

**PACIFIC GAS AND ELECTRIC COMPANY'S
2021-2026 ENERGY SAVINGS ASSISTANCE (ESA) PROGRAM
SOLICITATIONS PLAN**

SOLICITATION OVERVIEW

Decision (D.) 21-06-015, Ordering Paragraph (OP) 109 requires the investor-owned utilities (IOUs) to communicate their solicitation plans to the service list. Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas), and San Diego Gas & Electric Company (SDG&E) must jointly communicate to the proceeding service list within 90 days after the approval of the Decision.¹

As of the date of this submission, PG&E plans to run four solicitations for its Energy Savings Assistance (ESA) Programs² for Program Years 2022-2026:

1. Main ESA (Basic/Plus) Program
2. ESA Bulk Materials Purchasing Program
3. ESA Plus/Deep Pilot (also called the Energy Division Staff Pilot)
4. ESA Multifamily Whole Building (MFWB) Program.

PG&E's ESA Programs Solicitation Plan builds on the framework of the Third-Party Energy Efficiency Solicitation Plan³ and incorporates requirements outlined in D. 21-06-015 to detail its vision for enabling third parties to deliver ESA programs that meet savings and cost effectiveness objectives. PG&E's ESA Programs Solicitation Plan provides:

- a) projected solicitation timing,
- b) an overview of stages/process the solicitation will follow,
- c) the platforms/websites bidders can expect to find, or be alerted of upcoming solicitations,
- d) any other already known contract scope, bidder eligibility requirements, or other information to help potential bidders prepare and
- e) whether a Procurement Review Group (PRG) and Independent Evaluator (IE) will be used in the solicitation process.⁴

¹ D.21-06-015, p. 497, OP 109.

² The Main ESA (Basic/Plus), ESA Plus/Deep Pilot, and ESA MFWB Programs were authorized and defined in D.21-06-015; see Tables 4, 5, and 6 herein for program details. The fourth solicitation is for a vendor to manage Bulk Materials Purchasing for PG&E's Main ESA Program to help ensure competitive ESA material costs.

³ D.18-01-004 addressed the required process for third-party solicitations in the context of the rolling portfolio energy efficiency programs overseen by the investor-owned utility (IOU) program administrators (PAs).

⁴ D.21-06-015, p. 497, OP 109.

A. PG&E Program Solicitation Schedule: Main ESA (Basic/Plus), ESA Bulk Materials Purchasing, ESA Plus/Deep Pilot, and ESA Multifamily Whole Building (MFWB) Programs

**Figure 1: PG&E’s Proposed Solicitation Timeline
(Schedule may be subjected to change at IOU’s discretion)**

IOU	Year	2021				2022				
		Quarter	Q3	Q4		Q1	Q2	Q3	Q4	Q1
PG&E	Main ESA (Basic/Plus) Program	RFP Prep	RFP	RFP Interview and Negotiation	Execute Contract	Program Launch				
PG&E	ESA Bulk Materials				RFP Prep	RFP	RFP Interview and Negotiation	Execute Contract	Program Launch	
PG&E	ESA Plus/ Deep Pilot	RFP Prep	RFP	RFP Interview and Negotiation	Execute Contract	Program Launch				
PG&E	MFWB	PRG / IE Setup	RFP Prep	RFP	RFP Interview and Negotiation	Execute Contract	Program Launch			

Figure 1 highlights PG&E’s proposed solicitation timeline for Main ESA (Basic/Plus), ESA Bulk Materials Purchasing, ESA Plus/Deep Pilot, and ESA MFWB programs between Q3 2021 and Q4 2023. This plan relies on a manageable number of solicitations — four Requests for Proposals (RFPs) over the course of 22 months. These RFPs are staged to rotate through each income qualified sector during that timeframe and is intended to establish the baseline portfolio of income qualified programs. Going forward, future targeted RFPs may be launched as needed depending on ongoing portfolio needs.

During this time, PG&E plans to continue programs that have not been replaced by new third party programs to ensure that customers have access to income qualified programs and services. By the start of 2023, PG&E anticipates a new, refreshed portfolio of income qualified programs that are positioned to achieve deeper savings and cost-effectiveness targets.

B. Solicitation Process: Main ESA (Basic/Plus), ESA Bulk Materials Purchasing, ESA Plus/Deep Pilot, and ESA MFWB Programs

PG&E aims to develop an open, fair, and competitive process that will enable bidders to create high quality proposals. To execute this strategy, PG&E plans to use a single stage RFP followed by a two-step bidder selection process for all four programs.

The entire workflow process showing the single stage RFP with two-step bidder selection process is illustrated by Figures 2, 3, and 4. The two-step selection process is detailed below:

- **Step 1: Bidder Shortlisting** – Potential bidders are instructed to prepare a full program proposal and respond to RFP Questionnaire. To the extent possible, PG&E intends to provide RFP participants with data to enable them to design and propose the highest quality and cost-effective programs. Proposals will be evaluated by means of qualitative and quantitative criteria. After review of the RFP response submissions and bidder’s proposal, a smaller selected pool of these bidders will be invited to advance to Step 2.

- **Step 2: Shortlisted Bidder Interviews**

Selected bidders will be invited to answer specific questions and provide presentations during in-person and/or video/tele-conferenced interviews.

After Stage 1 RFP and two-step selection, the final bidder will be selected for contract negotiations.

Figure 2: Proposed Main ESA (Basic/Plus) and ESA Bulk Materials Purchasing Programs Framework and Workflow

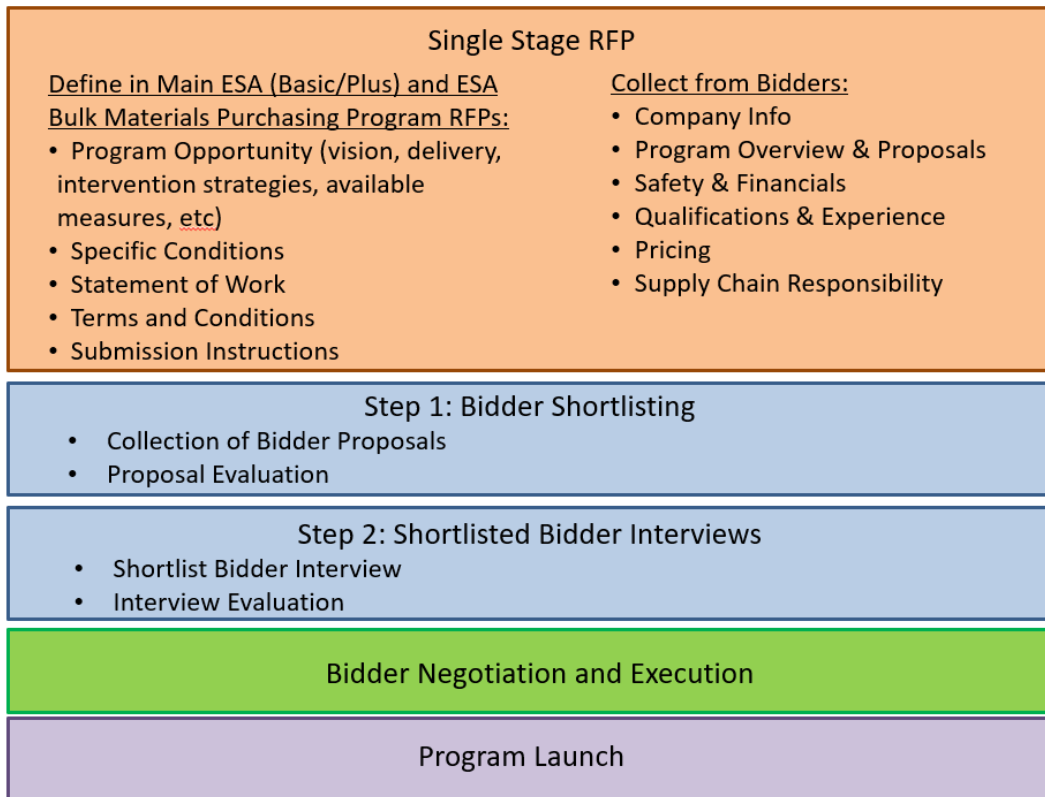


Figure 3: Proposed ESA MFWB Program RFP Framework and Workflow

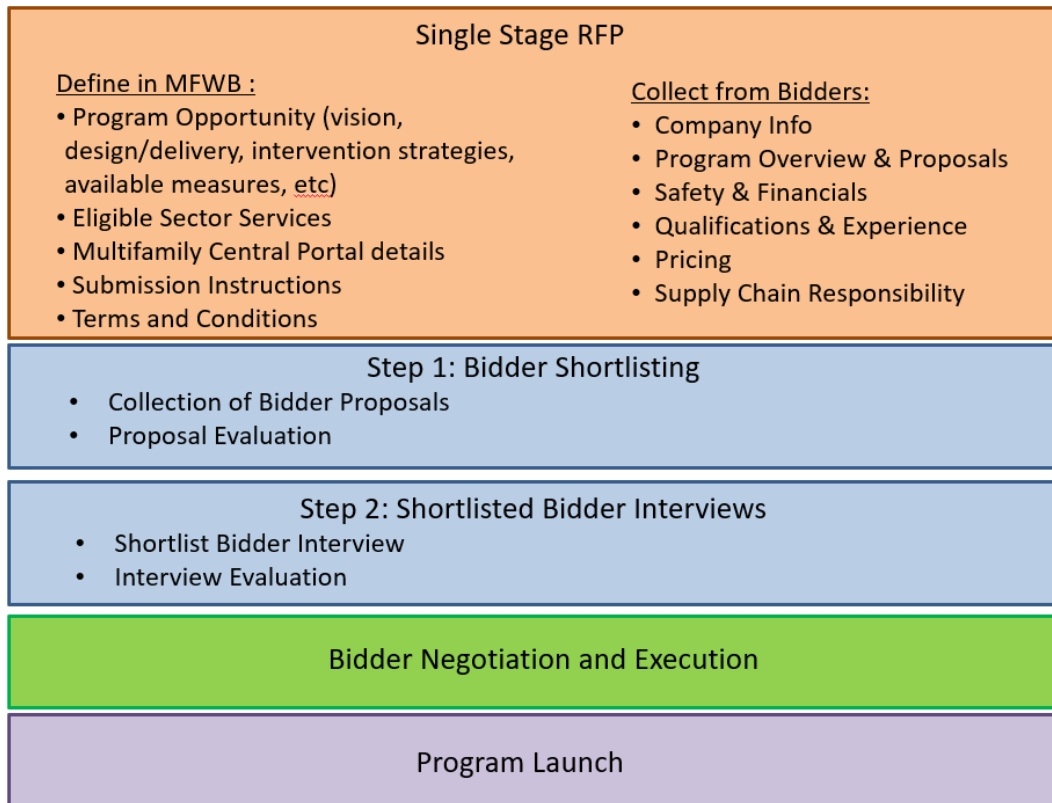
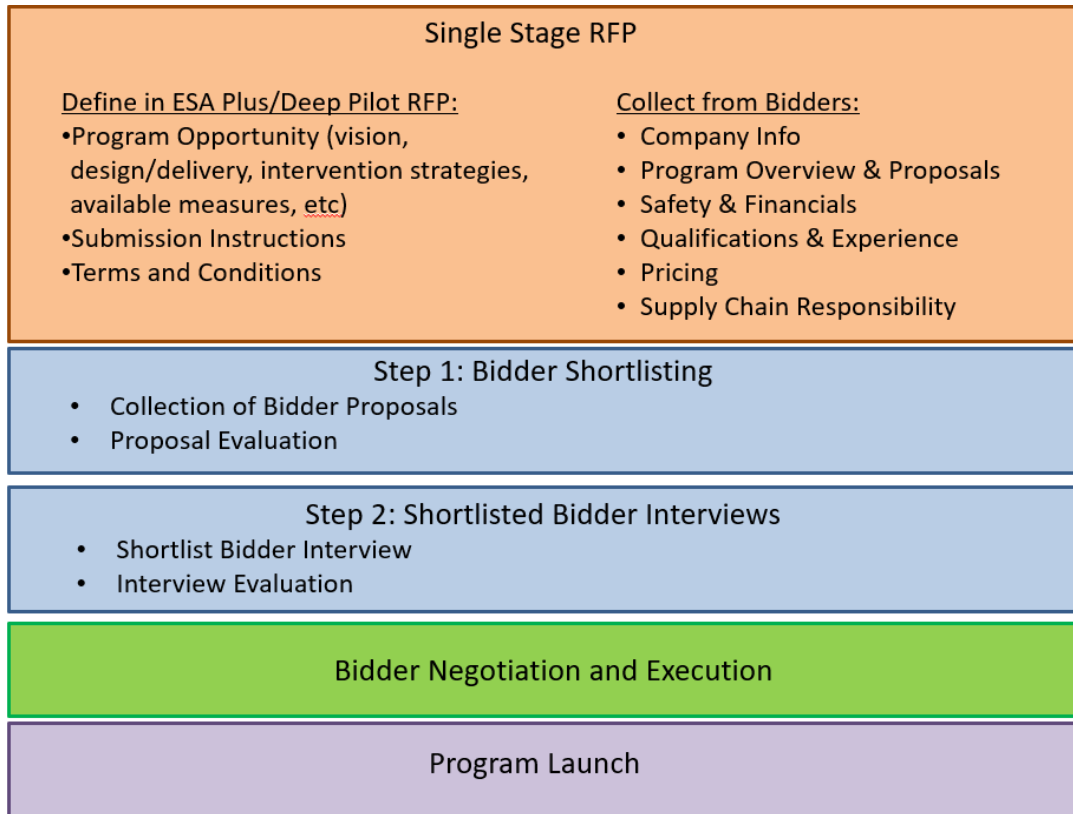


Figure 4: Proposed ESA Plus/Deep Pilot RFP Framework and Workflow



C. **Solicitation Notifications and Vendor Outreach: Main ESA (Basic/Plus), ESA Bulk Materials Purchasing, ESA Plus/Deep Pilot, and ESA MFWB Programs**

A prepared and informed bidder pool is foundational to the success of PG&E's solicitations. PG&E will use multiple channels to ensure widespread notification of ESA Program Opportunities. These channels are described under the Solicitation Notifications and Vendor Outreach section below. The IOUs plan to prepare and educate the marketplace for the upcoming solicitations through a series of outreach events and PG&E will host one Bidders' Conference to better prepare the bidders to submit high quality and economically feasible proposals. Such support will be especially valuable to new participants. Subject to antitrust rules and regulations, PG&E will work with the other IOUs to seek vendor and stakeholder feedback, and incorporate lessons learned, to maximize outreach and education of potential participants in competitive solicitations.

Solicitation Notifications and Vendor Outreach

PG&E plans to use several channels to notify participants and interested stakeholders about these ESA Program third party program solicitations. These channels include but are not limited to: Proposal Evaluation & Proposal Management Application (PEPMA), individual IOU websites, the California Energy Efficiency Coordinating Committee (CAEECC) website. PG&E will notice various Commission service lists in proceedings that are related or impact the ESA income-qualified communities of the solicitations as they are released for bidding. Examples of these proceedings are Energy Efficiency Rulemaking (R.)13-11-005), Low Income Application (A.)19-11-004 et. al., and Disadvantaged Communities in San Joaquin Valley R.15-03-010. PG&E will also engage with various organizations to disseminate solicitation information to their members and stakeholders, such as: community-based organizations (CBOs), the Low-Income Oversight Board (LIOB) and Disadvantaged Communities Advisory Group, etc.

Bidder's Conference

PG&E will host a Bidders' Conference to provide prospective bidders general information on essential administrative requirements for successful participation in the RFPs. The presentation will include topics such as basic qualifications (e.g., what constitutes an acceptable bid, and qualification process); compliance requirements, such as cyber and third party security review, data access requirements, and contractor safety requirements, discussed above; insurance requirements, and diverse businesses. The Bidder's Conference will also include an overview of income qualified program related resources and where to locate them, such as the ESA Statewide Process and Procedure Manual, the Statewide Installation Manual, and the California Standard Practice Manual.

D. **Contract Scope and Bidder Eligibility Requirements**

PG&E understands that providing clear and consistent direction to stakeholders is critical to receiving quality proposals and implementing effective programs. Table 2 presents samples of the types of information that may be included in the solicitation package:

Table 2: Overview of Sample Content Included in RFPs

Sample RFP Content
<ul style="list-style-type: none"> • Registration and Bidder Prequalification Requirements • Proposal Submittal Procedures • RFP Schedule • Bidders’ Conference Detail • Income qualified program related resources • Scope of Work and Specific Conditions (if applicable) • RFP Questionnaire • General Terms and Conditions • Safety Questionnaire • Supply Chain Responsibility Questionnaire • Supplier Sustainability Questionnaire

At the RFP stage, the instructions will include the required information bidders will need to submit, PG&E ESA portfolio requirements, and standard and Commission mandated General Terms and Conditions to be included in a final negotiated contract. Although there may be variations between the IOUs of what is included and required in their respective RFP solicitations, PG&E’s RFP will seek to establish the following:

1. Obligations of the Parties
2. Contract budget
3. Contract term
4. Payment structure
5. Specific Condition requirements
6. Key Performance Indicators (KPIs)
7. Annual budget and performance review.

Prior to the bidder’s proposal being scored, each proposal must pass a minimum compliance review to ensure bidder eligibility with the need to provide their applicable license and all required information must be accurate, complete and meets PG&E’s requirements as set out in the RFP instructions. Proposals that pass the minimum compliance review will be evaluated using the remaining criteria applicable to the RFP in scoring the Bidder’s Proposal.

E. Additional Solicitation Information: Main ESA (Basic/Plus), ESA MFWB, and ESA Plus/Deep Pilot Programs

The following section describes the information needed to effectively design programs that meet PG&E’s portfolio needs for each ESA Program sector. Each section below provides an overview of PG&E’s vision and goals, followed by a summary of potential opportunities to consider when designing new programs.

Table 4: Main ESA (Basic/Plus) Overview

Main ESA (Basic/Plus) Program	
Vision	
To deliver on both energy savings and reduce hardships in the most cost-effective ways.	
Goals	
Savings Goal (2022-2026): 152.2 GWh, 14.6MW, and 6.2 M Therms	
Homes Treated Target (2022-2026): 278, 706 (including Single Family and Mobile Homes)	
Opportunities	
<p style="text-align: center;"><u>Trends</u> *</p> <ul style="list-style-type: none"> • Shift from household treatment model to an energy savings model. • More digitally engaged customers, with over 55% of low-income customer on My Account. • Less tolerance to current program model making enrollment more challenging. <p style="text-align: center;"><u>Sector Overview</u> *</p> <ul style="list-style-type: none"> • 64% of PG&E customers receiving CARE discount have not yet elected to participate in the ESA program. • From 1983 through the end of 2018, PG&E has treated approximately 2.14 million homes. <p>* Data Source: A.19-11-003. PG&E Testimony.</p>	<p style="text-align: center;"><u>Key Strategies</u></p> <ul style="list-style-type: none"> • Maximize participation for homes previously not opting in to be treated. • A focused effort to reach and treat high energy usage households. • Needs-based approach to customer segmentation to identify those with the greatest hardship and offer measures that address the specific needs states. • Test a “virtual energy coach” where customized energy management solutions are delivered with consistent and frequent communications with the intent to help customers improve their household EE and ease their energy burden

Table 5: ESA Multifamily Whole Building Program Sector Overview

ESA MWBP Program
Vision
To provide direct-installed weatherization and energy efficiency measures to achieve energy savings, improved health, comfort and safety for eligible income-qualified deed and non-deed restricted multifamily properties, including in-unit, common area and whole building services in the Northern California region.

Goals					
<u>Savings Goal (2023-2026): 76,960,131 kWh 2,992,244 therms</u>					
Multifamily Household Treatment Targets (2023-2026): 71,400 (including Common Area's and In-Units)					
Opportunities					
<u>Trends</u>			<u>Key Strategies</u>		
<u>Trends</u> *					
<ul style="list-style-type: none"> 56,464 MF sites identified in PG&E's territory, with 12,544 (23%) classified as condos 					
<u>Multifamily Site Types</u> *					
Type	Mixed-Use	Sites	%	Units	%
Apartment	No	41,268	73	1,053,871	68
Apartment	Yes	2,652	5	130,037	8
Condo	No	11,029	20	310,906	20
Condo	Yes	1,515	3	62,513	4
<u>Apartment styles Overview</u> *					
Style	Units per Building	Sites	%	Units	%
Garden	2-4	3,149	7	76,610	6
Low-Rise	2-4	8,608	20	57,656	5
Mid-Rise	2-4	15	0	127	0
Garden	5+	4,038	9	482,531	41
Low-Rise	5+	25,164	57	380,950	32
Mid-Rise	5+	2,906	7	171,394	14
Hi-Rise	5+	40	0	14,640	1
<u>Multifamily Residential (MFR) Units</u> *					
IOU	2-4 Units	5+ Units			
PG&E	11,772	32,148			
<ul style="list-style-type: none"> Develop a central customer MFWB portal to simplify the enrollment process. Streamline MF tenant and property treatment to provide single entry point. PG&E intends for its MFWB Program to serve both properties owners of both deed and non-deed-restricted building with at least 65% of households meeting ESA income requirements and to serve qualified MF low-income tenants regardless of property's qualification to participate in the MFWB Program. Leveraging with CSD LIWP to provide ESA funding for in-unit treatment measures that are common to the ESA and LIWP programs. Workforce outreach plans for leveraging existing available WE&T programs, a preference for hiring from DACs and local communities. The MFWB program should work towards maximizing a building's demand response technologies, greenhouse gas reduction, water-energy nexus, and the Health, Comfort and Savings (HCS) of 					

<p>Households that are MF (5+ units) **</p> <ul style="list-style-type: none"> • English 30% • Spanish 30% • Other 40% <p>Home Ownership of California income eligible households that are MF (5+ units) **</p> <ul style="list-style-type: none"> • Own 4% • Rent 96% <p><i>* Source: Res-Intel, PG&E Multifamily Market Characterization Phase II Final Report. DRAFT. June 7, 2021.</i></p> <p><i>** Source: Evergreen Economics, Low Income Needs Assessment for the Energy Savings Assistance and the California Alternate Rates for Energy Programs (LINA), Volume 2: Detailed Findings, December 2013 (based on 2011 Census PUMS data)</i></p>	<p>tenants.</p>
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Table 6: ESA Plus/Deep Pilot Overview

ESA Pilot Plus/Deep Pilot	
Vision	
Assist low-income customers in achieving energy savings of 5-50% by promoting equity, quality, and customer-centric solutions while optimizing total funding.	
Goals	
<p><u>Primary Goal:</u> Pilot Plus measure package: 5-15% savings and Pilot Deep measure package 15-50% energy savings</p> <p><u>Secondary Goals</u></p> <ul style="list-style-type: none"> • Equity: Single-family, owner-occupied homes; Increase program participation opportunities to renters • Quality: Deeper energy savings treatments of fewer households increasing the bill savings per home • Customer-centric: A seamless low-income program delivery for the recipients with as many services provided in as few visits as possible, and greater customer satisfaction • Optimization: Reduction in program administration, duplicative costs, and burdens to ratepayers; Maximize total funding to go towards program measures that save energy and/or reduce ratepayer collection 	
Opportunities	
<p><u>Trends</u> *</p> <ul style="list-style-type: none"> • High usage electric customers are situated in climate zones 11, 12, 13 and 14. • PG&E residential electricity usage spikes during late summer with a smaller peak in December and January. 	<p><u>Key Strategies</u></p> <ul style="list-style-type: none"> • Targeting high usage homes with interval data analytics to reach anywhere from 5-50% energy savings • Deeper investments in fewer homes increasing the impact of the treatment

<p style="text-align: center;"><u>Sector Overview</u> *</p> <ul style="list-style-type: none"> • Approximately 28% of PG&E customers are qualified for PG&E’s Low-income programs • Since 1983, PG&E has treated approximately 2.14 million homes through the end of 2018. <p>* Data Source: A.19-11-003. PG&E Testimony.</p>	<ul style="list-style-type: none"> • Consideration of electrification • New program models and financing to cost-effectively deliver comprehensive energy savings
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F. Solicitation Review by the PRG and IE

D.21-06-015 requires PG&E to run a solicitation process for Northern Multifamily Whole Building Program (MFWB).⁵ The solicitation process will utilize one low-income statewide Procurement Review Group (PRG) and one statewide Independent Evaluator (IE) to oversee the solicitation. The IE provides impartial technical assistance and advice at all levels of the solicitation process, working in concert with the IOUs and PRG to ensure the process is transparent, fair, and unbiased. The low-income statewide PRG will include members of non-financially interested parties, including Commission staff and the Public Advocates office, and represents diverse stakeholder interests. The statewide IE will come from the current IE pool. Both low-income statewide PRG members and the statewide IE will be approved the Energy Division Director.

D.21-06-015 does not require the use of a PRG and IE for any solicitation except the MFWB Solicitation. Given the timing and scheduling constraints of the other ESA Program solicitations, PG&E does not intend to use the PRG and IE process for the Main ESA (Basic/Plus), ESA Bulk Materials Purchasing or ESA Plus/Deep Pilot Program solicitations.

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⁵ D.21-06-15, pp. 356-358.