

Disclaimer:

To avoid confusion, an inaccurate example from our presentation has been removed from what was presented on 4/15/2021. The material prepared is given in summation and does not constitute a complete record of events or activities. Information in this presentation is subject to change at anytime.

Bidders Webinar

Energy Efficiency Solicitation Team

April 15, 2021

Safety

April is Distracted Driving Awareness Month

- At 55 mph, sending or reading a text is like driving the length of a football field with your eyes closed

Safety

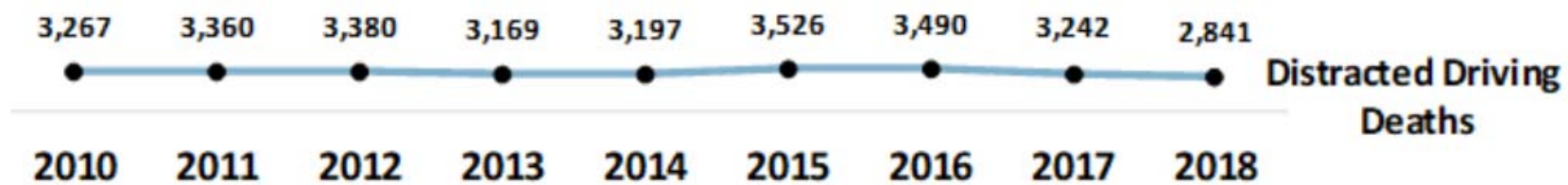
Tips:

- Do not multitask while driving.
- Passengers should speak up. Ask the driver to focus on driving.
- Passengers can help reduce distractions for the driver by assisting with navigation.

Safety

About 3,000 people die in crashes involving a distracted driver every year.

U.S. Motor Vehicle Crash Deaths, 2010–2018



Call-In Ground Rules

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- The only bad question is an unasked one.
- This is design to be more Q&A and Feedback than presentation, so the length of this webinar depends on the engagement of this group.
- Most importantly, participation.

Agenda

Agenda	Presenter	Start	End	Duration
Administrative – Safety, Ground Rules, Agenda	Zhong Li	9:00 am	9:05 am	5 mins
SCE Energy Efficiency Solicitation Overview	Zhong Li	9:05 am	9:15 am	10 mins
Discussions/Q&A	All	9:15 am	9:30 am	15 mins

SCE Energy Efficiency Solicitation Overview

Presenter:

Zhong Li

Southern California Edison – EE Solicitation PMO

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Third Party Solicitation Background

- Decision 16-08-019 (August 18, 2016)
 - Required each program administrator to have 60% of its portfolio third party designed and implemented.
 - Confidence in private sector to deliver cost-effective energy efficiency programs to customers.
 - The “third-party program” must be proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility program administrator.

Date	Third Party Percentage Minimum
By 09/30/2020	25%
By 12/31/2020	40%
By 12/31/2022	60%

Third-Party Solicitation Background (Continued)

- Decision 18-01-004 (January 11, 2018): Decision Addressing Third Party Solicitation Process for Energy Efficiency.
 - All utility program administrators proposed third-party solicitation plans complies with requirements of Decision 16-08-019.
 - Program administrator is required to have a Procurement Review Group (PRG).
 - Program administrator is required to hire a pool of Independent Evaluators (IE) with energy efficiency expertise.
 - All utilities should utilize a two-stage solicitation process for third party programs.
 - The utilities are responsible for the success of their energy efficiency portfolios including delivered savings.
 - The Commission should review any contracts valued at \$5 million or more and/or have contract terms longer than 3 years via a Tier 2 advice letter.

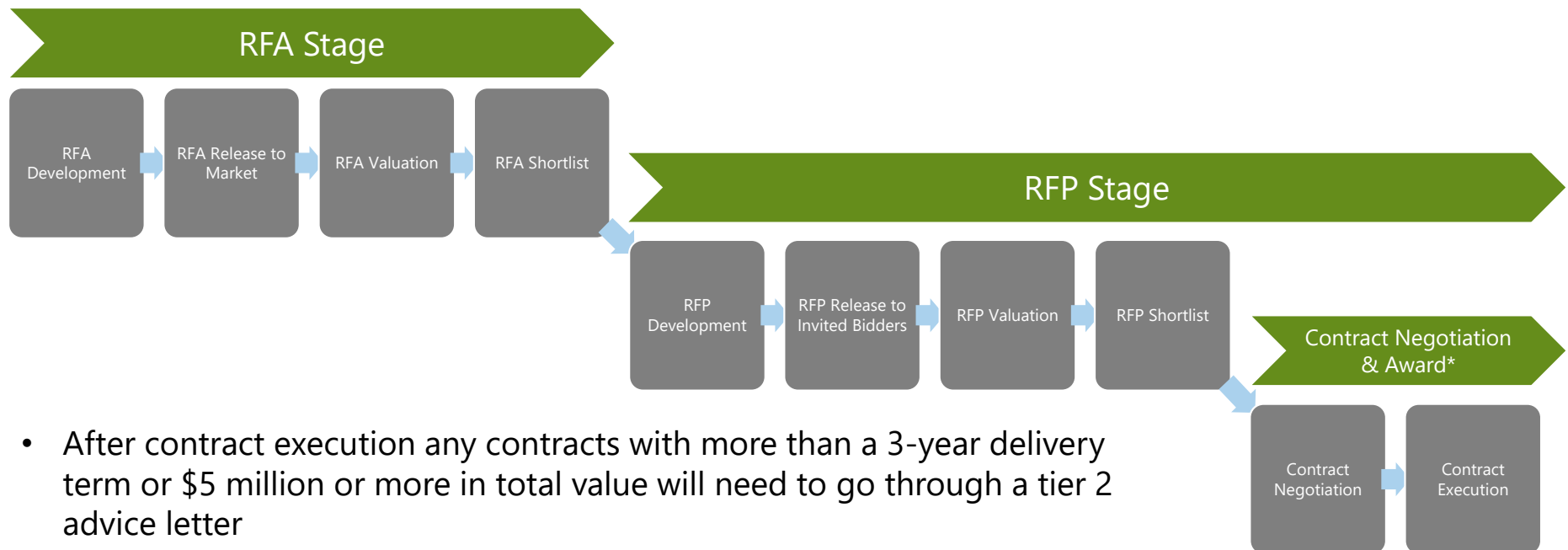
Procurement Review Group (PRG) Involvement

- PRG is required pursuant to CPUC Decision 18-01-004.
- PRG consists of non-financially interested parties, as well as CPUC staff including the Public Advocates Offices (PAO or CalAdvocates), consumer representatives, and non-market participants.
- PRG is involved at all levels of the solicitation process and may receive all Offer details.
- PRG functions in an advisory capacity to SCE.

Independent Evaluator (IE) Involvement

- IE is required pursuant to CPUC Decision 18-01-004.
- Currently working with three IEs: MCR Performance Solutions, Barakat Consulting, and Don Arambula Consulting.
- IE monitors SCE's solicitation activities, communication between SCE and Offerors and is copied on all correspondence.
- IE performs an independent review of the Offers and a detailed review of the valuation methodology and selection processes.
- The IE has access to the Offers.
- The IE review is not considered in the selection of the bids and is used to inform the PRG for oversight.

Overview 2 Stage Solicitation Process



- After contract execution any contracts with more than a 3-year delivery term or \$5 million or more in total value will need to go through a tier 2 advice letter
- All programs are required to have program implementation uploaded to CEDARS within 60 days of CPUC approval (if advice letter is required) or after contract execution

SCE's Portfolio Vision

- Contributes to building a cost-effective portfolio (TRC > 1.25).
- Employs performance-based portfolio
 - Balances the risk between ratepayer and Offeror, so the ratepayer does not bear the full financial risk
- Advances Innovation
 - Supports CPUC directive of soliciting EE "Innovation" from the market
- Meet regulatory mandates and CPUC goals
- Supports SCE's Role Transition
 - Transition from Program Implementer role to Portfolio Administrator (PA) role
 - SCE will rely on 3rd Parties to perform day to day program implementation work.
- Offer includes the entire end-to-end implementation process

SCE Solicitation Objectives

SCE prefers Offers that (including but not limited):

1. Are Cost Effective – TRC 1.25 or greater
2. Are Cost Efficient – Low \$/kWh
3. Are Innovative
 - a. Increase uptake of EE by advancing technology, marketing strategy, or delivery approach
4. Uses Pay-for-Performance Savings
 - a. Payment is tied to energy savings delivered
5. Reduces Market Barriers and/or Free-ridership
6. Improves customer experience
7. Contain IDSM integration solutions
8. Supports Disadvantaged (DA) Workers
9. Serves Hard-to-Reach and Disadvantaged Communities
10. Has embedded M&V elements that allows for better metric tracking and monitoring

Completed, Active and Upcoming Solicitations

- Completed Solicitations:
 - Local Residential, Commercial, Industrial (RCI) Programs
 - Statewide Lighting (SWL)
- Active Solicitations:
 - Statewide Emerging Technology Program
 - Local Public Sector
 - Local Agricultural Sector
 - Statewide Higher Education
 - Statewide Water/Wastewater Pumping
- Upcoming Solicitations:
 - TBD

Q&A

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SCE Energy Efficiency Solicitation Overview	Zhong Li	9:00 am	9:30 am	30 mins
Administrative – Ground Rules and Agenda	Zhong Li	9:30 am	9:35 am	5 mins
Welcome	Marissa Barrera	9:35 am	9:40 am	5 mins
Request for Abstracts & Proposals (RFA/RFP)	Amri Christianto	9:40 am	9:50 am	10 mins
Cost Effectiveness Tool (CET)	Jay Bhakta	9:50 am	10:00 am	10 mins
Complete & Conforming, Negotiations, and Agreement	Linda White	10:00 am	10:10 am	10 mins
Discussions/Q&A	All	10:10 am	10:50 am	40 mins

SCE Energy Efficiency Solicitation Overview

Presenter:

Marissa Barrera

Southern California Edison – EE Solicitation PMO

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RFA & RFP Phase of the Solicitation

Presenter:

Amri Christianto

Southern California Edison – EE Solicitation PMO

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RFA & RFP Instructions

Observations from the completed Local Residential, Commercial and Industrial Sectors and the Statewide Lighting Solicitations:

- Read the Instructions carefully.
 - 20% of Offers submitted at the RFA phase did not pass complete and conforming:
 - Missing documentation
 - Missing required information
 - No cure response
 - Several Offers submitted at the RFP phase did not pass complete and conforming:
 - Ineligible Offers
- All important dates are outlined in the Instructions under solicitation schedule.
- All Offerors has a chance to submit written questions prior to the Offer Submittal Deadline.
 - Solicitation schedule has the last day to submit these written questions.
- Third party designed and implemented programs.

Qualitative Response Form

Lessons Learned from the completed Local Residential, Commercial and Industrial Sectors and the Statewide Lighting Solicitations:

- Offer narrative is no longer requested.
- Received feedback to change from excel format to word.
- Adhere to word limit for each response.
- Be concise and detailed.
- Insert actual table, not a picture of the table.

Offer Workbook & IT Checklist

Reminder for the Offer Workbook:

- Complete all sections of the workbook

IT Checklist during the RFP Phase:

- Complete IT checklist
- 5 questions
 - Network & System Related Access
 - Data/Information Classification Related
 - Work Type Related

Bidders' Conference

Prior to the Bidders' Conference:

- Read the RFA & RFP Instructions
- Prepare questions you may have for the Q&A portion
 - NDA
 - Offer Workbook
 - Complex items

Purpose of the Bidders' Conference:

- Provide an overview how to submit a complete bid package
- Review solicitation requirements and preferences
- Review key provisions of the EE Form Agreement
- Explain SCE's valuation and assessment process
- Review CET updates and best practices/tips (RFP Bidders' Conference)

Best Practices:

- Have appropriate people from your firm to attend

CET Tips From RCI and SWL

Presenter:

Jay Bhakta, P.E.

Southern California Edison – Engineering Services

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CET Reviews: Local RCI and SWL

As a part of the Local RCI and Statewide Lighting solicitations SCE reviewed 20 CET submissions

- We had two “Cures”: Cure 1, Cure 2 and Final Review
- Based on our reviews, the Engineering Team compiled a list of the most common issues/errors the we observed.
- November 4, 2020
 - A new CET Input Guide [v.1] was developed to assist third party implementers in developing CET inputs. Further details are discussed [https://cedars.sound-data.com/cet ui/cet-user-guide/](https://cedars.sound-data.com/cet-ui/cet-user-guide/)
 - Please follow the instructions in [CET Input Guide \[v.1\]](#) when running CETs for multiple programs and multiple years

CET Reviews: Most Common Errors

Based on our CET Reviews for Cure 1, 2 and Final Review, the here are the most common errors:

1. We received measures in CETs that are not eligible. Please ensure that you submit eligible measures. (e.g., having residential measures for a commercial program would be an issue.) ~ 75% of the CETs had this issue
 - a. CPUC approved workpapers are located on deeresources.net - Ensure "Current Revision" column is marked "TRUE"
2. Custom savings methodology was not clear and difficult for our Engineers to evaluate if measure would qualify. ~ 60% of the CETs had this issue

CET Reviews: Most Common Errors – Cont.

Based on our CET Reviews for Cure 1, 2 and Final Review, the here are the most common errors:

3. Technology load shapes that were used inappropriately or seemed incorrect. (e.g., residential measure that was using a commercial load shape) ~ 30 % of the CETs had this issue
 - a. Ensure you have the correct workpaper
 - b. Ensure that you are using the correct Avoided Cost Combination for the CET input
4. Based on previous CPUC guidance, make sure that your measures can be delivered through the appropriate delivery channel. ~15% of the CETs had this issue

CET Reviews: Other Errors

Based on our CET Reviews for Cure 1, 2 and Final Review, here are a few additional errors:

- Measures classified as Hard-to-Reach (HTR) must indicate a specific delivery type and utilize HTR-specific NTG IDs.
- Certain NTG IDs listed in the READi table require specific savings calculations methodologies (e.g., lumen bin, delta-watts reduction, wattage reduction ratio) that must be clearly stated in the Assumptions.
- Please provide appropriate values as allowed for by the READi table for a given EUL ID. (Example: invalid Use Category or Market Sector combinations)
- The EUL used for a measure should match the default EUL - otherwise, it needs to be explained in the Assumptions. (unless the RUL is 0 for an AOE or AR measure, which should use 1/3 of the default EUL instead).

CET Planned Changes to Cure Comments

For Local RCI and Statewide Lighting, we had 2 Cure opportunities:

- Provided uniform responses to ensure consistent feedback
- We have improved the process to include more specific feedback and provide more clarity for the CET inputs
- SCE has incorporated these changes into the currently active and upcoming solicitations

Complete and Conforming Process SCE EE Form Agreement

Presenter:

Linda White

Southern California Edison – Supply Management

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Supplier Diversity

- SCE encourages Women-Owned, Minority-Owned, and Disabled Veteran-Owned Business Enterprises and Lesbian, Gay, Bisexual and/or Transgender Business Enterprises (“Diverse Business Enterprises” or “DBE”) to participate in this Solicitation
- CPUC General Order (GO) 156 (<http://www.cpuc.ca.gov/generalorders/>) sets the rules governing the development of programs to increase participation of Diverse Business Enterprises in procurement of contracts from utilities as required by CPUC Code
- Information on SCE’s Supplier Diversity Program can be found on the following SCE website: <http://www.sce.com/sd>

Offerors can help SCE achieve its GO 156 goals in the following ways:

- Participate as a qualified DBE Bidder
- Participate as a qualified DBE subcontractor(s) to a Bidder (Tier 2 subcontractor)
- To be qualified, DBE owned companies (Bidders or Subcontractors) must register with the CPUC Supplier Clearinghouse at (<http://www.thesupplierclearinghouse.com>)
- View **Article 2** of the Solicitation Instructions for more information

Complete and Conforming

- If your offer does not conform to the requirements in the Instructions, some items can be cured
- You will receive a cure notice with complete instructions.
- Top Complete and Conforming Issues
 - Not properly identifying Company name and state of registration in NDA
 - Confirming Technical Evaluators or IOU Affiliates.
 - Not using the proper NDA document.
- Top Ineligible Offers
 - RFP Offers not in line with the RFA offer.
 - Incomplete workbook.

Negotiations and Agreement

- It is highly recommended to have an attorney review the agreement and attend negotiation meetings.
- First meeting - present program and respond to SCE questions.
- Identify subject matter experts for each area of the contract and your offer and have them available for meetings and contract review.
- Allow flexibility for scheduling SCE negotiation meetings.
- Respond to SCE redlines as soon as possible to come to an agreement in a timely manner.

Negotiations and Agreement

- Note that your initial offer should be based on the Agreement with no redlines.
- Last, best, and final pricing is adjusted based on the negotiated agreement.
- The agreement has terms (noted with blue highlights) that are **not negotiable**. This is based on CPUC Decision 18-10-008

Key Takeaways

- The RFA/RFP Instructions must be followed.
- Having key SMEs available during key steps of the solicitation process.
 - CET resource
 - Attorney
- Respond to requests with detail and as soon as possible.
- Schedule flexibility during negotiations.

Q&A

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