseen by a single lead program administrator, and designed and delivered by one or more EE program implementers.

**Subcontract:** An agreement between Contractor and Subcontractor or between Subcontractors at any level for a portion of the Work under this Contract.

**Subcontractor:** Party or parties entering into a Subcontract with Contractor or another Subcontractor to perform a portion of the Work covered by the Contract.

**Third-Party (3P) Energy Efficiency (EE) Program:** A program proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility program administrator.

**Work or Services:** All services (including but not limited to professional, engineering,

analytical and other consulting services), labor, supervision, materials, equipment, actions and other requirements to be performed and furnished by Contractor under this Contract.

## Y. REFERENCE MATERIALS

### Relevant Decisions:

- California Public Utilities Commission (CPUC) Decision [D] 09-09-047: Decision Approving 2010-12 Portfolios and Budgets (Includes definition of market transformation)
- CPUC Decision 10-04-029: Decision Determining EM&V Processes for 2010-12 EE Portfolios
- CPUC Decision 14-10-046: Decision Establishing EE Savings Goals and Approving 2015 EE Programs and Budgets (Concludes Phase 1 of R. 13-11-005)
- CPUC Decision 15-10-028: Decision RE EE Goals for 2016 and Beyond, and EE Rolling Portfolio Mechanics
- CPUC Decision 16-08-019: Decision Providing Guidance for Initial EE Rolling Portfolio BP Filings
- CPUC Decision 17-09.025 Decision Adopting EE Goals for 2018-2030
- CPUC Decision 18-01-004: Decision Addressing Third Party Solicitation Process for EE Programs
- CPUC Decision 18-05-041: Decision Addressing EE Business Plans
- CPUC Decision 18-10-008: Decision Addressing Workforce Requirements and Third-Party Contract Terms and Conditions

### Reference Documents

- PG&E's 2019 Annual Budget Advice Letter (ABAL)
- PG&E's 2019 Supplemental ABAL filing
- (California) Senate Bill ("SB") 350: Clean Energy and Pollution Reduction Act of 2015
- (California) Assembly Bill ("AB") 32: California Global Warming Solutions Act of 2006
- Energy Efficiency Policy Manual, V.5
- California Long Term Energy Efficiency Strategic Plan – Updated 2011
- PG&E Energy Efficiency Business Plan (2018-2025)
- PG&E solicitations process proposal
- PG&E Energy Efficiency Programs Annual Report – May 2018: Third-Party Contract list
- Marin Clean Energy and PG&E Joint Memo 4000
- Marin Clean Energy and PG&E Joint Cooperation Memo
- BayREN and PG&E Joint Cooperation Memo