

**Welcome to the 3<sup>rd</sup> Party Energy Efficiency Solicitation FAQ Center**

**Background on 3<sup>rd</sup> Party Solicitation Efforts**

**Question 1: What is the background behind the third-party and Statewide procurement requirements?**

Answer 1: On August 25, 2016, the California Public Utilities Commission (CPUC or Commission) issued Decision (D.) 16-08-019 Providing Guidance for Initial Energy Efficiency Rolling Portfolio Business Plan Filings. The Decision addressed the transition for statewide and third-party programs, among other requirements. The Decision defined the terms “statewide” and “third-party,” as well as, established procurement requirements. Per D.16-08-019, Statewide efforts are required to comprise of at least 25%, on a budget basis, of each utility program administrator’s portfolio. Commission Decisions 18-01-004 and 18-05-041 subsequently modified the third-party requirement, and currently, utility program administrators are required to have at least 25% of their 2020 program year forecast budgets under contract by third parties by no later than December 19, 2019, and at least 40% and 60% under contract by December 31, 2020 and December 31, 2021, respectively.

**Question 2: What is the two-stage solicitation process that SCE follows for its solicitations?**

Answer 2: The solicitation is composed two-stages: Stage One – Request for Abstracts, and Stage Two – Request for Proposals.

During Stage One, SCE is looking for a broad spectrum of program ideas.

During Stage Two of this process, SCE will invite shortlisted Stage One participants to provide a comprehensive description of their program design, implementation strategies, a cost-effective analysis, as well as other operational details.

**Question 3: Must a market participant submit an Offer into this RFA in order to be eligible to submit an Offer in the RFP?**

Answer 3: Yes. An Offeror must participate in this RFA, submit an Abstract, and then also be shortlisted in order to receive an invitation to participate in the corresponding RFP.

**Question 4: Who is involved in SCE’s 3<sup>rd</sup> Party Solicitation efforts and what do they do?**

Answer 4: IOU (SCE in this case), the Procurement Review Group (PRG), and the Independent Evaluator (IE).

IOU: IOU receives proposals, scores proposals, negotiates contracts, enters into and manages contract with implementers.

IE: Provides the following services, per D. 18-01-004:

- a. Consultation and support to the PRGs.
- b. A report on each solicitation to be presented to the appropriate PRG.
- c. A semi-annual report on the overall process and conduct of the third party solicitations, to be filed in the relevant energy efficiency rulemaking proceeding.
- d. An individual report on the solicitation process resulting in any contract award valued at \$5 million or greater and/or with a contract term of longer than three years, to be submitted along with the Tier 2 advice letter seeking Commission review of such contracts.

PRG: Per D. 18-01-004, the PRG consists of members of non-financially-interested parties, including Commission staff and the Office of Ratepayer Advocates, with membership approved by the Director of the Commission's Energy Division. The PRG shall be consulted at all stages of the solicitation process, including, but not necessarily limited to reviewing each sector- or segment-specific solicitation plan, providing timely input into the draft solicitation language and evaluation criteria, and providing recommendations based on review of materials.

**Question 5: What are the key deadlines for the RFA/RFP?**

Answer 5: Deadlines are specific for each RFA/RFP. Please see the schedule listed in the RFA/RFP instructions.

### General Solicitation Questions

**Question 1: Can you elaborate on how many awards could win?**

Answer 1: SCE may select as many abstracts that qualify to proceed to the RFP stage of the solicitation and may select as many final Offers as needed during the RFP stage to meet portfolio needs.

**Question 2: Will bidders be notified if they do not advance?**

Answer 2: Yes.

**Question 3: Are joint ventures allowed for this proposal? If multiple market participants decide to collaborate, how many RFAs do they need to submit?**

Answer 3: Please see "Offeror Collaboration" in Section 1 of the RFA or RFP Instructions.

**Question 4: Will SCE be providing a list of contacts that are on the bidder's conference call or bidders registered for this Solicitation in order to facilitate partnering with other companies?**

Answer 4: No, SCE will not be providing a list of either the bidder's conference participants or bidders registered for the Solicitation.

**Question 5: For any key personnel we choose to list during the RFA, can we change those key personnel at the RFP stage? Or once they are listed in the RFA stage, then**

**must they remain the same through the RFP stage as well?**

Answer 5: Yes, the key personnel can change from the RFA to the RFP if you are selected to move onto the RFP stage. However, we would expect key personnel with comparable experience and/or capabilities to those included in the RFA stage. This applies to personnel and/or subcontractors in the RFA and RFP stages.

**Question 6: If market participants propose partnerships in the RFA stage and the partnership falls through, will Offerors' participation information be protected?**

Answer 6: All Offers are confidential in accordance with the non-disclosure agreement ("NDA") executed between SCE and such Offeror.

**Question 7: Are NDA's required for subcontractors? Do you expect a single NDA from the prime with the RFA, or an NDA from the prime and each of the subs with the RFA?**

Answer 7: One NDA is required between SCE and the party submitting the Offer. Offeror is required to comply with the provisions of the NDA.

**Question 8: May bidders submit an NDA executed with SCE for another RFA/RFP?**

Answer 8: Potentially, the NDA submitted must be substantially the same as the NDA required by the Solicitation.

**Question 9: Are Offerors going to get compensated for the work they put in in order to put together the RFA?**

Answer 9: No, Offerors are not compensated for work done in the development of Abstracts and/or Proposals.

**Question 10: Are new construction projects eligible as long as they are not the primary focus of the Offer? How will that overlap with the Statewide New Construction Program?**

Answer 10: If a new construction project is eligible for the Statewide New Construction Program, it must be submitted through that program.

**Question 11: If an Offeror has two distinct program designs (e.g., one for one sector and one for another sector) can they be submitted under the same RFA response, the same Offer Workbook?**

Answer 11: No, unless the two designs are mutually inclusive (e.g. SCE must select both Offers), the Offers should be submitted separately. Program designs submitted under the same RFA response will be reviewed together as single Offer. The Offer Workbooks should denote whether or not Offers are:

1. Mutually inclusive, where SCE must select both Offers,
2. Mutually exclusive, where SCE may not select both Offers together; or
3. Neither mutually inclusive nor mutually exclusive, where SCE may select any

combination of Offers.

**Question 12: Can SCE provide examples of what mutually inclusive and mutually exclusive means?**

Answer 12: Offer options can be mutually inclusive of other Offer Options (i.e., two Offer Options must be selected by SCE together). Offer Options can be mutually exclusive of each other (i.e., a group of Offer Options where SCE can only select one from the set; common when submitting multiple Offer Options for a program). For example:

Example 1: Offer 1 Option 1 is for three-year delivery period commencing on January 1, 2021. Offer 1 Option 2 is for a three-year delivery period commencing on January 1, 2021. Offeror indicates that Option 1 and Option 2 are mutually exclusive, which means that SCE can only select one of the Options, SCE may not select both Options.

Example 2: Company X proposes three Options, Offer 1 Option 1 targets Residential sector. Offer 1 Option 2 targets Commercial sector and Offer 1 Option 3 targets both Residential and Commercial sectors. Offer 1 Option 3 is mutually inclusive of Offer 1 Options 1 and 2.

Offerors must submit an Offer for each Customer Segment as a mutually exclusive Offer and can otherwise submit any iteration of mutually exclusive and mutually inclusive Offers.

To designate Offer options as either mutually inclusive or mutually exclusive, Offeror must first submit each individual Offer Option. **Offeror must indicate if Offer Options are mutually inclusive or mutually exclusive in their Offer Workbook.**

**Question 13: Will proposed changes to the EE Form Agreement be considered as part of SCE's RFP response evaluation?**

Answer 13: No.

**Question 14: What does "all-inclusive pricing on the offer" or "bid to the EE Form Agreement" mean?**

Answer 14: Each Offer's Savings Price must reflect the fully embedded cost to deliver the Contracted Amount Offered based on the EE Form Agreement, which includes (but is not limited to) pay-for-performance payment provisions, collateral, and potential SCE services, but excludes Portfolio Administrator Fee.

**Question 15: What cost does the percent adder by SCE for Portfolio Administrator Fee represent?**

Answer 15: SCE will add a percentage to the total Offer budget for all Offers to cover the Portfolio Administrator Fee for services that SCE must provide (e.g., contract performance management, CPUC/Regulatory compliance, etc.). For example, if the percentage is 10% and the total Offer budget for an Offer is \$5,000,000, then an additional \$500,000 will be added to the total Offer budget during valuation. This will impact the TRC of the Offer, please make note of this impact as the Offers are being designed. The Portfolio Administrator Fee provided does not include any Potential SCE services that the Offerors may request such as account

management services.

**Question 16: Please clarify whether the Portfolio Administrator Fee is based on a percentage of the total budget (incentive and non-incentive), or just the non-incentive budget.**

Answer 16: The Portfolio Administrator Fee is based upon the total budget of the program, both incentive and non-incentive budgets. Please do not include this fee in the total budget of the proposal.

**Question 17: Do Offerors have to include how much Offerors and Customers want to be compensated per kWh saved or is this determined by SCE?**

Answer 17: These amounts are determined by the Offeror.

**Question 18: Will the CPUC need to approve any Offers that SCE selects as a result of the Solicitation shortlist?**

Answer 18: Per Ordering Paragraph 2 of CPUC Decision 18-01-004, the IOUs are required to file a Tier 2 advice letter for each third-party contract, or a batch of third-party contracts, that are valued at \$5 million or more and/or with a term of longer than three years, for Commission review and approval.

**Question 19: Are there bonding requirements?**

Answer 19: Yes. For bonding requirements, please see the EE Form Agreement or CPUC Decision 18-10-008 Attachment A.

**Question 20: Is ISNetworld registration required, and is their penalty if not registered??**

Answer 20: If your program does not meet the criteria for safety tier 1 according to the classification guide, there is no requirement to register with ISNetworld. If your program does meet the criteria for safety tier 1, registration would be required prior to execution of the contract.

**Question 21: Does the prime contractor have to be SCE IT/Cybersecurity Questionnaire compliant if they never have any SCE data/confidential customer information on their server?**

Answer 21: Yes, the prime contractor will need to be compliant with SCE IT/Cybersecurity requirements.

### **Cost Effectiveness Calculator (CET) Related Questions**

**Question 1: The RFP/RFA Instructions reference Cost Effectiveness Calculator (CET). How familiar must an Offeror be with the Cost Effectiveness Tool (CET) and/or the California Energy Data and Reporting System (CEDARS) website?**

Answer 1: Currently, CET/CEDARS cost effectiveness evaluations are not required for the RFA phase, however, they will be required at the RFP phase. SCE encourages Offerors to review the CEDARS website (<https://cedars.sound-data.com/>) and its CET tutorials. Public CET/CEDARS workshops from 2018 and 2019 are posted on the PEPMA website (<https://www.pepma-ca.com/Public/PublicEvents.aspx?type=1>). Should Offerors have

any additional questions related to CET/CEDARS, they may be submitted to SCE via the question and response processes outlined in their respective RFA/RFP Instructions.

**Question 2: Can Offerors download past EE submissions data from CEDARS?**

Answer 2: Yes, past and current EE submissions data is available on CEDARS. Note that EE submissions data includes program implementation plans, budgets, goals, and performance data, but not information related to Solicitations or Offers.

**Question 3: Will SCE be approving Offerors' registration to CEDARS in order for Offerors to access past EE submissions data?**

Answer 3: No. When registering to CEDARS, Participants must choose "Community" under the "Affiliation" drop down menu, which does not require SCE's approval.

**Question 4: (a) Must Offerors register for an account on CEDARS in order to access EE submissions data?**

**(b) If not, would Offerors have a need to register for an account on CEDARS at all?**

Answer 4: (a) No, EE submissions data is available to all users whether registered or not.

(b) Registration is only needed to use the Cost Effectiveness Tool (CET), which is not a requirement of the RFA. CET inputs and outputs will be required of Offerors who are invited to participate in the RFP.

**Question 6: What version of the Cost Effectiveness Tool (CET) should I be using?**

Answer 6: CET Desktop Tool is not approved for submission. Please use the CET available on <https://cedars.sound-data.com> in order to run CET analysis. You must use "2020" for both "First Year" and "Avoided Cost."

**Question 7: How do I calculate Fuel Substitution Savings?**

Answer 7: Commission Decision (D.) 19-08-008 established new fuel substitution rules for energy efficiency, and the Energy Division has updated the CEDARS CET with a procedure to convert energy savings between fuels for fuel substitution measures. Information on this new procedure can be found in the [CET User Guide](#) under the heading 'How are fuel substitution measures handled in the CET'.

As of 1/1/2020, the CET identifies fuel substitution measures by Measure Impact Type (*MeasImpactType*). Fuel substitution Measure Impact Type [values](#) come from DEER and end with "FuelSub". Additionally, fuel substitution measures are expected to have positive savings for one fuel and negative savings for the other fuel. For fuel substitution measures, the CEDARS CET now converts savings to single fuel. If **Therm** savings are positive, the Therm savings are converted to kWh and the Therm savings are zeroed. If **kWh** savings are positive, the kWh savings are converted to Therms and the kWh savings are zeroed.

Conversion factors

- 1 Therm = 29.3 kWh

- 1 kWh = 0.03413 Therms

Note: This conversion procedure is performed after the CET run and only impacts energy savings (kWh and Therms). Cost effectiveness metrics (i.e. TRC) are still calculated from the original inputs **prior to** the conversion procedure.

**Question 8: What if I would like to use a non CPUC approved workpaper?**

Answer 8: Implementer will need to provide a Word document summarizing the assumptions and justifications of the CET input, especially if the assumptions are not based on CPUC approved values and methodologies (e.g., workpaper values, DEER values, etc.).

Workpaper will need to be CPUC approved by the expected delivery time of the claimed savings for that measure(s).

**Question 9: Is SCE open to the inclusion of hybrid measures developed by the Program Implementer, other IOUs, and/or CalTF as part of a program's deemed program design?**

Answer 9: Yes, as long as the associated workpaper(s) for the respective measure(s) will be CPUC approved and active at the time the program expects to offer them to eligible customers.

**The Curing Process**

**Question 1: What is the cure process?**

Answer 1: The cure process allows an Offeror to cure certain non-conforming information or uploaded documents from their Offer, provided the Offeror timely submitted such Offer.

**Question 2: How do I know if I need to cure anything and what I need to cure?**

Answer 2: SCE will issue a cure notice via email to applicable Offerors identifying the information or documentation such Offeror must cure and the deadline by which such cure must be completed.

**Question 3: What happens if I fail to comply with a cure notice?**

Answer 3: Failure to comply with the requirements of any cure notice may result in such Offer being disqualified from further consideration in the Solicitation.

**Question 4: Does the cure process allow bidders to augment their Offer's energy efficiency component of their bid?**

Answer 4: No, the cure process allows bidders to cure only minor deficiencies (e.g., certain omissions, such as failure to fill out or execute the representation form, failure to provide the participant's company address, failure to provide a complete primary point of contact information).

**Question 5: Is the cure process managed consistently across all Offerors?**

Answer 5: Yes, SCE applies the cure process consistently.

**Staying Connected**

**Question 1: How can I stay informed regarding the RFA/RFP?**

Answer 1: Once RFA has been released, the easiest way to keep up is to register for the Ariba event. Once you have been added to the event, you will receive regular solicitation updates (via the Ariba Message Board), view all documents, and receive important notifications.

**Question 2: How do I learn about Ariba functions?**

Answer 2: Help can be found in the Ariba help function in the upper right corner of the Ariba screen and by calling 1-866-218-2155.