

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Concerning Energy
Efficiency Rolling Portfolios, Policies, Programs,
Evaluation, and Related Issues.

Rulemaking 13-11-005

**SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) ENERGY EFFICIENCY
THIRD-PARTY SOLICITATION PROCESS SEMI-ANNUAL INDEPENDENT
EVALUATORS' REPORT**

PUBLIC VERSION

Siobhán E. Murillo
Attorney for:
SAN DIEGO GAS & ELECTRIC COMPANY
8330 Century Park Court, CP32D
San Diego, CA 92123-1530
Telephone: (619) 616-0624
Email: smurill1@sdge.com

June 23, 2023

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Concerning Energy
Efficiency Rolling Portfolios, Policies, Programs,
Evaluation, and Related Issues.

Rulemaking 13-11-005

**SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) ENERGY EFFICIENCY
THIRD-PARTY SOLICITATION PROCESS SEMI-ANNUAL INDEPENDENT
EVALUATORS' REPORT**

Pursuant to Decision (D.) 18-01-004, Independent Evaluators have conducted a semi-annual assessment of the third-party Energy Efficiency program solicitation process and progress of San Diego Gas & Electric Company (SDG&E) for submittal to the California Public Utilities Commission in Rulemaking 13-11-005.¹

SDG&E hereby files this Semi-Annual Independent Evaluators' Report (Report) on behalf of the Independent Evaluators for the reporting period October 2022 through March 2023. This Report was not prepared by SDG&E. SDG&E was provided the opportunity to review the Report, but provided limited input into the drafting of the Report. SDG&E reserves the right to object to the content of the Report elsewhere in this Rulemaking. The Report is attached hereto as Attachment A.

DATED this 23rd day of June 2023, at San Diego, California.

/s/ Siobhán E. Murillo
Attorney for
SAN DIEGO GAS & ELECTRIC COMPANY
Siobhán E. Murillo
Attorney for:
SAN DIEGO GAS & ELECTRIC COMPANY
8330 Century Park Court, CP32D
San Diego, CA 92123-1530
Telephone: (619) 616-0624
Email: smurill1@sdge.com

¹ D.18-01-004 at Ordering Paragraph 5c.

ATTACHMENT A

SEMI-ANNUAL INDEPENDENT EVALUATORS' REPORT

**(CONFIDENTIAL INFORMATION HAS BEEN REDACTED FROM
ATTACHMENT A.**

**A CORRESPONDING MOTION TO FILE UNDER SEAL WILL BE FILED
WITH THE COMMISSION'S DOCKET OFFICE)**

Semi-Annual Report

SAN DIEGO GAS & ELECTRIC COMPANY

Third-Party Energy Efficiency Program Solicitations

Reporting Period: October 2022 through March 2023

Prepared by Independent Evaluators:

Barakat Consulting, Inc.

Don Arambula Consulting

MCR Corporate Services

June 2023

Disclaimer: This report includes sensitive and confidential information.

INDEPENDENT EVALUATORS' SEMI-ANNUAL REPORT

SAN DIEGO GAS & ELECTRIC COMPANY

TABLE OF CONTENTS

I.	Overview	1
A.	Purpose	1
B.	Background	1
C.	Overview of Solicitations	4
D.	IE Assessment of Solicitations	6
E.	Effective Solicitation Practices.....	8
F.	PRG Feedback on Solicitations	10
G.	Stakeholder Feedback from CPUC Workshops	10
II.	Attachments: Individual IE Semi-Annual Solicitation Reports.....	13
	Local Agriculture Solicitation	15
	Statewide Residential HVAC Quality Installation and Quality Maintenance Solicitation	17
	Local Behavioral Solicitation.....	41
	Local Industrial and Industrial-Port Tenants Solicitations.....	48
	Local Workforce Education & Training/Integrated Energy Education & Training Solicitation	50
	Small Business Outreach Solicitation.....	64
	Local Non-Residential Behavioral Solicitation.....	79
	Local Residential Equity Education & Outreach Solicitation.....	92

I. Overview

A. Purpose

The Independent Evaluators' (IE) Semi-Annual Report (Semi-Annual Report or Report) provides an assessment of San Diego Gas & Electric Company's (SDG&E or the Company), third-party energy efficiency (EE) program solicitation process, and progress by SDG&E's assigned IEs.

Each investor-owned utility (IOU) is required to select and utilize a pool of IEs with EE expertise to serve as consultants to the Procurement Review Group (PRG).¹ For the entire solicitation process, the IE serves as a consultant to the PRGs, participates in PRG meetings, and provides assessments of the overall third-party solicitation process and progress.² The IEs are privy to viewing all submissions, are invited to participate in SDG&E's solicitation-related discussions, and are bound by confidentiality obligations.

In Decision 18-01-004, the California Public Utilities Commission (CPUC) directed that a semi-annual report on the overall process and conduct of the third-party solicitations be filed in the relevant EE rulemaking proceeding.³ This Report is provided in response to this requirement and represents an assessment of the program solicitation activities conducted from October 1, 2022, through March 31, 2023. This Report provides feedback to SDG&E, the PRG, and other stakeholders on the progress of SDG&E's EE program solicitations in compliance with this CPUC direction.

This Report identifies areas for improvement and highlights effective practices as noted by the IEs based on SDG&E's current program solicitations. The Report does not replace the required Final IE Solicitation Reports, which each respective assigned IE will provide to SDG&E and its PRG after each solicitation. These reports will be provided periodically throughout SDG&E's entire third-party solicitation process.

B. Background

In August 2016, the CPUC adopted Decision 16-08-019, which defined a "third-party program" as a program proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility Program Administrator.

In January 2018, the CPUC adopted Decision 18-01-004 directing the four California IOUs, SDG&E, Pacific Gas and Electric (PG&E), Southern California Edison (SCE), and Southern California Gas Company (SoCalGas), to assemble an EE PRG. The IOU's PRG, a CPUC-endorsed

¹ Decision 18-01-004, OP 2.

² Id, p. 38.

³ Id, OP 5.c.

entity, is composed of non-financially interested parties such as advocacy groups, utility-related labor unions, and other non-commercial, energy-related special interest groups. The PRG oversees the IOU's EE solicitation process (both local and statewide), reviewing procedural fairness and transparency. This oversight includes examining overall procurement prudence and providing feedback during all solicitation stages. Each IOU periodically briefs its PRG⁴ throughout the process on topics including Request for Abstracts (RFA) and Request for Proposals (RFP) language development, abstract and proposal evaluation, contract negotiations, and program Implementation Plan development.

Minimum Threshold Requirement for Third-party Programs

The CPUC, in Decision 18-01-004, directed the IOUs to ensure their EE portfolios contain minimum percentages of third-party designed and implemented programs by predetermined dates.⁵ In November 2019, the CPUC granted IOUs various extension requests to meet the CPUC's initial 25% threshold requirement⁶ due to delays with the initial phases of the third-party solicitation efforts. Beginning December 31, 2022, the IOUs must maintain at least 60% of third-party programs within their EE portfolios. The IOUs are required to list their current third-party contracts, including an aggregate dollar value, in their Annual Energy Efficiency Reports on the CPUC's CEDARS reporting system.⁷

Guidance Letter from the Energy Division

On March 11, 2020, the Energy Division provided additional guidance to the IOUs in response to concerns raised during the semi-annual CPUC-hosted public workshops about solicitation delays:

Solicitation Schedules

- Allocate up to 12 weeks from RFA release to notification of bidders of invitation to respond to RFP.
- Allocate up to 15 weeks from RFP release to notification to bidders' invitation to contract negotiation.
- Execute contract 12 weeks after the invitation to contract negotiation unless IOU is conducting multiple negotiations within the same solicitation, the program is complex, or the agreement addresses challenging contract elements.
- Update the solicitation schedules in the next quarterly update.

⁴ At monthly PRG meetings and off-cycle meetings, as needed.

⁵ Decision 18-01-004, OP 1.

⁶ CPUC Letter to IOUs regarding the "Request for Extension of Time to Comply with Ordering Paragraph 4 of Decision 18-05-041", November 25, 2019.

⁷ Decision 18-01-004, OP 8.

RFA Guidance

- Adhere to the intent of the RFA stage explained in Decision 18-01-004.
- Refrain from requesting excessive detail in the RFA stage.

IOU Communication to Bidders

- Notify bidders of the status of the solicitation throughout the entire process.
- Provide better feedback to bidders by delivering on commitments made in response to stakeholder requests.
- Provide non-advancing bidders notification if their abstracts/proposals didn't advance due to being incomplete or non-conforming, a violation, or an unmitigated conflict of interest.
- After the June 30 and September 30, 2020, deadlines were met, Energy Division encouraged the IOUs to make feedback available to bidders notified prior to the date of this letter that they did not advance to the next stage of solicitations.

Energy Efficiency Portfolio Segments and Total System Benefits

In Decision 21-05-031, the CPUC approved significant changes to energy efficiency policy, most notably adopting a new metric for energy efficiency programs called Total System Benefit (TSB) and segmenting the energy efficiency portfolios into programs whose primary purpose are Resource Acquisition, Market Support, or Equity.⁸ Program Administrators are required to apply the TSB metric to program years 2024 and beyond.⁹ Generally, IOUs will conduct a solicitation for programs within one of these portfolio segments. A summary of the key objectives for each portfolio segment is presented below.

- **Resource Acquisition** – Programs with a primary purpose of, and a short-term ability to, deliver cost-effective avoided cost benefits to the electricity system. Short-term is defined as during the approved budget period for the portfolio. This segment should make up the bulk of savings to achieve Total System Benefits goals.
- **Market Support** – Programs with a primary objective of supporting the long-term success of the energy efficiency market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness.
- **Equity** – Programs with a primary purpose of serving hard-to-reach or underserved customers and disadvantaged communities in the advancement of the Commission's Environmental and Social Justice Action Plan; the objectives of such programs may include increasing customer safety, comfort, resiliency, and/or reducing customers' energy bills.

Single or Two-Stage Solicitation Approaches

Effective February 3, 2023, the CPUC allows the IOUs to launch either a single or two-stage

⁸ Decision 21-05-031, OP 2.

⁹ Id, OP 1.

solicitation approach for soliciting third-party program design and implementation services as part of the EE portfolio. The IOU is required to provide the rationale for conducting either a single or two-stage solicitation to its PRG.¹⁰

C. Overview of Solicitations

This Report represents a collection of individual IE assessments for each of SDG&E’s active program solicitations. The Report also provides an overview of solicitation activities and a high-level summary of issues and potential recommendations gleaned from the individual IE assessments for ease of review. The Report does not address solicitations for which SDG&E has yet to release an RFA.

Table C.1 lists each of SDG&E’s current third-party solicitations, including a breakdown of each solicitation, assigned IE, and status.

Table C.1: Solicitations Overview			
	Solicitations	Assigned IEs	Solicitation Status
1	Local Small Commercial	The Mendota Group	Complete
2	Local Large Commercial	The Mendota Group	Complete
3	Local Multifamily Residential	MCR Corporate Services	Complete
4	Local Residential Single-Family (SF) 1.0	Don Arambula Consulting	Canceled
5	Local Residential SF 2.0	Don Arambula Consulting	Complete
6	Statewide Plug Load and Appliance (PLA)	Don Arambula Consulting	Complete
7	Statewide Upstream/ Midstream Heating, Ventilation, and Air Conditioning (HVAC)	The Mendota Group	Complete
8	Local Public Sector Federal	MCR Corporate Services	Complete
9	Local Public Sector K-12	MCR Corporate Services	Complete
10	Local Government	Don Arambula Consulting	Complete
11	Local Agriculture	Barakat Consulting, Inc.	Contract Executed
12	Statewide Residential HVAC Quality Installation and Maintenance (QI/QM)	Don Arambula Consulting	Completed
13	Local Behavioral	MCR Corporate Services	Contract Executed
14	Local Industrial Sector	The Mendota Group	Contract Executed

¹⁰ Decision 23-02-002, OP 7.

Table C.1: Solicitations Overview

	Solicitations	Assigned IEs	Solicitation Status
15	Local Industrial Sector – Port Tenants	The Mendota Group	Contract Executed
16	Local Workforce Education & Training/Integrated Energy Education and Training	Barakat Consulting, Inc	RFP
17	Local Non-Residential Behavioral	Barakat Consulting, Inc.	RFP
18	Small Business Outreach	MCR Corporate Services	RFP
19	Local Residential Equity Education & Outreach	Don Arambula	Pre-RFA

Legend

Pre-RFA: Activities conducted before RFA release.

RFA: Includes bid preparation and evaluation period.

Pre-RFP: Activities conducted before RFP release.

RFP: Includes bid preparation and evaluation period.

Contracting: Contract negotiations are being held.

Contract Executed: Both parties signed the Contract.

Complete: All solicitation activities have been concluded and reported in prior Semi-annual reports.

Suspended: Solicitation held until a later date.

Canceled: Solicitation is withdrawn; scope may be included in a future solicitation.

During the entire current solicitation process, the following contracts have been executed and applied to SDG&E’s minimum third-party program threshold requirement as directed by the CPUC in Ordering Paragraph 4 of Decision 18-05-041.

Table C.2: Summary of Executed Contracts

Solicitation	Implementer	Program Name	Contract Execution Date	Contract Value ¹¹	DBE% ¹²
Local Small Commercial	Willdan Energy Solutions	Small Commercial Program	June 30, 2020	\$46,200,000	40.0%
Local Large Commercial	TRC Solutions, Inc.	Comprehensive Energy Management Solutions	June 30, 2020	\$45,681,894	7.2%

¹¹ All contract values as of March 31, 2022; final values will be reflected in Advice Letter filings and IE Final Reports.

¹² The Diverse Business Enterprise (DBE) spend is an estimate from the contracts to show the percentage of the budget that is expected to be contracted and/or subcontracted with DBE firms. Actual DBE spending will be reported by the IOU per General Order 156.

Table C.2: Summary of Executed Contracts

Solicitation	Implementer	Program Name	Contract Execution Date	Contract Value ¹¹	DBE% ¹²
Local Multifamily Residential	Synergy Companies	Residential Zero Net Energy Transformation Program	June 30, 2020	\$14,570,000	40.0%
Statewide Upstream/Midstream HVAC	CLEAResult Consulting, Inc.	Comfortably California Program	September 30, 2020	\$36,974,313	3.0%
Public Sector: Federal	TRC Solutions, Inc.	Federal Energy Program	July 1, 2021	\$18,360,000	6.3%
Public Sector: K-12	California Retrofit, LLC	K-12 Schools EE Program	July 1, 2021	\$10,501,926	100.0%
Local Government	Okapi Architecture	Climate Action Path for ZNE Program	June 3, 2022	\$9,164,924	100.0%
Local Residential Single-Family 2.0	Synergy Companies	Residential Energy Solutions	May 31, 2022	\$5,516,400	40%
Local Agriculture	Cascade Energy, Inc.	Ag-STAR	July 1, 2022	\$2,247,714	0%
Statewide Plug Load and Appliance	CLEAResult Consulting, Inc.	California Instant Rebate Program	January 19, 2022	\$47,878,624	6.0%
Local Industrial and Port Tenants	Cascade Energy, Inc.	SMART	August 31, 2022	\$15,950,957 ¹³	8.32 %
Statewide Residential HVAC QI/ QM	Frontier Energy, Inc.	Statewide Residential HVAC QI/QM Program	January 10, 2023	\$27,737,000	6.14%
Total				\$280,783,752	

D. IE Assessment of Solicitations

Table D.1 presents key observations gleaned from the individual IE reports on specific solicitations, as further detailed in Attachment II.

¹³ SDG&E selected Cascade Energy, Inc. to implement both the Local Industrial and Local Industrial/Port Tenants programs. SDG&E combined the two scopes into a single agreement during contracting.

Table D.1: Key Issues and Observations



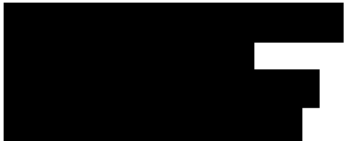

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
Liability Risk	SDG&E proposes that the Implementer waives its rights to all claims (injury, illness, property damage, etc.) arising from undisclosed defects, hazards, or any material on the SDG&E's properties.	This phrase seems to place an unreasonable risk exposure on the Implementer as the Implementer would likely be unaware of undisclosed hazards, and the provision should be removed by SDG&E.	The provision was not removed. SDG&E stated: This provision only applies to situations where the Implementer is coming onto SDG&E property in connection with our work, which should rarely, if ever, happen.
Advancing Efficient Contract Negotiations	The contract negotiations and execution period typically exceed the CPUC's suggested 12 weeks.	SDG&E should work with its PRG and collective IEs to implement new tactics (e.g., standardized negotiations schedule, address major issues at the onset, etc.) to improve the overall timing of its contract negotiations phase.	SDG&E will continue collaborating with its PRG and collective IE pool on this issue.
IOU Reporting to the PRG	The IOU provided monthly updates to its PRG. The monthly updates do not always include emerging issues arising in negotiations.	SDG&E should provide more written detail in its presentation on emerging issues and bidder concerns.	SDG&E states that they will provide additional detail as necessary.
			
Number of evaluators	In the past, SDG&E has often had three evaluators at the RFA stage and only two for the qualitative portion at the RFP stage. For a balanced calibration process, there should be more evaluators.	Have at least three evaluators for the qualitative portion of the proposals.	SDG&E has adopted the recommendation for this solicitation
RFP page limits	A bidder requested an increase in page limits for some sections of the RFP. We agree that the Program Design and Program Operations sections should have more space for bidder responses.	Increase page limits in the Program Design and Operations Sections.	SDG&E adopted this recommendation. We suggest using these guidelines for future RFPs, particularly if they are one stage.
Timing of RFP Development	SDG&E intended to develop an RFP package prior to completing abstract scoring, but utilizing the	Develop standardized documents earlier in the process. Adjust the RFP	SDG&E adjusted their RFP schedule to develop the RFP documents after the RFA is

Table E.1: Effective Solicitation Practices

Effective Practice	IE Analysis	First Reported in Semi-Annual Report
Evaluation Team Check-in Meetings	The SDG&E evaluation team met periodically to check the evaluators' progress with their reviews. These check-in meetings encourage evaluators to conduct scoring at a reasonable cadence throughout the review period. These meetings also allowed evaluators to ask clarifying questions on the proper application of scoring criteria as they conducted their evaluations.	December 2022
Monthly IE Coordination Meetings	SDG&E enabled the collective IEs to meet monthly to discuss emerging issues and find a common recommendation to present to the IOU. The collaboration provided the IOU with consistent, well-vetted recommendations associated with the various solicitations.	December 2022
Reduce RFA/RFP Requirements for Bidders	SDG&E significantly reduced the number of questions a bidder must respond to in the RFA and RFP stages. This reduction in bidder requirements likely helped reduce the burden on participating bidders.	December 2022
Address Divergent Scores in Evaluator Calibration Sessions	On a five-point scale, a two-point difference among scores indicates a significant divergence among evaluators. SDG&E now automatically applies a two-point threshold as part of all calibration meetings.	December 2022
Bidder Interviews	SDG&E has revised its bidder interviews to seek clarifications on proposals from bidders prior to finalizing the RFP scores.	December 2022
Engage the Training Team During Evaluation Training	SDG&E has adopted a Mock abstract or other interactive approaches during the evaluation training process for the RFA phase and an interactive training approach in the RFP stage. These approaches help to engage the evaluation team and provide an opportunity to modify criteria before scoring. *	December 2021
Incorporating a continuous improvement process during the solicitation	Requesting feedback from the evaluation team after each stage of the solicitation will allow the team to identify opportunities for improvement and apply them in future stages and solicitations. SDG&E adopted this approach with the Ag and Industrial solicitations. *	December 2021
Bidder debriefs: Providing more detail to bidders so they can improve future submittals.	SDG&E has improved its bidder feedback process by providing more details in written notifications and offering bidders debrief sessions. Reasons may include low evaluation scores, low total resource cost (TRC) scores, challenges with measure mix/budget, and savings. Debrief sessions include an opportunity for bidders also to give feedback to SDG&E.	June 2021
Address IE Recommendations and Effective Practices	SDG&E has initiated a process to address each IE Key Issue and Observation and Effective Practice presented in the Semi-Annual Reports. SDG&E formally communicates its response to each item directly to the PRG and its collective IEs.	June 2021

Table E.1: Effective Solicitation Practices		
Effective Practice	IE Analysis	First Reported in Semi-Annual Report
Moving from MS Excel (Excel) to MS Word (Word) in Solicitation Response Forms	The IEs and the PRG recommend that SDG&E use Word instead of Excel for qualitative responses. SDG&E initially adopted this for the RFA stage and later the RFP stage.	June 2021
Reduce the Number of RFA/RFP Questions	The IEs recommended that SDG&E reduce the number of questions in the RFA and RFP stages to make the process more straightforward for bidders and scorers. SDG&E reduced the number and complexity of questions in the RFA and RFP stages.	June 2021
Real-Time Answers at Bidders' Conference	SDG&E uses Sli.do to conduct their bidders' conferences. SDG&E includes subject matter experts (SMEs) available on another call simultaneously and behind the scenes to field questions and provide answers in real time for bidders. SDG&E responds to all bidder questions in writing regardless of whether SDG&E answered the question during the conference.	December 2020
Contract Management Office (CMO) Weekly Check-Ins	The SDG&E CMO lead has weekly check-in meetings with scoring teams to answer any questions regarding proposal evaluations. The process allows the CMO to get detailed questions from scorers and provide timely responses. The meetings also reduce the potential for groupthink among scorers before calibration.	December 2020
Multiple Rounds of Questions and Answers (Q&A)	For both the RFA and RFP stages, SDG&E provides more than one round of Q&A following bidders' conferences, allowing bidders to provide follow-up questions and allowing bidders more opportunities to ask questions.	December 2020

**no longer consistently applied across solicitations*

F. PRG Feedback on Solicitations

During this reporting period, SDG&E accepted and acted on feedback from the PRG and assigned IEs on most significant issues. For a more detailed discussion of the specific PRG and IE recommendations for each solicitation, and the IOU's responses, refer to the individual IE solicitation reports in Attachment II.

G. Stakeholder Feedback from CPUC Workshops

March 2023 Workshop

The CPUC, in Decision 18-01-004, requires that its Energy Division host semi-annual workshops through the end of 2022 to “allow for information discussion and problem-solving among

stakeholders about the progress of the third-party solicitations and for consideration of the semi-annual IE reports.”¹⁴ Decision 23-02-002 modified the requirement to at least once per year. The last stakeholder meeting was held on March 16, 2023. It was a virtual meeting lasting from 8:30 a.m. to 12:15 p.m. with 67 attendees.

As was the case for past sessions, this session focused on recapping all EE third-party solicitations and IE observations from the last Semi-Annual Reports, but with a particular focus on forward-looking changes based on the February 2023 decision. The workshop provided an opportunity for stakeholders to ask questions, provide comments, and receive updates on past and future solicitations and utility and CPUC plans moving forward. Participants included PRG members, IEs, CPUC Energy Division staff, IOUs, program implementers, prospective bidders in solicitations, and other stakeholders. The meeting presentations, agenda and notes are available on the California for Energy Efficiency Coordinating Committee’s (CAEECC) website.¹⁵

The topics presented included the following:

Workshop Opening Remarks and EE Decision and Trends: Energy Division outlined the workshop purpose and goals and provided an update on the solicitations process. This included an overview of the latest CPUC decision regarding 1- versus 2-stage solicitations and trends with smaller solicitations that included Equity and Market Support.

IE Presentation on the Semi-Annual Reports: A representative from the IE pool presented observations for each IOU noted from the most recent Semi-Annual Reports (October 1, 2022 through March 31, 2023). Topics discussed included emerging effective practices across all IOUs and discussion questions centered around the most optimum time to run CETs, ways to encourage more competition and engage small and diverse businesses, and risk sharing regarding Cybersecurity insurance.

IOU Portfolio Updates and Upcoming Solicitations: Each of the four IOUs provided updates on executed contracts and how they fit into their portfolios; status of contracts meeting the 60 percent threshold requirement; process improvements, and changes made to future solicitations based on the new EE decision.

California Energy Efficiency + Demand Management Council (CEDMC) Member Panel: The panel of CEDMC members, representing three third-party program implementers, continued the discussion of the value of individual bidder feedback; discussed supplier diversity goals and opportunities for continued improvement; revisiting/updating key performance indicators; and reducing performance assurance requirements.

Independent Evaluator Panel: Energy Division facilitated a panel to garner IE perspectives on the progression of the third-party solicitations and how this should inform emerging and future efforts. Topics discussed by the four-member panel included the topics of 1- or 2-stage solicitations; ways to encourage and facilitate more small and diverse business enterprise participation in solicitations and implementation; and compensation structures for Equity and Market Support programs.

Open Discussion yielded questions and recommendations from stakeholders and other attendees

¹⁴ Decision 18-01-004, OP 26.

¹⁵ <https://www.caeccc.org/cpuc-third-party-public-meetings>

and focused mainly on encouraging and reporting out on DBE/SBE involvement in the implementation of programs.

Seventeen individuals participated in the post-event survey and were very supportive of the event and the information shared and learned. There was general support for each of the sessions as well as the time allocated for the event, with a focus on providing more opportunities for stakeholder participation and discussion.

The next Stakeholder meeting is not currently scheduled because the CPUC has modified the requirement from twice to once per year.

II. Attachments: Individual IE Semi-Annual Solicitation Reports

Energy Efficiency Independent Evaluator's Semi-Annual Report on the
Local Agriculture Solicitation

Reporting Period: October 2022 through March 2023

Prepared by:
Barakat Consulting, Inc.

Barakat Consulting
I N C O R P O R A T E D

Disclaimer: This report includes sensitive and confidential information.

Local Agriculture Solicitation

7. Implementation Plan Assessment

The IE received the materials for review on September 28, 2022 and provided feedback mid-day on September 29th. The themes of the feedback included the following:

- Make sure terms are defined throughout prior to using acronyms.
- Make sure terms are consistent throughout all documents.
- Review and make sure that bullets under strategies actually apply to those strategies.
- Suggest that strategies that are utilizing DR funds are defined and linked to the budget/IDSM activities.
- Review and consider tightening up in some places. There was some extraneous information related to Cascade's experience that seems inappropriate for an Implementation Plan.

All IE comments and feedback were addressed in the next version of the document that we received for a final review late on October 5, 2022.

SDG&E hosted a public webinar on **October 13, 2022, from 1:00pm-1:30pm PST** to present the draft versions of its implementation plan for the Ag-STAR Program. The non-advancing bidders were also invited to the webinar. There were 15 participants at the webinar including SDG&E staff, Cascade staff and Energy Division staff.

Energy Efficiency Independent Evaluators' Semi-Annual Report on the

Statewide Residential HVAC Quality Installation and Quality Maintenance Solicitation

Reporting Period: October 2022 through March 2023

Prepared by:
Don Arambula Consulting



Disclaimer: This report includes sensitive and confidential information.

Statewide Residential HVAC Quality Installation and Quality Maintenance Solicitation

1. Solicitation Overview

1.1 Overview

This Report on the Statewide Residential HVAC Quality Installation and Quality Maintenance (Statewide Residential HVAC QI/QM) solicitation covers the period between October 2022 through March 2023. As a result, the Report addresses the RFP stage of SDG&E's program solicitation.

The solicitation seeks an innovative Statewide HVAC QI/QM program directed at all California IOU service territories¹⁶ in the residential customer segments. SDG&E may extend the selected program(s) by two years based on program performance and funding availability. The proposed budget may not exceed \$6.9 million per year, with an overall proposed budget no greater than \$20.7 million for the three-year program implementation period. The solicitation may result in multiple awards.

a. Scope

The Statewide HVAC QI/QM program solicitation seeks innovative, comprehensive, market support-based¹⁷ program ideas to have residential customers modify their HVAC equipment and equipment-based behaviors to reduce energy use. While market support programs are primarily non-resource, bidders may propose programs that deliver energy savings. This Program will assist SDG&Es in achieving various portfolio and sector metrics. Program designs may address the following overarching program outcomes:

Engage residential customers and/or industry HVAC actors to adopt HVAC quality installation and quality maintenance actions, especially those that directly lead to reduced electricity load during the peak and net peak hours, coordinating with the Statewide HVAC program for new installations and proper disposal of refrigerant.

Change customer and/or HVAC industry behaviors by improving their understanding of HVAC QI/QM benefits by providing relevant awareness, information, and education, including benefits of cost-effective fuel substitution opportunities.

Utilize and leverage the defined criteria of the IDSM solutions, including EE/DR integration, related to residential customers to promote demand shifting and peak conservation.¹⁸ IDSM efforts

¹⁶ California IOUs include PG&E, SCE, SDG&E and SoCalGas.

¹⁷ Decision 21-05-031 states: "Programs with a primary objective of supporting the long-term success of the EE market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness." p.14.

¹⁸ Refer to Decision 18-05-041. pp. 34-38, for guidance on appropriate activities.

should involve referring customers to participate in other residential programs such as ESA, CARE, and FERA.

Accelerate activities within the residential HVAC QI/QM market before the Summer of 2023, resulting in a lower overall electricity load, particularly in the peak and net peak hours.

Encourage customer achievement of deep, longer-term energy savings associated with HVAC QI/QM.

Increase program participation from residential customers, including HTR customers and those who reside in DACs.

Include a flexible delivery approach targeting specific customers based on specific criteria such as distinct climate zones, high HVAC energy usage, or other characteristics (e.g., Public Safety Power Shutoff zones, etc.).

Support the achievement of applicable residential sector metrics.

Address barriers and drivers identified in SDG&E Business Plans.

b. Objectives

The objective of the solicitation is to select an innovative program(s) that will support quality installation and quality maintenance of HVAC systems in the residential sector across all four California IOUs. The Program will be funded by SDG&E's "Market Support" segment of the EE program portfolio. The CPUC's cost-effectiveness threshold requirements do not apply to the Market Support segment. However, SDG&E does encourage bidders to propose a cost-efficient program design and delivery that maximizes program performance.

1.2 Timing

SDG&E's RFA release was consistent with the projected release timeframe (third quarter of 2021), as shown in SDG&E's solicitation schedule presented to the bidder community through the CAEECC site. Unless otherwise indicated, all milestones were met or on schedule. Table 1.1 below includes key milestones for this program solicitation.

Table 1.1: Key Milestones		
Milestones	Completion Date	Duration
RFA Stage		
1. RFA Released	September 29, 2021	12 weeks
2. Optional Bidders' Conference	October 5, 2021	
3. Bidder Questions Due	October 11, 2021	
4. Responses to Bidder Questions Due	October 18, 2021	
5. Bidder Abstract Submission Due	October 28, 2021	
6. Submittal Review	December 1, 2021	
7. Bidders Notified-Advancement to RFP Stage	December 22, 2021	
RFP Stage		
1. RFP Released	March 22, 2022	16 weeks
2. Bidders' Conference	March 24, 2022	
3. Bidder Questions Due Round 1	March 29, 2022	
4. Responses to Bidder Questions	April 4, 2022	
5. Bidder Questions Due Round 2	April 8, 2022	
6. Responses to Bidder Questions	April 13, 2022	
7. Bidder's Proposal Due	April 22, 2022	
8. Proposal Review, Bid Clarification Discussions	May 20, 2022	
9. Selected Bidder Interviews	June 3, 2022	
10. Proposal Review Period End	June 8, 2022	
Selections & Contracting Stage		
1. Notification Selection (Subject to Negotiations) *	June 21, 2022	26 weeks
2. Contract Development and Negotiation *	Q4 2022	
3. Company's Advice Letter Filing, if Required *	Q4 2022	
4. Program Ramp-Up Begins	Q4 2022	
5. Full Program Roll Out	Q1 2023	

**Estimated Dates*

1.3 Key Observations

Throughout the Contracting phase, the IE provided feedback to the IOU on various contracting elements, including liability, timely negotiations, and key performance indicator monitoring. The IE shared all recommendations with the IOU and the PRG. SDG&E was generally responsive to the IE's feedback. Table 1.2 presents the IE's key recommendations that the IOU considered but did not accept.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Negotiations and Contracting			
Liability Risk	SDG&E proposes that the Implementer waives its rights to all claims (injury, illness, property damage, etc.) arising from undisclosed defects, hazards, or any material on the SDG&E's properties.	This phrase seems to place an unreasonable risk exposure on the Implementer as the Implementer would likely be unaware of undisclosed hazards, and the provision should be removed by SDG&E.	This provision only applies to situations where the Implementer is coming onto SDG&E property in connection with our work, which should rarely, if ever, happen.
Advancing Efficient Contract Negotiations	The contract negotiations and execution period spanned over 26 weeks, well over the CPUC's Energy Division's suggested 12 weeks. Due to the complexity of the program design, span, and size, along with the newness of the program type (market support) and implementer, additional time seemed warranted.	SDG&E should work with its PRG and collective IEs to implement new tactics (e.g., standardized negotiations schedule, address major issues at the onset, etc.) to improve the overall timing of its contract negotiations phase.	SDG&E collaborates with its PRG and collective IE pool to enhance future solicitation processes.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Monitoring Program Activities and Achievements	The Program is a newly designed offering for the Implementer.	SDG&E should closely monitor the development and activities of the industry advisory panel to ensure the timely execution of program responsibilities, confirm coverage across all four IOU service territories, and look for evolving synergies with other HVAC programs (e.g., Statewide TECH, etc.), especially concerning the promotion of fuel substitution opportunities (e.g., heat pumps) to customers.	SDG&E will monitor the program's progress during the implementation period.
IOU Reporting to the PRG	The IOU provided monthly updates to its PRG. The monthly updates did not always include emerging issues arising in negotiations.	SDG&E should provide more written detail in its presentation on emerging issues and bidder concerns.	SDG&E team does include updates on emerging negotiation issues and will provide additional detail as necessary.

2. RFA Bidder Response and Selections

The IE reported this solicitation activity in the October 2021 through March 2022 Semi-Annual Report.

3. RFP Bidder Response and Selections

The IE reported this solicitation activity in the October 2021 through March 2022 Semi-Annual Report.

4. Contracting Process

SDG&E held contract negotiations with Frontier Energy as this bidder received the highest RFP score and met the solicitation objective to find an innovative program that could support quality installation and quality maintenance of HVAC systems in the residential sector across all four California IOUs

4.1 Contract Negotiations

SDG&E began contract negotiations with Frontier Energy beginning on July 14, 2022, and concluding in early November 2022. During this period, SDG&E held 20 meetings supported by numerous contract turns via email exchanges before successfully concluding contract negotiations. Due to the large size of the Contract value, SDG&E's internal process required several weeks of internal review and approval, concluding with a fully executed contract on January 10, 2023.

As a result, the contract negotiations and execution period spanned over 26 weeks, well over the CPUC's Energy Division's suggested 12 weeks. Due to the complexity of the program design, coverage, and size, holiday/vacation schedules, and the newness of the program type (market support) and implementer, additional time for negotiations seemed warranted. However, SDG&E should work with its PRG and collective IEs to implement new tactics to improve the overall timing of its contract negotiations phase. For example, SDG&E could:

streamline its contract template and tailor it to the individual segment types (i.e., resource acquisition, market support, and equity),

address potential issues (e.g., compensation, energy savings forecasts, the scope of work, etc.) with the bidder at the onset of negotiations, and

provide a 12-week negotiation schedule, by week, to the bidder with preset weekly agendas to enable parties to have the appropriate resources to support specific negotiation topics (e.g., terms and conditions, insurance requirements, marketing, etc.).

a. Collaboration on Final Program Design and Scope

In Decision 16-08-019, the CPUC allows the IOU and the selected Bidder, after program selection, to collaborate on the ultimate program design implemented by the third party.¹⁹ Collaboration enables the IOU to share its understanding of its customers and prior program implementation experience with the selected bidder to optimize the program offers. Contract negotiations are also the time for the bidder to share greater levels of program details and to address any IOU concerns regarding the program design and delivery.

Frontier Energy is currently involved in program delivery for the new CPUC-approved statewide TECH program

. As a result, contract negotiations were extended over five months.

SDG&E and Frontier Energy addressed several contract issues during negotiations, as presented in Table 4.1 below.

¹⁹ COL 57.

Table 4.1: Key Contract Negotiation Topics

Topic	Discussion and Agreement
[REDACTED]	[REDACTED]
Key Performance Indicators	Parties discussed, in detail, KPIs and the methodology to confirm performance. Parties agreed to monthly goals for each of the KPIs. [REDACTED]
Program Span and Marketing Approach	Parties agreed that the Program would serve all 4 IOU service territories, focusing on HVAC contractor density, geography, location within disadvantaged communities, etc. The Program will provide in-language marketing materials as needed, but its marketing will focus on HVAC contractors, not the end-use residential customer.
Industry Advisory Panel	An Industry Advisory Panel (Panel) will be integral to developing the HVAC contractor services tier requirements and incentives. The Panel will include several industry experts the implementer will recruit during the program’s ramp-up. [REDACTED]
EE/DR Technology Integration	Parties agreed to fund a small EE/DR integration strategy that will be incorporated into the required HVAC contractor service levels. The Industry Advisory Panel will identify the discrete EE/DR requirements.
Program Coordination	Frontier Energy will coordinate the Program offering (e.g., contractor incentives) with other statewide HVAC, including the statewide TECH programs and other non-IOU PAs, as applicable. [REDACTED]
Program Inspections	Frontier Energy agreed it would be responsible for all program inspections to confirm that end-use residential customers were provided the appropriate services by the participating HVAC contractor.

b. Fairness of Negotiations

Overall, the contract negotiations were fair and transparent. Negotiations resulted in a contract resembling the bidder’s proposed program design. Parties agreed to extend the contract term from three to four years resulting in an overall increase from the bidder’s original proposal. The final EE/DR Integration budget was more in line with the proposed outreach and awareness efforts proposed by the implementer. The following are changes to the budget and key program activities due to the contract negotiations.

Table 4.2: Proposed vs. Final Agreement		
	Proposed	Contracted
EE Budget	\$20,700,000	\$27,737,000
EE/DR Integration Budget	\$3,312,000	\$137,000
Number of Residential Customer Participating	6,800	32,186
DBE % of Non-Incentive Program. Budget	6.14%	6.14%

c. Changes to Contract Terms & Conditions

To comply with CPUC directives, SDG&E provided the bidder with standard and modifiable CPUC terms and conditions at the start of contract negotiations.²⁰ The IE reviewed all documents and confirmed that the Contract includes the CPUC's standard terms and conditions. The IOU proposed a set of additional terms and conditions. These other terms do not conflict with the CPUC standard terms and conditions as SDG&E included an additional contract term that clarified that the CPUC standard terms and conditions take precedence over any potential conflicting terms in the Agreement. The IOU and the bidder agreed to all terms and conditions. The IE also reviewed the Contract against the PRG's Contract Checklist and found no issues with the executed contract.

d. Conformance with CPUC Policies and Objectives

The table below summarizes how the program elements align with those CPUC policies and other PRG recommendations the contracted Program should support.

²⁰ Decision 18-10-004, OP 7.

Table 4.3: Contract Alignment with CPUC Policies and Objectives

PRG Guidance and Other Considerations	IE Response
IOU should develop a standard contract template with CPUC standard terms to be compliant with applicable CPUC policies, decisions, or specific directives, consider PRG and IE feedback, and not use language/concepts that are inappropriate or typically not used in the EE industry. (PRG Guidance on Contracting, Section 6.1.1)	See Section 4.1.C.
The Contract must include all CPUC standard (non-modifiable) contract terms in the contract (6.1.2)	See Section 4.1.C.
The Contract includes CPUC modifiable contract terms as a starting point. (6.1.3)	See Section 4.1.C.
Other aspects of the contract template do not conflict with CPUC terms and conditions, policies, decisions, or direction. (6.1.4/5)	See Section 4.1.C.
IE pool reviews standard contract template and provides comments (6.1.6)	Confirmed. The IE reviewed the contract template. The IE recommended that the IOU include an additional term that specifies that the CPUC standard terms and conditions take precedence over all contract terms. The IOU accepted this recommendation.
IOU must present its contracting negotiation process to the IE/PRG for review (6.2.1)	Confirmed. The IOU informed the IE and PRG of the process and approach to the contract.
IEs should monitor all bidder communications during the negotiation process (6.2.2)	Confirmed. The IE was included in all bidder communications and attended all meetings.
IOUs should explain their contracting process to selected bidders (6.2.3)	Confirmed. The IOU presented the contracting process to the bidder at the initial meeting.
Before execution, the assigned IE and PRG should review the final contracts for each Program recommended for award. (6.3.1)	Confirmed. The IE reviewed the final contracts.
A reasonable number of KPIs.	Confirmed. Eight KPIs address program performance, compliance, and customer satisfaction.
KPIs make sense in terms of measuring, scale, and timeframe.	Confirmed.
The contract includes appropriate performance issue remedies.	Confirmed. The Contract identifies the process to remedy performance issues in Attachment 7.
The contract clearly addresses Support Services.	The Contract identifies IOU services limited to activities (e.g., review of marketing materials,

Table 4.3: Contract Alignment with CPUC Policies and Objectives	
PRG Guidance and Other Considerations	IE Response
	secondary inspections, etc.) expected in the Program Administrator’s role. The Implementer is not charged a fee for these standard services.
Innovative aspects of the Program are retained.	Confirmed.
If applicable, IDSM components are included.	The Implementer will assist the customer in identifying IDSM opportunities within the customer facilities.
If applicable, program considerations for Hard-to-Reach (HTR) and Disadvantaged Communities (DAC) are incorporated.	Confirmed. The Contract includes a program participant goal to promote EE in customer facilities located in DACs.
Changes proposed by the IOU and the Implementer were reasonable and fair.	Confirmed.

e. Uniformity of Contract Changes

The IOU negotiated only one contract with one bidder in this solicitation.

4.2 Final Selection

Consistent with the IOU's approved Solicitation Plan,²¹ SDG&E made its final selection based on the outcome of its evaluation and ranking of all the proposals, which included a bidder interview process. Details of the proposal scoring process and final selections are presented in Section 3.4 of the previous Report.

4.3 Contract Execution

SDG&E and Frontier Energy executed the contract on January 10, 2023. Upon CPUC approval of the completed Contract, the Contract will be effective. Frontier Energy may begin initial program tasks at that time, including developing the Program's Implementation Plan, which SDG&E forecasts to complete in Quarter 1 of 2023.

Table 4.4: Executed Contract		
Bidder	Contract Duration	Program Name
Frontier Energy	45 months (estimated)	Quality Residential HVAC Services (common program name)

²¹ SDG&E’s Rolling Portfolio Solicitation Proposal, Section V.B, Program Solicitation Timeframe.

4.4 PRG and IE Feedback to Contracting

The IOU sought and considered PRG and IE feedback throughout the contracting process. As previously stated, SDG&E's standard contract agreement met the PRG contracting recommendations. The IE actively monitored all contract negotiations. The IOU also met with the IE to discuss emerging contracting issues throughout the contracting phase. Section 4.1 of this Report addresses many of these issues.

SDG&E presented the general status of contract negotiations to the PRG at monthly PRG meetings throughout contract negotiations. The IE also presented a comprehensive list of emerging issues to the PRG at the monthly meetings. The IOU should share more details in its presentation materials during the PRG monthly meetings on ongoing contracting issues emerging during negotiations in future solicitations.

Both the PRG and IE provided input to SDG&E on the draft Contract. The following lists PRG recommendations, key IE recommendations, and SDG&E responses.

Table 4.5.a: PRG Contract Recommendations		
Topic	Comment	IOU Response
[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	The Contract provided limited information on the necessary data for an implementer to track HVAC contractors who provide services through the program. The Contract should provide a more detailed or clearer HVAC contractor tracking data requirements to track contractors, technicians, HVAC market actors, disadvantaged workers, etc., who are relevant to the KPIs in Attachment 7, Key Performance Indicators (KPIs), Performance Monitoring & Corrective Actions to Schedule B – Scope of Work.	

Table 4.5.a: PRG Contract Recommendations		
Topic	Comment	IOU Response
	For example, for those licensed Contractors and/or Technicians trained on performing Quality Services through the program, the relevant information, including name, license number, email address, phone number, customer site served, etc., is collected. The PRG believes such information collected will also benefit the M&V planning execution.	
M&V Plan	Attachment 13, M&V Plan to Schedule B – Scope of Work, states, “A tracking system will be used that facilitates the efficient and accurate entry and validation of contractor, project, and customer information.” PRG agrees that a well-designed and well-kept tracking system will benefit carrying out the M&V plan.	Attachment 13 - Primary addition included a section on Tracking Data Collection fields and associated Table 1 that includes the required data fields.

The IE provided over 40 discrete recommendations on the draft Contract to SDG&E. Below is a list of key IE recommendations and the IOU’s responses.

Table 4.5.b: IE Contract Recommendations		
Topic	Comment	IOU Response
Liability Risk	SDG&E proposes that the implementer waives its rights to all claims (injury, illness, property damage, etc.) arising from undisclosed defects, hazards, or any material on the SDG&E's properties. This phrase places an unreasonable risk exposure on the implementer as the implementer would likely be unaware of undisclosed hazards.	This provision only applies to situations where the Implementer is coming onto SDG&E property in connection with our work, which should rarely, if ever, happen.
Program Innovations	The SOW should itemize the program's innovative features to confirm that the implementer continues these innovations into program delivery. This will also help inform the Implementation Plan and subsequent EMV program evaluations regarding innovation.	The Contract describes the Program’s innovative features that will be deployed during program implementation.

Table 4.5.b: IE Contract Recommendations		
Topic	Comment	IOU Response
Industry Advisory Panel	The Contract should clarify that the Industry Advisory Panel will further define service tiers for HVAC Contractor participants.	SDG&E incorporated Contract language to clarify the Industry Panel's role in program design.
[REDACTED]	[REDACTED]	[REDACTED]
Program Coverage	The Contract should clearly state that the implementer will deliver the Program across each IOU service territory if that is the Program's intent.	SDG&E updated the Contract accordingly.
Customer Education	Educating the end-use customers is not an activity in the program theory logic model (PTLM) diagram.	The PTLM diagram lists short-term to mid-term outcomes to indicate the education of the customers.

5. Assessment of Final Contract

The final Contract represents Frontier Energy's original program design. The final Program should be considered third-party proposed, designed, and delivered consistently with CPUC's definition of a third-party program. The Contract complies with all specific CPUC directives related to third-party contracts, including incorporating all standard CPUC terms and conditions without modification. The final KPIs [REDACTED] allows the IOU to actively monitor key program management and performance elements throughout the program implementation period.

5.1 Bid Selection Respond to Portfolio Needs

SDG&E sought to procure an innovative, comprehensive, market support-based²² program that helped residential customers modify their HVAC equipment and equipment-based behaviors to reduce energy use. SDG&E identified a list of preferred program attributes to bidders in the RFA and RFP. Below is a summary of these preferences and whether the IOU successfully procured them.

²² Decision 21-05-031 states: "Programs with a primary objective of supporting the long-term success of the EE market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness.", p. 14.

Table 5.1: IOU Program Preferences	
Program Preferences	Outcome
Engage residential customers and/or industry HVAC actors to adopt HVAC quality installation and quality maintenance actions, especially those that directly lead to reduced electricity load during the peak and net peak hours, coordinating with the Statewide HVAC program for new installations and proper disposal of refrigerant.	The Program establishes an industry panel to identify elevated HVAC services supporting quality installation and maintenance.
Change customer and/or HVAC industry behaviors by improving their understanding of HVAC QI/QM benefits by providing relevant awareness, information, and education, including the benefits of cost-effective fuel substitution opportunities.	The Program will incentivize HVAC contractors to improve customers' understanding and adoption of the HVAC QI/QM. The Program will make customers aware of fuel substitution opportunities.
Utilize and leverage the defined criteria of the IDSM solutions, including EE/DR integration, related to residential customers to promote demand shifting and peak conservation. ²³ IDSM efforts should involve referring customers to participate in other residential programs such as ESA, CARE, and FERA.	The Program will promote EE/DR technology integration benefits to HVAC contractors, who will encourage customers, through marketing, to adopt such integration tactics, including enrollment in demand response programs. The Program does not explicitly promote low-income program offerings and rates.
Accelerate activities within the residential HVAC QI/QM market before the Summer of 2023, resulting in a lower overall electricity load, particularly in the peak and net peak hours.	Depending upon the timing of CPUC Contract approval and the formation and implementation of the Program's Industry Panel, the Program may provide a limited number of customer engagements during the 2023 summer season.
Encourage customer achievement of deep, longer-term energy savings associated with HVAC QI/QM.	The Program will promote a higher level of HVAC services which will support the adoption of longer-term energy savings.
Increase program participation from residential customers, including HTR customers and those who reside in DACs.	The Program will target HVAC contractors who offer their services in DACs to promote greater customer participation and disadvantaged worker involvement in the Program.
Include a flexible delivery approach targeting specific customers based on specific criteria such as distinct climate zones, high HVAC energy usage, or other characteristics (e.g., Public Safety Power Shutoff zones).	The Program will recruit licensed HVAC contractors with a higher propensity to participate and serve DAC and hard-to-reach customers across the four California IOU service territories.
Support the achievement of applicable residential sector metrics.	The Program will support the achievement of various residential sector metrics (e.g., equity).

²³ Refer to Decision 18-05-041, pp. 34-38, for guidance on appropriate activities.

Table 5.1: IOU Program Preferences	
Program Preferences	Outcome
Address barriers and drivers identified in SDG&E Business Plans.	The barriers and strategies identified in the program logic model align with SDG&E Business Plan.

5.2 Bid Selection Provides the Best Overall Value to Ratepayers

Introduction

The Program received the highest overall score in the competitive solicitation. SDG&E applied the established scoring rubric to select Frontier Energy’s proposal. SDG&E determined that Frontier Energy’s proposal provided the best overall value to ratepayers across all four IOU service territories. The IE monitored every aspect of the solicitation, including the IOU's evaluation leading to SDG&E's final selection. Based on this monitoring, the IE agrees with SDG&E's decision that the Program provides the best value to the IOUs' ratepayers among the proposals received in this solicitation.

a. Program Description

The Statewide Residential HVAC QI/QM Program is a non-resource market support program that provides multi-tiered incentives to participating HVAC contractors for quality maintenance plans, calls, bids, and installations. The Program provides extra incentives, training, and tools to HVAC contractors who routinely provide higher-quality services. An industry advisory panel will help determine service standards, verification requirements, outreach, and training standards, particularly for HVAC contractors who serve disadvantaged communities (DAC) and hard-to-reach customers within the four IOU service territories.

The proposed Contract period will begin upon CPUC approval through December 31, 2026. The proposed program budget includes \$137,000 for promoting EE/demand response technology integration. Frontier Energy proposes to assign 6.14% (or \$1.703 million) to a certified-Diverse Business Enterprise (DBE) subcontractor.

b. Budget and Cost-Efficiency

The program budget of \$27,737,000 is larger than the solicitation target budget due to the additional program year added during contract negotiations. The Implementer's administration and marketing budgets are within the cost category targets established by SDG&E for its EE solicitations. The direct implementation budget is higher than the IOU’s cost targets, but the budget seems reasonable given the nature of the Program’s midstream engagement in the marketplace. Frontier will pay all incentives directly to participating HVAC contractors.

Table 5.2: Program Budget by Cost Category						
Cost Category	2023	2024	2025	2026	Total	% of Total Budget
Administration	\$345,000	\$345,000	\$345,000	\$405,000	\$1,440,000	5.2%
Marketing	345,000	345,000	345,000	345,000	1,380,000	5.0%
Direct Implementation	2,820,000	2,510,000	2,510,000	2,450,000	10,290,000	37.3%
Incentives	723,824	4,947,873	5,090,061	3,728,242	14,490,000	52.5%
EE Budget	4,233,824	8,147,873	8,290,061	6,928,242	27,600,000	100%
EE/DR Integration	58,145	26,285	26,285	26,285	137,000	
Total Budget	\$4,291,969	\$8,174,158	\$8,316,346	\$6,954,527	\$27,737,000	

SDG&E limits the Implementer’s budgets to the annual cost categories presented in the Contract, as shown above. For example, suppose the unspent and uncommitted cost category budget remains at the end of a program year. The implementer cannot carry over any remaining unspent budget to the next program year without SDG&E's approval.

c. Expected Program Performance

This non-resource program will focus on improving participating HVAC contractors' QI/QM practices, including providing greater awareness to the customer of their corresponding benefits. Program performance will focus on HVAC contractors and residential customer engagement with participating HVAC contractors. Table 5.3 shows two examples of annual performance goals for both engagements. A complete listing is shown in Section 5.2.N of this Report.

Table 5.3: Program Performance Goals					
Activity	2023	2024	2025	2026	Total
Customers Receiving Related Services	2,275	11,379	11,706	6,826	32,186
Trained HVAC Contractors	102	370	368	160	1,000

d. Cost-Effectiveness

The Program is categorized under the CPUC-defined Market Support segment within SDG&E’s energy efficiency portfolio and, as such, is not subject to the CPUC’s cost-effectiveness requirements.

e. Integrated DSM

The Program will promote EE/DR technology integration to participating HVAC subcontractors. The proposed industry advisory panel will be tasked with including EE/DR technology integration opportunities as part of elevated HVAC QI/QM services.

f. Disadvantaged Communities and Hard-to-Reach Customers

The Program will target HVAC subcontractors who serve customers in disadvantaged communities (DACs). The final Implementation Plan should present more details about how the Program will recruit HVAC subcontractors operating in DACs.

g. Disadvantaged Worker Policy

The Contract requires the Implementer to report how they will comply with the CPUC’s disadvantaged workers’ policy. The Program proposes to target HVAC subcontractors who operate in DACs across the four IOU service territories. The DAC targeting is expected to result in disadvantaged workers providing enhanced HVAC services. SDG&E requires the Implementer to report its efforts on an annual basis.

h. Workforce Standards Policy

The Contract requires the Implementer to report on how they will comply with the CPUC’s prescriptive workforce standards and quality installation procedures.

i. M&V Plan

The Contract includes an M&V Plan that describes how the Program will perform data collection, savings estimations, verification, and reporting.

j. Implementer Compensation



Table 5.4: Implementer Compensation			
Contract Payment Category	Description	Proportion of Total Contract Value	Contract Value by Category
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Incentive Payments	Payments to HVAC Contractor for Customer Incentive Payments	53%	\$14,490,000
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

k. Performance Assurance

SDG&E did not require a performance assurance provision based on SDG&E’s assessment of Frontier Energy’s financial health.

l. Insurance Requirements

After completing the Contract’s Statement of Work, SDG&E assessed the insurance requirements, including insurance types and minimum amounts. The insurance requirements appear to align with the program scope. Due to the Implementer's access to IOU customer data, Frontier Energy agreed to SDG&E’s insurance requirements, including cybersecurity insurance.

m. Innovation

The Program will help participating HVAC contractors to differentiate their higher-value services and justify premium fees to their customers while inspiring these HVAC contractors to improve the quality of their HVAC services. The Program will not market to consumers directly. Instead, the Program will provide HVAC contractors with the tools and information to market and educate customers regarding elevated HVAC services. Program innovations to be implemented include a(n):

Industry Advisory Panel that is responsible for helping the Implementer determine standards for service, verification requirements, and outreach and training, particularly for HVAC contractors who serve Disadvantaged Communities and hard-to-reach customers.

Multi-Tiered services offering with varying incentive levels for:

Quality Services (aka, basic services)

Enhanced Quality Services

Quality Contractor

Quality Service Report provided by HVAC contractor to the end-use customer

Set of contractor tools (e.g., Visual Service) utilized by participating contracts

Leveraging of other EE, demand response, and financing opportunities

n. Key Performance Indicators

The key performance indicators (KPIs) will be the primary means of assessing the Program’s performance on an ongoing basis, with tracking KPIs every month and developing a monthly KPI score (% weight * score). KPIs will be reviewed annually and updated based on changes to the individual. Any monthly KPI score designated as “YTD” will be a cumulative calculation, considering the preceding monthly data.

[REDACTED]. The goals herein refer to the program goals listed in Table 2 of the Scope of Work.

Table 5.5: Program KPIs		
ID	Category	Description
1	Program Performance: Sub-Objective #5: Access to capital	The number of incentivized services provided to customers. (Percent of monthly YTD goal shown in Exhibit 1A).
2	Program Performance: Sub-Objective #2: Supply	The number of licensed Contractors and/or Technicians trained to perform Quality Services. (Percent of monthly YTD goal in Exhibit 1A).
3	Marketing: Sub-Objective #3: Partnerships	The number of HVAC market actors reached through partner networks and partner

Table 5.5: Program KPIs		
ID	Category	Description
		communications channels. Percent of monthly YTD goal in Exhibit 1A.
4	Program Performance: Sub-Objective #4: Innovation and Accessibility – Contractor Progress	Percent of the total number of licensed contractors who received an “Enhanced” or “Quality Contractor” tier incentive in the last year that previously received a lower tier incentive. Percent of monthly YTD goal shown in Exhibit 1A.
5	Compliance: Disadvantaged Workers	Percent of services performed by workers who meet the CPUC criteria for “Disadvantaged Worker.” Percent of monthly YTD goal shown in Exhibit 1A.
6	Compliance: Reporting Accuracy	The variance between the monthly forecasted and actual expenditures.
7	Customer Satisfaction: Complaints Received	The number of currently enrolled contractors generating valid complaints on more than 5% of their associated projects is divided by the total number of enrolled contractors program year to date.
8	Compliance: Diverse Business Enterprise	DBE spending, not including DR expenditures. Percent of monthly YTD goal shown in Exhibit 1A.

6. Overall Assessment of Solicitation

SDG&E’s conduct during the Statewide Residential HVAC QI/QM Program solicitation was fair, equitable, and transparent.

SDG&E sought to procure an innovative, comprehensive, market support-based²⁴ program that helped residential customers modify their HVAC equipment and equipment-based behaviors to reduce energy use. The Program addresses SDG&E’s requested scope of work and preferred program attributes presented in the solicitation’s scope.

Monitor Program Activities

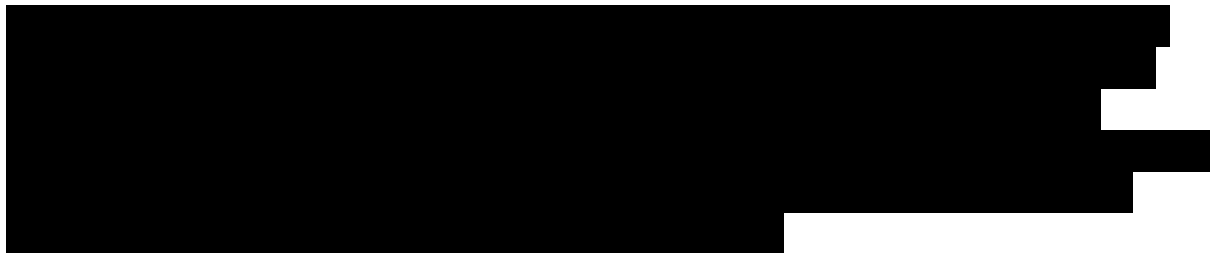
The Program is a newly designed offering for the Implementer. The IE recommends that SDG&E closely monitor the development and activities of the industry advisory panel to ensure the timely execution of program responsibilities. SDG&E should also closely monitor the ongoing HVAC subcontractor participation to confirm coverage across all four IOU service territories and evolving

²⁴ Decision 21-05-031 states: “Programs with a primary objective of supporting the long-term success of the EE market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness.”, p. 14.

synergies with other HVAC programs (e.g., Statewide TECH, etc.), especially concerning the promotion of fuel substitution opportunities (e.g., heat pumps) to customers.

Reduce Contract Negotiation Schedule

The contract negotiations began in July 2022 and concluded in November 2022. SDG&E should confer with its PRG and collective IEs on ways to reduce the timing of the contract negotiations phase. Potential solutions could involve improving the contract template, addressing key issues (e.g., compensation, energy savings forecasts, etc.) at the onset of negotiations, and a standardized schedule with a preset weekly agenda.



Future Market Support and Equity Solicitations

SDG&E should tailor future program solicitations to accommodate the unique objectives of the new CPUC-defined Market Support and Equity segments of the IOUs' EE portfolio. SDG&E should work with its PRG and collective IEs to modify future RFAs, RFPs, and contract templates to support these new segments' solicitations.

7. Implementation Plan Assessment

As requested by the PRG, the IE's review of the Implementation Plan (IP) was limited to confirming the draft IPs alignment with the CPUC-approved Contract. The IE review did not address whether the draft IP complied with the CPUC's IP requirements. In the future, the IOU should coordinate with the CPUC's Energy Division to confirm adherence to the Energy Division's Implementation Plan Template and other relevant CPUC requirements (e.g., California SEM Design Guide For: Cycle 1, 2, and 3, etc.) during the development of the IP or after the IOU has uploaded IP to the CPUC's Cedars repository data system.

7.1 Results of the Draft IP Review

The IE reviewed the draft IP for consistency with the executed Contract. Table 7.1 summarizes the results of the draft IP review compared to the standard PRG Checklist.

Table 7.1: Draft Implementation Plan Comparison with Executed Contract		
Topic	Consistent	IE Notes
Program Overview	Yes	
Program Summary (incl. budget, impacts, cost-effectiveness, sector, etc.)	Yes	
Program Delivery (incl. program offerings, target market)	Yes	
Program Design (incl. strategies, tools, methods, innovation, integrated demand side management, program logic model, etc.)	Yes	The IE noted the IP should clearly state the Program is a midstream offering.
Compliance (workforce standards, disadvantaged workers, etc.)	Yes	
Metrics	Yes	
Program Rules (incl. customer eligibility, contractor eligibility, eligible measures, QA/QC Plan, etc.)	Yes	
Program Logic Model	Yes	
Incentive Levels & Workpapers	Yes	
Workshop held on February 16, 2023	Yes	

7.2 Public Workshop Overview Summary

SDG&E held a public workshop on the draft IP on April 11, 2023. The webinar was well-attended, with about 20 participants, including members of SDG&E’s PRG.

The Implementer presented the Statewide Residential HVAC QI/QM Program, including an overview of the Program’s multi-tiered Contractor incentives, Contractor training/ tools, and the industry advisory panel. The Implementer explained the Program’s innovative approach to developing higher quality levels of HVAC services through customer quality service reports, Contractor incentives, promotion of quality services to customers, and leveraging other customer programs such as the TECH Clean California²⁵, statewide HVAC programs, and local energy efficiency programs directed at residential HVAC contractor training. The Implementer explained that the Program would establish an advisory panel to help finalize the program offering, including Contractor QI/QM requirements, incentives, and outreach. The Program plans to recruit a limited number of Contractors throughout California, including disadvantaged communities, to develop a cohort of quality Contractors trained by the Program.

²⁵ [TECH Public Reporting Home Page \(techcleanca.com\)](https://www.techcleanca.com)

The Implementer presented the Program budget and goals consistent with the CPUC-approved Contract. The Implementer also presented a set of best practices that the Program will leverage, such as increased awareness and market support with tiered incentives directed at participating Contractors to elevate the quality of HVAC services. The Program will set incentives based on a Contractor's bid to the customer, quality installation, and quality maintenance. The Implementer also presented the Program's customer journey that will promote quality installation and the Program's process flow which summarizes the major delivery milestones.

Workshop participants did not ask any questions about the Program. SDG&E provided stakeholders an opportunity to submit questions after the workshop.

Energy Efficiency Independent Evaluator's Semi-Annual Report on the
Local Behavioral Solicitation

Reporting Period: October 2022 through March 2023

Prepared by:
MCR Corporate Services



Disclaimer: This report includes sensitive and confidential information.

Local Behavioral Solicitation

1. Solicitation Overview

1.1 Overview

Through this solicitation, San Diego Gas & Electric Company (SDG&E) is seeking energy efficiency (EE) program proposals from non-utility companies targeting the Local Behavioral segment for the 2023-2025 program years. The objective of the solicitation is to implement third-party programs that reliably capture and document cost-effective energy savings (kWh, kW and/or therm) applicable to the Local Behavioral segment.

a. Scope

Bidders' responses should target SDG&E's eligible residential customers, who are currently on an SDG&E residential tariff rate.

b. Objectives

The purpose of this program is to increase residential customer awareness of their energy use with the goal of motivating those customers to modify their usage-based and equipment-based behaviors in ways that reduce energy use. The program should also encourage demand shifting and peak conservation. The mechanisms for changing these behaviors are increasing customer awareness and understanding of their energy use while providing relevant tips and program offers and increased participation in existing and future EE or demand response programs.

Although multiple aspects of other SDG&E programs include behavior change elements, the focus for this specific effort should include:

- Interventions focusing on altering residential energy use
- Behavioral modeling strategies
- Behavioral energy savings

Cost effectiveness is an important element of all programs in the California IOU portfolios. The proposed program should contribute to a cost-effective portfolio and support SDG&E in achieving related CPUC-adopted portfolio goals and sector metrics.

1.2 Timing

Key milestones associated with the SDG&E Local Behavioral solicitation are shown in Table 1.1.

Table 1.1: Key Milestones		
Milestones	Completion Date	Weeks to Complete
RFA Stage		
Solicitation Launch	July 26, 2021	12 weeks
Bidders' Conference	August 2, 2021	
Offer Submittal Deadline	August 23, 2021	
RFA Shortlist to PRG	October 12, 2021	
Shortlisting Notification	October 19, 2021	
RFP Stage		
Solicitation Launch	December 22, 2021	16 weeks
Bidders' Conference	January 5, 2022	
Offer Submittal Deadline	February 4, 2022	
RFP Shortlist to PRG	March 16, 2022	
Shortlisting Notification	March 22, 2022	
Bidder Interviews	March 28, 2022	
Finalist Shortlist to PRG	April 12, 2022	
Finalist Notification	April 19, 2022 (planned)	
Selections & Contracting Stage		
Contracting and Negotiations Period	May 5-September 2, 2022	24 weeks
Contracts Presented to PRG	September 13, 2022	
Contract Execution	October 21, 2022	

1.3 Key Observations

Table 1.2 represents a collection of key IE issues, observations, and outcomes, where applicable, from the assigned IE for the Local Behavioral solicitation during this reporting period.

Table 1.2: Key Issues and Observations

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
Negotiation Schedule	Negotiations were much slower paced than anticipated because SDG&E let the bidder set the pace for document turn-around.	While flexibility is admirable in a negotiation, the IE recommends that the IOU have a proposed timeline for document turns and set the weekly meeting agendas accordingly to keep both parties on track.	New recommendation.
Implementation Plan	SDG&E did not provide revised Draft IP to IE prior to Stakeholder IP Webinar.	In future solicitations, the IE should have an opportunity to review a revised Draft IP prior to its presentation at the Stakeholder IP Webinar. With this, the IE can better ensure that the Draft IP presented by the implementer incorporates the IE recommendations and provides Stakeholders with sufficient program information to understand and appraise the program.	New Recommendation

2. RFA Bidder Response and Selections

Section 2 activities were reported in the April 2021 through September 2021 and October 2021 through March 2022 Semi-Annual Reports.

3. RFP Bidder Response and Selections

Section 3 activities through 3.3.d and 3.4 were reported in the April 2021 through September 2021 and October 2021 through March 2022 Semi-Annual Reports. Section 3.3e was reported in the April 2022 through September 2022 Semi-Annual Report.

4. Contracting Process

Section 4 activities 4.1 and 4.3 were reported in the April 2022 through September 2022 Semi-Annual Report. This report covers Section 4.2: Contract Execution.

4.2 Contract Execution

SDG&E presented the Bidgely *Home Energy Report Program* contract to the PRG on September 13, 2022, and asked for feedback by September 16. SDG&E received feedback from the Energy Division on September 20 indicating that Staff supported SDG&E moving ahead with the local behavioral contract. Staff did remind SDG&E that universal audit tool (UAT) programs that intend to claim savings should complete early measurement and verification per the UAT workpaper. Staff encouraged SDG&E to reflect this work in the program contract and/or Implementation Plan.

The final *Home Energy Report Program* contract was executed by SDG&E and Bidgely on October 21, 2022. SDG&E filed its Advice Letter (4019-E) on November 16, 2022. The Advice Letter was approved by the CPUC Energy Division with an effective date of December 16, 2022.

5. Assessment of Final Contract

Section 5 activities were reported in the April 2022 through September 2022 Semi-Annual Report.

6. Overall Assessment of Solicitation

SDG&E successfully procured a local behavioral program offering open to all its residential customers. SDG&E should actively collaborate with Bidgely to help support and ensure the program's success, particularly since it will require a transition from a long-term incumbent implementer. This program is unique in its inclusion of the Behavioral Demand Response feature, which alongside its benefits will present some challenges in coordinating with Flex Alert communications and customer payments for load reductions for customers enrolled in the Emergency Load Reduction Program.

SDG&E conducted the local behavioral program solicitation in two stages in compliance with CPUC's direction. The solicitation timing was mainly consistent with the CPUC's recommended timelines for the various stages of the solicitation. Negotiations with the winning bidder went smoothly although they took longer than SDG&E had scheduled.

The Local Behavioral solicitation was one of SDG&E's first in which bidders provided their responses in a Word document, rather than in an Excel document. This was a major improvement, making it easier for bidders to use because text editing in Excel is very cumbersome and easier for SDG&E's evaluators to score because long text responses are difficult to view and read in Excel.

For this solicitation, SDG&E also instituted a new approach to debrief sessions for bidders that did not advance to the RFP stage. In advance of the debrief sessions, SDG&E's CMO team prepared a feedback matrix that included general suggestions for each section of the response. The matrix included potential reasons an abstract or proposal might score lower in a particular section. Talking points were developed that were specific to each section of the abstract. Comments were detailed so bidders knew if the structure and format was good or missing critical elements, for example. They also were told whether their abstract lacked innovation or required clarification or demonstrated a lack of comparable experience. This new approach was very well received by the bidders, and the IE feels that with these new debriefs SDG&E has set the standard for bidder debriefs. The debriefs provided sufficient, useful information for unsuccessful bidders without being generic or resorting to empty or obvious suggestions for improvement.

Another new approach instituted with this solicitation was SDG&E's new process of interviewing bidders *before* proposal score calibration. The interviews really tipped the scales for this solicitation and resulted in Bidgely as the selected program implementer. The consensus was that Bidgely's presentation and responses to interview questions were well thought out, and they had a clear vision of their approach. SDG&E evaluators were impressed by Bidgely's stated ability to hyper-personalize the customer messages through appliance-level disaggregation of AMI data.

This solicitation included a few unexpected developments that forced SDG&E to step back, determine a fair and equitable course of action, take action, and move on. The first was when the incumbent implementer requested an extension one week before the abstract submittal deadline. SDG&E had just days to make a decision that was fair and equitable to all bidders. Next, was SDG&E having to determine whether one bidder's innovative program design – that invited individuals and families to donate ratepayer funds to non-profit organizations if they met their savings goals – was permissible.

That SDG&E did not select the program's incumbent implementer for contract negotiations was a bit of a surprise since incumbent program implementers often have an advantage over other bidders just by their intimate knowledge of the program and the IOU. With its selection of Bidgely and the *Bidgely Home Energy Report Program*, SDG&E showed it recognized the value of new implementers and the innovation that a different approach can bring.

The IE is satisfied with the process taken by SDG&E to select the *Bidgely Home Energy Report Program* and feels that the *Bidgely Home Energy Report Program*, in addition to being consistent with the goals stated in SDG&E's Business Plan, provides the best overall value to ratepayers.

7. Implementation Plan Assessment

The IE found the Draft Implementation Plan (IP) to be rough, missing several sections, and containing undefined terms and acronyms. Bidgely had omitted several sections from the Draft IP determining that they indicated were not applicable. The IE recommended that Bidgely include all

sections from the IP Template and explain why missing sections were not relevant to the program. Overall, the Draft IP lacked detail sufficient to inform a reader who knew nothing about the program.

The IE did not receive a revised Draft IP for review before SDG&E and Bidgely introduced the *Home Energy Report Program* and its Draft IP at a Stakeholder Webinar on February 24, 2023. Bidgely's presentation was relatively short – only 15-minutes in length – and was followed by approximately a half-dozen questions. Many of the questions asked were for additional program details that Bidgely did not include in their presentation but should have.

There were many more Webinar attendees (26) than the IE has observed recently. However, this may have been due, in part, to SDG&E's decision to hold Stakeholder IP Webinars for two programs consecutively.

SDG&E uploaded the Final IP to CEDARS on March 10, 2023. The Final IP addressed many of the comments and recommendations made by the IE in its review of the Draft IP, including:

- Inclusion of the sections Bidgely omitted from the Draft, even if not applicable to a non-resource program.
- The addition of sufficient detail to help readers better understand the program.
- Definitions for all unique terms and acronyms.

The IE believes that in future solicitations it should have an opportunity to review a revised Draft IP prior to its presentation at the Stakeholder IP Webinar. With this, the IE can better ensure that the Draft IP presented by the implementer provides Stakeholders with sufficient program information to understand the appraise the program.

Energy Efficiency Independent Evaluator's Semi-Annual Report on the
Local Industrial and Local Industrial-Port Tenants Solicitations

Reporting Period: October 2022 through March 2023

Prepared by:
THE MENDOTA GROUP



Disclaimer: This report includes sensitive and confidential information.

Local Industrial and Industrial-Port Tenants Solicitations

7. Implementation Plan Assessment

Per item 6.5.5 of the PRG Guidelines, we reviewed the Draft Implementation Plan. IP Stakeholder conference is set for February 24, 2023. We reviewed the IP:

- For consistency with the contract,
- For consistency with the ED's IP template,
- Relative to issues tracked in our contracting issues log, and
- highlighted any items from the Advice Letter Disposition.

In terms of consistency with the contract, we used Energy Division's list of topics provided to IEs to guide the review.

We believe the draft IP is well-crafted, includes good detail about the program and is consistent with the contract. Some key items will be included in the Policy and Procedures Manual which Cascade is still in the process of drafting. One notable item is:

ED staff requested (paraphrase follows) that SDG&E describe which customer characteristics are ideal for an SEM program engagement (Ex: Facility level savings opportunity, dedicated employee resources to fulfill required level of customer engagement, financial resources to invest in significant energy savings opportunities, potential savings opportunities)

SDG&E committed to "work with the implementer to incorporate SEM eligibility requirements within the 'Customer Eligibility' section of the program manual attached to the implementation plan."

Energy Efficiency Independent Evaluator's Semi-Annual Report on the
Local Workforce Education & Training Solicitation

Reporting Period: October 2022 through March 2023

Prepared by:
Barakat Consulting, Inc.

Barakat Consulting
I N C O R P O R A T E D

Disclaimer: This report includes sensitive and confidential information.

Local Workforce Education & Training/Integrated Energy Education & Training Solicitation

1. Solicitation Overview

1.1 Overview

Under this solicitation, SDG&E sought abstracts and proposals for a Workforce Education and Training (WE&T)/Integrated Energy Education and Training (IEET) Program for the 2024-2027 program years ("Solicitation"). The WE&T Sub-Program IEET is broken up into two components, Technical Upskill and Core Energy Education Collaboration (CEEC).

Proposed programs should educate and train the workforce/trade professionals, students, customers, and collaborate with organizations that provide workforce education and training (i.e., community colleges, 4-year colleges, trade associations) ("Organizations") on how to recognize energy savings opportunities, and provide them with information, skills, and resources to act upon those opportunities. The primary purpose of the program is to provide education and training to the current workforce and customers on EE but also to prepare the future workforce to be better able to successfully perform the jobs needed to help achieve increased energy savings targets for the IOUs and California's clean energy goals. It is also important for customers to be better educated on integrated solutions, including EE, DR, and IDSM and what to look for in a well-trained workforce.

This program is classified as a Market Support program and specifically targets the workforce/trade professionals, students and customers who can benefit from continued education and prioritize the value of EE and a well-trained workforce to implement projects. This program also collaborates with Organizations in order to understand the advancements in EE practices, increase awareness and demand for green careers/advanced energy jobs in California." Decision 21-05-031 defines Market Support Programs as: "Programs with a primary objective of supporting the long-term success of the EE market by educating customers, training contractors and building government partnerships, or moving beneficial technologies towards greater cost effectiveness." In support of the Decision of Market Support Programs, WE&T IEET will focus its efforts on educating customers and training contractors.

a. Scope

The solicitation seeks qualified Bidders to propose, design, implement, and deliver an innovative and comprehensive local WE&T IEET Program directed at the workforce/trade professionals, students, customers, and Organizations across SDG&E's service territory.

b. Objectives

The objective of the Solicitation is to implement a third-party program(s) ("Program") that will provide SDG&E's service territory workforce/trade professionals, customers, and organizations the education and training support they need to participate in EE offerings in support of SDG&E's Energy Efficiency Rolling Portfolio Business Plan ("Business Plan" or "Strategic Business Plan"). The Program will be funded by SDG&E's "Market Support" segment of the EE program portfolios, which means the CPUC's cost-effectiveness threshold requirements do not apply. However, SDG&E encouraged Bidders to propose a cost-efficient program design and delivery that maximizes program performance.

1.2 Timing

The solicitation initially launched on August 19, 2022 as a two-stage solicitation and was expected to be complete in the third quarter of 2023. However, after receiving only one abstract in the RFA stage, the solicitation was reviewed and modified based on feedback from the PRG and relaunched as a single stage solicitation.

Table 1.1: Initial Key Milestones		
Milestones	Completion Date	Weeks to Complete
RFA Stage		
Solicitation Launch	August 19, 2022	12 weeks
Bidders' Conference	August 29, 2022	
Offer Submittal Deadline	September 19, 2022	
RFA Shortlist to PRG	November 8, 2022	
Shortlisting Notification	November 15, 2022	
RFP Stage		
Solicitation Launch	January 18, 2023	22 weeks
Bidders' Conference	February 1, 2023	
Offer Submittal Q&A Period	February 2023	
Offer Submittal Deadline	March 3, 2023	
Interviews	April 2023	
RFP Shortlist to PRG	May 2023	
Shortlisting Notification	June 2023	
Selections & Contracting Stage		

Table 1.1: Initial Key Milestones		
Milestones	Completion Date	Weeks to Complete
Contracting and Negotiations Period	Q2 2023	21 weeks
Contracts Presented to PRG	Q2/Q3 2023	
Contract Execution	Q3 2023	

Table 1.2: Revised Key Milestones		
Milestones	Completion Date	Weeks to Complete
RFP Stage		
Solicitation Launch	February 3, 2023	22 weeks
Bidders' Conference	February 10, 2023	
Offer Submittal Q&A Period	February 17-22, 2023	
Offer Submittal Deadline	March 17, 2023	
Interviews	May 1-2, 2023	
RFP Shortlist to PRG	May 9, 2023	
Shortlisting Notification	May 17, 2023	
Selections & Contracting Stage		
Contracting and Negotiations Period	Q2 2023	21 weeks
Contracts Presented to PRG	Q2/Q3 2023	
Contract Execution	Q3 2023	

1.3 Key Observations

Table 1.2 represents a collection of key IE issues, observations, and outcomes (where applicable), from the assigned IE for the WE&T Solicitation during the RFA stage.

Table 1.3: Key Issues and Observations

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Number of evaluators	In the past, SDG&E has often had three evaluators at the RFA stage and only two for the qualitative portion at the RFP stage. For a balanced calibration process, there should be more evaluators.	Have at least three evaluators for the qualitative portion of the proposals.	SDG&E has adopted the recommendation for this solicitation
RFP page limits	A bidder requested an increase in page limits for some sections of the RFP. We agree that the Program Design and Program Operations sections should have more space for bidder responses.	Increase page limits in the Program Design and Operations Sections	SDG&E adopted this recommendation. We suggest using these guidelines for future RFPs, particularly if they are one stage.

2. RFA Bidder Response and Selections

2.1 RFA Development

SDG&E developed the RFA materials in June/July 2022 and the IE conducted a thorough review and provided comments and feedback on the RFA Instructions, Abstract Response Form, and Scorecard. We were given adequate time to review and provide feedback and to review changes made by SDG&E based on our recommendations.

Once the materials are finalized, we will review the scoring guidance with evaluators and provide feedback prior to score team training.

The main themes of our feedback included the following:

- Clarification in questions to ensure that the focus is training and education vs energy savings and incentives
- Adding IDSM training as a component of IDSM and EE/DR questions and budgets

- Adjustments in weighting on scorecard to match up with the categories and questions better
- Adding components to the Staffing and Experience questions to ensure Staff is linked to proposed tasks and Experience is current, relevant and with proven results

SDG&E accepted and/or adequately responded to our suggested modifications to the documents.

2.2 RFA Outreach

SDG&E used traditional outreach methods including the EE Service List, PEPMA, SDG&E website and LinkedIn page, and expanded to include other groups shown below:

- Email blast to Supplier Diversity DBE list
- Interested Organizations Form via teams
- American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) San Diego – Reached over 2,000 contacts
- San Diego Green Building Council
- California Efficiency + Demand Management Council (CEDMC)
- Trade Pro Alliance – Reached over 1000 Trade Professionals
- Small Business Utility Advocates

SDG&E also had a paid ad on LinkedIn that led to the SDG&E website.

2.3 RFA Bidders' Conference

The Bidders' Conference was held on August 29, 2022. There were 14 attendees, including representatives from SDG&E, the PRG and three bidders. There were 25 questions received during the conference and two additional following it. Themes of questions included:

- Request for names of the existing program implementers
- Understanding of how many implementers would be selected
- Clarification of budget and scope
- Clarification of the role(s) of SMEs/Sub-Contractors in the abstract process
- Transition of the current program to a new implementer

2.4 RFA Bidders Response


 received by the September 19, 2022 deadline. It was evaluated two weeks after submission.

Table 2.1: Solicitation RFA Response	
	No.
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
Abstracts Shortlisted	TBD

A general summary of the program budget and goals is shown in the table below (Source: RHA Abstract).

Table 2.2: Program Summary	
IEET Program	Total
EE Budget	\$11,200,000
No. of participants by Residential sector	36,951
No. of participants by Non-Residential sector	9,324
Percent of participation relative to eligible target population for curriculum	32.25% annual average
Percent of total WE&T IEET training program participants that meet the definition of disadvantaged worker	22.25%
Number of collaborations with Organizations to develop or share training materials or resources.	35
EE/DR Integration Budget	TBD at RFP stage

Given the low number of responses, SDG&E circulated a survey to interested bidders to better understand their reasons for not submitting an Abstract. There was limited feedback, with potential bidders indicating 1) the solicitation was not a good fit for their company, 2) they did not have enough time to respond and/or 3) they did not have the resources to respond/participate.

2.5 Abstract Selection Process

a. Bid Screening Process and Management of Deficient Bids

There were no deficient abstracts.

b. Abstract Evaluation Team Profile

The titles and basic responsibilities of each of the evaluators are shown below. Each evaluator will score the entire abstract.

Table 2.3: Abstract Team Profiles	
Title	Duties/Responsibilities
[Redacted Content]	

c. Abstract Scoring Rubric Design

The abstract scorecard is shown in Table 2.4.

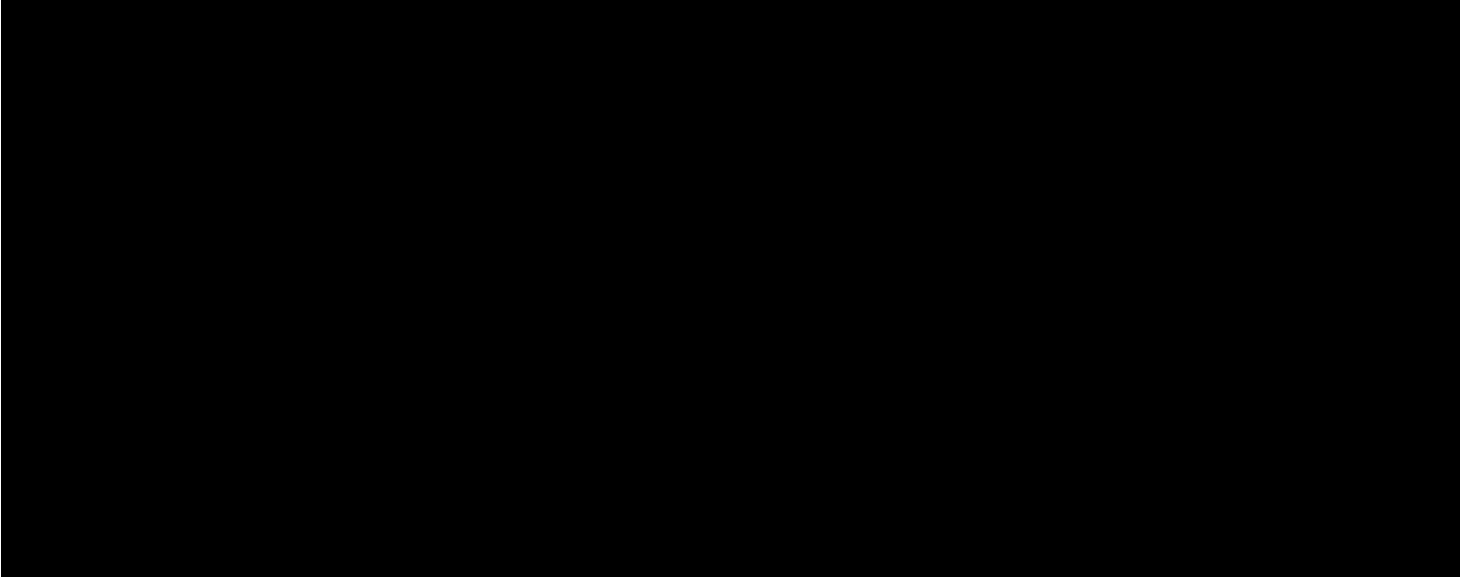
Table 2.4: Abstract Scoring Rubric	
Core Program Elements	% Of Total
Program Overview & Design	[Redacted Content]
Innovation	
Program Operations	
Cost and Performance	
Experience and Capability	
Total Score	100%

d. Evaluation Processes and Scoring Calibration

The evaluator team training was held for 90 minutes on September 20, 2022. The training included an overview of the scoring criteria and the scoring and calibration of a mock abstract. The evaluators were all engaged and participated in the process. The purpose of the mock abstract and calibration

process is to get the evaluators to apply the scoring guidance and discuss scores as they would in a calibration session.

Improvements to the scoring criteria through consistent guidance for each score are shown below:



e. Abstract Selections

[REDACTED], SDG&E discussed the next steps with the IE and the PRG and agreed to revise the solicitation materials and move to a single-stage solicitation.

2.6 PRG and IE Feedback to Abstract Process and Selections

a. Adherence to PRG Guidance and Feedback

[REDACTED] review followed PRG guidance. SDG&E responded favorably to PRG feedback regarding moving to a single stage (primarily from the CPUC’s Energy Division).

b. Response to IE Feedback

SDG&E accepted and/or adequately responded to IE suggested modifications to the documents.

3. RFP Bidder Response and Selections

3.1 RFP Development

Development of the RFP was addressed in the April 2022 through September 2022 Semi-Annual Report.

3.2 RFP Bidders' Conference

The Bidders' Conference was held on February 10, 2023 and included eighteen participants in addition to SDG&E staff. There were [REDACTED] different potential bidders and one IE representative in attendance.

Thirty questions were asked during the Bidders Conference and themes included budget breakout clarifications, staffing, scope of the solicitation (i.e. administration of the program as well as training), and teaming/partnering opportunities.

SDG&E gave bidders through February 17, 2023 to provide additional questions, and all were responded to in writing by SDG&E on February 22, 2023. We agreed with allowing the additional time for bidders to ask questions since 1) this is a one stage solicitation and 2) there appear to be several new and less experienced bidders showing interest in the solicitation.

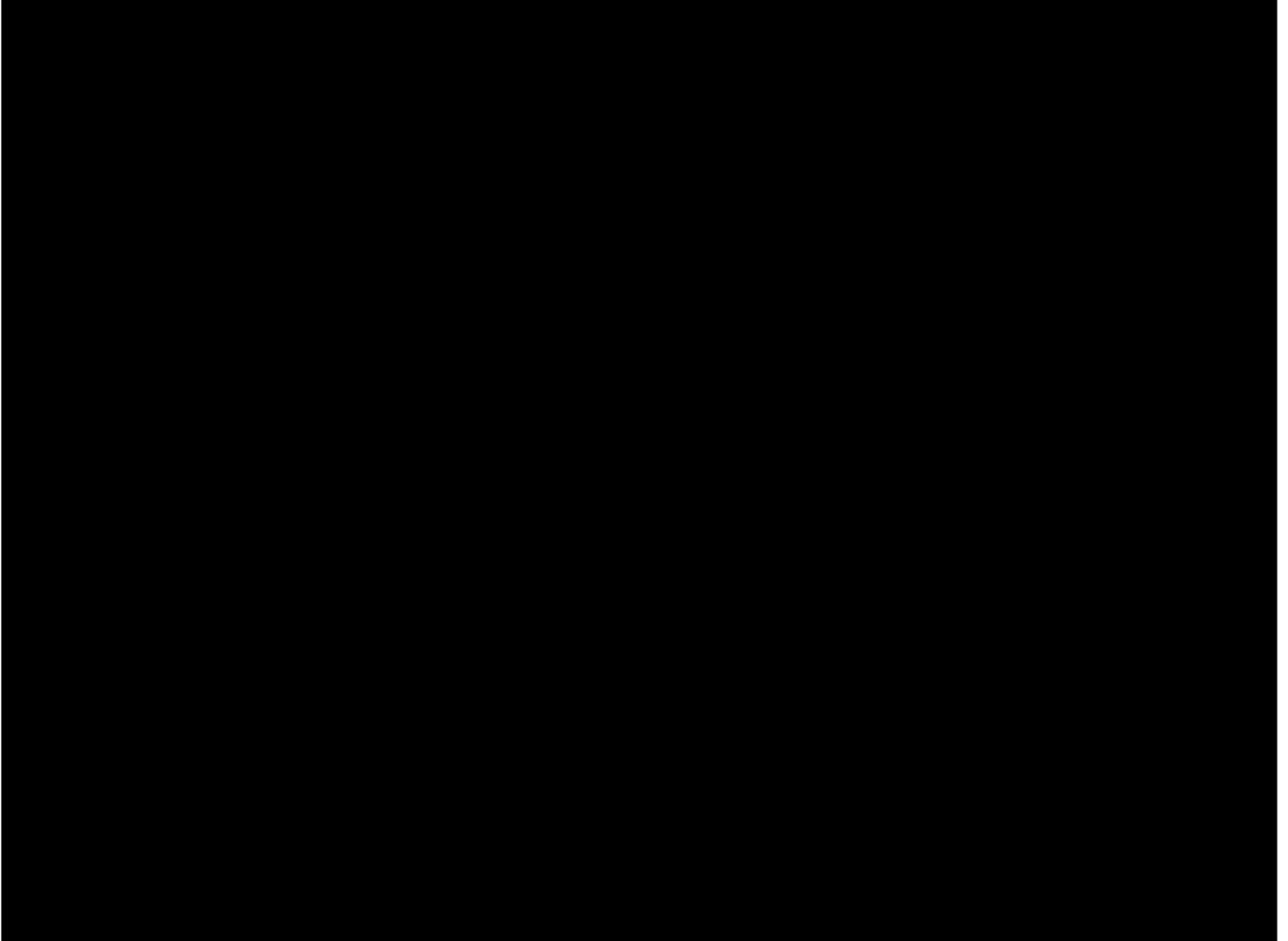
Thirty questions were asked during the Bidders Conference and themes included budget breakout clarifications, staffing, scope of the solicitation (i.e., administration of the program as well as training), and teaming/partnering opportunities. Sixteen additional questions were asked by bidders following the conference. Themes included the following:

- Training development and content
- Teaming opportunities
- Breakout of budgets (Admin/Marketing/Implementation)
- Target audiences

3.3 RFP Bidder Response

Table 3.1: Solicitation RFP Response	
	No.
[REDACTED]	[REDACTED]
Proposals moved to Contracting	To be Reported on in the Next SAR

Four proposals were received by the March 20, 2023 deadline (see Table 3.2). Each proposal passed the threshold assessment and was reviewed and scored by the evaluation team. Each proposed a four-year program with hundreds of classes, including in-person, on-demand and virtual options and each expects thousands of participants from the residential and non-residential sectors, including customers, students and contractors.



3.4 Proposal Selection Process

a. Bid Screening Process and Management of Deficient Bids

There were no deficient proposals

b. Proposal Evaluation Team Profile

The evaluation team for the proposal consisted of [redacted] SDG&E employees, as noted in the table below. [redacted]

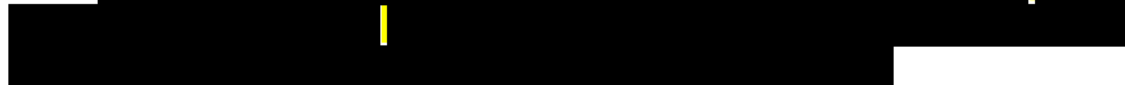


Table 3.3 Proposal Evaluation Team		
Position Title	Position Role	Area Scored

c. Proposal Scoring Rubric Design

The proposal scorecard is shown in Table 3.4.

Table 3.4 Proposal Scoring Rubric	
Core Program Elements	% Of Total
Program Overview & Design	
Program Design	
Innovation	
Program Operations	
Experience and Capability	
Staffing	
Program Compliance	

Table 3.4 Proposal Scoring Rubric	
Core Program Elements	% Of Total
Social Responsibility and Supply Management	
Cost & Performance	
M&V Plan	
Total Score	100%

d. Evaluation Processes and Scoring Calibration

Evaluation and calibration will be covered in the next Semi-Annual Report.

e. Interviews

Interviews will be covered in the next Semi-Annual Report.

3.5 PRG and IE Feedback to Proposal Process and Selections

SDG&E addressed PRG and IE feedback in the RFP development process. In particular, California Public Advocates Office (PAO) raised concerns about the potential overlap of the local program with the Statewide WE&T programs. SDG&E clarified that the Statewide programs have different target audiences:

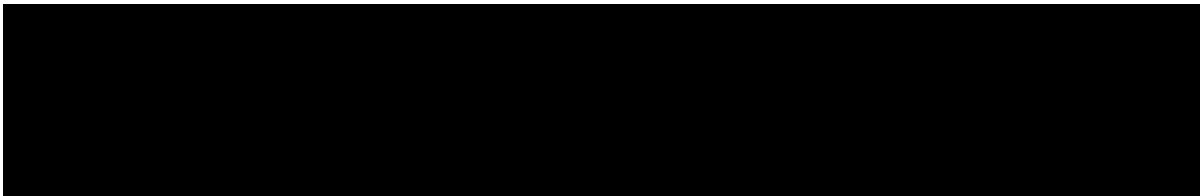
- The Statewide WE&T Connections has a focus on K-12
- The Statewide Career Workforce Readiness (CWR) Programs focuses on providing holistic services to support Disadvantaged Workers through technical training, job placement and wrap-around service support

SDG&E explained that there is no overlap with the Connections Program and the program is complementary to the CWR Program. The CWR program is focused more on job placement for disadvantaged workers, while the local WE&T program offers additional training and education to customers and workforce professionals.

SDG&E requested specific feedback in writing and then held a meeting where the issues were discussed on January 20, 2023. SDG&E then provided an updated version of Question 11 (Overlap Question) in Schedule B1 that further refined the sub-questions related to potential overlap of the program to ensure that bidders sufficiently address how their proposed program will not overlap with the statewide efforts and will be complementary to the training offered. PAO responded with some suggested refinements to the question and SDG&E considered and incorporated some of those recommendations before finalizing the RFP materials and launching the RFP on February 3, 2023.

IE feedback on the solicitation materials was focused on applying lessons learned from the initial RFA stage and other solicitations to improve the RFP Instructions, Response Forms and Scoring Weights. Feedback included the following themes:

- Consistency across all of the materials
- Clarification in questions to ensure that the focus is on training and education vs energy savings and incentives



IE feedback was accepted and/or partially accepted by SDG&E. We agreed with all of the SDG&E responses and changes made.

4. Contracting Process

To be covered in a future Semi-Annual Report.

5. Assessment of Final Contract

To be covered in a future Semi-Annual Report.

6. Overall Assessment of Solicitation

To be covered in a future Semi-Annual Report.

7. Implementation Plan Assessment

To be covered in a future Semi-Annual Report.

Energy Efficiency Independent Evaluator's Semi-Annual Report on the
Small Business Outreach Solicitation

Reporting Period: October 2022 through March 2023

Prepared by:
MCR Corporate Services



Disclaimer: This report includes sensitive and confidential information.

Small Business Outreach Solicitation

1. Solicitation Overview

1.1 Overview

Through this solicitation, SDG&E is seeking EE program proposals from non-utility companies for an innovative Small Business Outreach (SBO) Program for the 2024-2027 program years. The objective of the solicitation is to increase small commercial customer awareness of EE opportunities available and motivate them to act. This program will be classified as an Equity program²⁶ to specifically target small business customers who are typically underserved through traditional EE interventions and should seek to drive persistent bill savings through one-on-one energy management coaching to navigate the utility's portfolio of rate options, bill management, load management, and energy savings programs.

SDG&E's SBO Program will replace its legacy Business Energy Solutions (BES) Program that was expanded to serve small commercial customers due to the early closure of the third-party Small Commercial Program. On March 24, 2022, SDG&E filed Advice Letter (AL) 3972-E requesting to close its third party-implemented Small Commercial Program. Within the AL, SDG&E explained that its legacy BES Program would expand to serve the small commercial segment and prevent a gap in offerings until a new third-party solicitation could be completed.

a. Scope

Bidders' responses should target SDG&E's eligible small commercial customers, (≤ 20 kW monthly demand) with a primary focus on HTR, DAC, or underserved customers. The small commercial sector includes two main market segments: Wholesale/Retail/Offices and Hospitality/Services

b. Objectives

The objective of the Solicitation is to implement a third-party program that will provide SDG&E's underserved small business customers the specialized support they need to participate in EE offerings in support of the Commission's ESJ Action Plan. Currently most small commercial customers are classified as hard-to-reach, and the expectation is that an equity-based approach program will further engage these customers. SDG&E's preference is for a program that can facilitate cross promotion and funnel customers into its new resource acquisition programs. The objective of the program is to provide small businesses the support they need to participate in EE offerings. The program budget is approximately \$3.8 million/year.

²⁶ Decision 21-05-031 defines Equity Programs as: "Programs with a primary purpose of providing EE to HTR or underserved customers and DACs in advancement of the Commission's ESJ Action Plan."

1.2 Timing

Key milestones associated with the SDG&E SBO solicitation are shown in Table 1.1.

Table 1.1: Key Milestones		
Milestones	Completion Date	Weeks to Complete
RFA Stage		
Solicitation Launch	July 7, 2022	6 weeks
Bidders' Conference	July 15, 2022	
Offer Submittal Deadline	August 5, 2022	
RFA Shortlist to PRG	September 20, 2022	
Shortlisting Notification	September 27, 2022	
RFP Stage		
Solicitation Launch	October 18, 2022	19 weeks
Bidders' Conference	October 25, 2022	
Offer Submittal Deadline	November 29, 2022	
Bidder Interviews	February 6-7, 2023 (planned)	
Finalist Shortlist to PRG	February 24, 2023 (planned)	
Finalist Notification	February 28, 2023 (planned)	
Selections & Contracting Stage		
Contracting and Negotiations Period	February 28 -May 22, 2023 (planned)	18 weeks
Contracts Presented to PRG	May 23, 2022 (planned)	
Contract Execution	July 7, 2023 (planned)	

1.3 Key Observations

Table 1.2 represents a collection of key IE issues, observations, and outcomes, where applicable, from the assigned IE for the Small Business Solicitation during this reporting period.

Table 1.2: Key Issues and Observations

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
Timing of RFP Development	SDG&E intended to develop an RFP package prior to completing abstract scoring but utilizing the same staff for both activities put too much strain on IOU staff.	Develop standardized documents earlier in the process. Adjust the RFP schedule to allow scoring team to complete abstract evaluation and incorporate learnings from abstracts to inform documents such as Response Form and Scoring Criteria.	SDG&E added time to the RFP schedule and reserved some elements of the package until post calibration to incorporate learnings. IE and IOU worked together to review package as items were completed.
RFP Response Form	RFP Response Form contained 21 questions, which is more than typical for Equity programs to date.	IE provided an example of an approach that results in 12 questions – not that there is a perfect number, but 21 is very cumbersome and results in overlaps with RFA topics. As IOUs think about simplifying the process, IE recommendation is to focus on priority issues and continue to look for opportunities to split the requests between RFA and RFP, for two-stage solicitations.	SDG&E combined some questions to decrease the number of questions – but this presents its own set of challenges in scoring, as we’ve addressed previously.
RFP Evaluator Training	SDG&E has added the Scoring Criteria Guidance to recent evaluator trainings. The CMO lead explains how the scoring criteria works generally, selects some of the most problematic questions for in-depth discussion and facilitates a roundtable discussion focusing on the 0-4 criteria for clarification.	This is a good addition to the evaluator training in cases where a mock training isn’t possible due to resource constraints.	No Action Required

2. RFA Bidder Response and Selections

All Section 2 activities are included in the April 2022 through September 2022 Semi Annual Report.

3. RFP Bidder Response and Selections

3.1 RFP Development

In conjunction with the abstract scoring, SDG&E began the process of developing the RFP materials. MCR began reviewing Schedules B and B1 (Bidders' Response Form) the last week of September. Additional documents were developed and reviewed in October.

One challenge SDG&E shared was needing to utilize the same staff to develop the RFP materials and score abstracts simultaneously. This put a strain on the scoring team members, who were stretched too thin. One lesson we are all learning as we go through this shortened process is that adjustments have to be made in real time. One adjustment was to postpone development of some of the RFP package documents to allow evaluators to complete their abstract scoring on time.

The IE supported the additional time needed to develop the package and feels it is beneficial to reserve some elements of the package until post-evaluation/calibration of the abstracts. It will be important for the IOU teams to incorporate learnings from the abstracts and adjust RFP materials accordingly.

The IE conducted a full review of the RFP package from SDG&E in early October 2022. Two issues that arose from the review are included below:

1. SDG&E indicated that they do not have account representatives to address the IOU Support Services sector. Support Services have been removed as an option for this solicitation.
2. The Response Form contained 21 questions, which is far more than is typical for an Equity solicitation to date. The IE provided an example of an approach that results in 12 questions. SDG&E did combine a few questions to decrease the number of questions. However, as IOUs think about simplifying the process, our recommendation is that they focus on priority issues and continue to look for opportunities to split the requests between RFA and RFP, for two stage solicitations.

SDG&E successfully launched its Small Business Outreach RFP on October 18, 2022. Parties invited to advance to RFP [REDACTED]

3.2 RFP Bidders' Conference

SDG&E conducted the Small Business Outreach RFP Bidders' Conference on October 25, 2022. Prior to the Conference, the IE reviewed SDG&E's presentation and provided comments and recommendations – all of which SDG&E accepted.

[REDACTED] participated in the Bidders' Conference. [REDACTED] SDG&E provided a helpful overview of equity programs generally and Small Business Outreach specifically. The SDG&E team also walked through each document in the

RFP package to explain what it was and whether it would be evaluated. They also reviewed what they would be looking for in each section of the RFP Response Form. The IE continues to support this practice as it allows an opportunity to provide as much detail as possible about what SDG&E expects from each question in the hope of receiving proposals that are responsive to the RFP. SDG&E recorded the Conference and gave all bidders access to the recording via PowerAdvocate.

Bidders asked several questions during the Bidders' Conference and during the Solicitation Q&A period that concluded October 31. Questions included confirmations on the appropriate CET Avoided Cost Calculator version for this solicitation as well as how Total System Benefits would be evaluated and clarifications on target customer segments.

3.3 RFP Bidders Response

On November 2, 2022, [REDACTED] that they would not be providing a proposal in response to the Small Business Outreach RFP. When asked for additional details on why they were not submitting a bid, [REDACTED] and want to be positioned to provide adequate ramp-up and focus on the success of each program.

SDG&E received complete proposal submittals from [REDACTED] by the proposal due date of November 29, 2022.

3.4 Proposal Selection Process

SDG&E's proposal selection process mirrors its abstract selection process and includes a screen of proposals prior to scoring, the formation and training of a qualified proposal evaluation team, followed by proposal evaluation and score calibration.

a. Proposal Screening Process and Management of Deficient Bids

SDG&E's CMO conducted a Proposal Threshold Assessment to determine whether the proposals were complete and eligible for scoring. The Proposal Threshold Assessment evaluates the responsiveness of each bidder's proposal to RFP requirements, including whether the bidder followed RFP instructions, submitted all mandatory documents, provided all required information in PowerAdvocate and in the Proposal form, and provided a proposal that could be reasonably scored. The CMO determined that the proposals were complete and were released to the evaluators for scoring on December 1.

Once proposal scoring begins, SDG&E may seek clarification from the bidder on topics included in their Proposal, such as, but not limited to:

- CET Values
- Compensation and Budgets

- Savings
- Measures
- Overall Program Design

The IE has recommended that SDG&E, unless a proposal cannot be scored without the information in question, wait to seek clarification from bidders by asking targeted questions during the bidder interviews.

b. Proposal Evaluation Team Profile

SDG&E’s Small Business Outreach proposal evaluation team roster is listed below in Table 1. The team consisted of experienced subject matter experts drawn from the SDG&E’s staff. There were no conflicts of interest reported by SDG&E or its team members.

Table 1: SDG&E’s Small Business Outreach Proposal Evaluation Team		
Position Title	Position Role	Section(s) Scored

SDG&E held an RFP Evaluator Training on November 28, 2022, before scoring began. [REDACTED]

The training was well received and included a section on Scoring Criteria Guidance. This is a very helpful addition to the training. After explaining how the scoring criteria works generally, the CMO lead selected some of the most problematic questions for in-depth discussion [REDACTED]

[REDACTED] Following the discussion of the scoring criteria for each question there was a roundtable discussion focusing on the 0-4 criteria to ensure evaluators were clear about them and to address any questions or concerns from the scoring team.

c. Proposal Scoring Rubric Design

SDG&E applied the scoring rubric (Table 2) in the evaluation of the bidders’ proposals.

Table 2: Local Behavioral Proposal Scoring Rubric		
Category	Sub-Category	Weighting
Core Program Elements	Program Overview	[REDACTED]
	Program Design	
	Program Operations	
	Program Compliance	
	Innovation	
	Experience	
	Staffing Plan	
Social Responsibility & Supply Management	Social Compliance (includes DBE/SBE)	[REDACTED]
	Exceptions to Terms and Conditions	
Budget, Outputs and M&V	Budget & Output Justification	[REDACTED]
	M&V Plan	
Total		100%

d. Proposal Evaluation Process and Scoring Calibration

Scoring of the Small Business Outreach proposals began in early December and concluded January 13, 2023. The scoring period was extended by SDG&E to account for the holidays. [REDACTED]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

e. Proposal Shortlist and Final Selection

Based on the calibration discussions, SDG&E developed a list of interview topics that each bidder would need to address during their interview:

- Pre- & post-inspections and methodology.

- Program compliance and how bidders will monitor and respond to unexpected changes to program measure offerings and ex-ante actions.
- Fuel-substitution measure and budget criteria.
- Reasonableness of projected savings values.
- Customer marketing/outreach and engagement strategies – reaching DAC/HTR and microbusinesses.

On January 23, SDG&E invited the bidders to interview. SDG&E reminded the bidders that the interviews remained a competitive part of the process and did not guarantee a contract award. SDG&E informed bidders of the interview structure, bidder representation for the interview, and post-interview activities. SDG&E also provided each bidder with several questions specific to them to be addressed during the first stage of their interview. The IE was involved in developing and reviewing the interview questions for the bidders at the request of SDG&E.

SDG&E’s 60-minute **interview structure** is split into two-stages:

Stage 1 – Bidder Program Presentation (30-minutes)

Bidder presents their program and addresses the questions provided by SDG&E prior to the interview. Bidder has the option of presenting additional information regarding their program.

Stage 2 – SDG&E Asks Bidder Questions (30-minutes)

SDG&E asks additional questions regarding the bidder’s proposal, presentation, and any other questions that may arise. In addition, the bidder will have five minutes before close of interview to ask any questions of SDG&E’s evaluation team.

SDG&E [REDACTED]
The bidders came to the interviews well prepared with excellent clarification of the issues raised by SDG&E. The bidders were able to discuss their programs and answer the Stage 1 questions in the allotted time, and the bidders included an “index” to indicate which slides addressed each of SDG&E’s issues. [REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[Redacted text block containing multiple paragraphs of blacked-out content]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

3.5 PRG and IE Feedback to Proposal Process and Selections

The issues discussed by the PRG and the IE during the proposal and selection processes included:

- Could there be any potential overlap with existing or soon-to-launch pilot programs?

- The timing of the Small Business Pilot that recently launched was determined not to be a conflict since the Small Business Outreach program will not launch until mid-2024.

The PRG raised the issue of including outreach to microbusiness. The IE had an initial conversation on March 23, 2023, with a PRG member representing Small Business Utility Advocates regarding which definition SDG&E should use for microbusiness. Definitions appear to range from businesses with 25 or fewer employees down to those with 10 or fewer employees and average annual gross receipts appear to vary between \$2,500,000 and \$5,000,000. There may also be one threshold that is \$500,000. A lower threshold may be more appropriate to address the tiny companies that need special focus and attention.

SDG&E has added “microbusiness” to this solicitation as a goal and is discussing proposing a bonus target for implementers that are successful in addressing this market segment. The actual definition is still under discussion with SDG&E, the IE and the PRG.

4. Contracting Process

On March 6, SDG&E held a 30-minute contract negotiation kickoff meeting that included SDG&E, [REDACTED]. The CMO lead walked through the objective of contract negotiations, provided introductions and an explanation of the elements of the contract package as well as a timeline for negotiation. [REDACTED]

The IE received SDG&E’s draft of the complete Small Business Outreach contract package on March 27 with the goal of completing review by April 3. The draft contract package consisted of 24 documents. The IE reviewed the contract package by comparing each document to their templates for consistency and then verifying the accuracy of information added to the documents by SDG&E [REDACTED]. The IE completed its review and returned the redlined documents to SDG&E on March and March 30.

Contract negotiations will begin in April 2023; future Semi-Annual Reports will address Sections 4.1-4.3.

5. Assessment of Final Contract

This stage of the SDG&E SBO solicitation has not yet occurred; future Semi-Annual Reports will address this topic.

6. Overall Assessment of Solicitation

This stage of the SDG&E SBO solicitation has not yet occurred; future Semi-Annual Reports will address this topic.

7. Implementation Plan Assessment

This stage of the SDG&E SBO solicitation has not yet occurred; future Semi-Annual Reports will address this topic.

Energy Efficiency Independent Evaluator's Semi-Annual Report on the
Local Non-Residential Behavioral Solicitation

Reporting Period: October 2022 through March 2023

Prepared by:
Barakat Consulting, Inc.

Barakat Consulting
I N C O R P O R A T E D

Disclaimer: This report includes sensitive and confidential information.

Local Non-Residential Behavioral Solicitation

1. Solicitation Overview

1.1 Overview

Under this solicitation, SDG&E sought abstracts and proposals that will drive non-residential customers to modify usage-based and equipment-based behaviors in ways that reduce energy use. The program should also encourage demand shifting and peak conservation. The mechanisms for changing these behaviors are increasing customer awareness and understanding of their energy use while providing relevant tips and program offers.

There is a need to include innovative program solutions that also deliver cost-effective energy savings. The proposed Program should contribute to a cost-effective portfolio and support SDG&E in achieving related CPUC-adopted portfolio goals and sector metrics.

a. Scope

The solicitation sought qualified Bidders to propose, design, implement and deliver an innovative and comprehensive local non-residential behavioral program to increase Non-Residential customers' awareness of their energy use and to motivate them to take actions.

b. Objectives

The objective of the solicitation is to implement a third-party program(s) ("Program") that will motivate customers to modify usage based and equipment-based behaviors in ways that reduce energy use. Program tactics may include the following:

- Intervention focusing on altering non-residential energy use
- Behavioral modeling
- Behavioral energy savings
- The program should also encourage demand shifting and peak conservation and may promote participation in demand response programs.

1.2 Timing

The solicitation launched on October 24, 2022 as a two-stage solicitation and is expected to be completed in the third quarter of 2023.

Table 1.1: Initial Key Milestones		
Milestones	Completion Date	Weeks to Complete
RFA Stage		
Solicitation Launch	October 24, 2022	12 weeks
Bidders' Conference	November 1, 2022	
Offer Submittal Deadline	November 23, 2022	
RFA Shortlist to PRG	January 2023	
Shortlisting Notification	January 18, 2023	
RFP Stage		
Solicitation Launch	January 23, 2023	22 weeks
Bidders' Conference	January 31, 2023	
Offer Submittal Q&A Period	January 31 – February 14, 2023	
Offer Submittal Deadline	February 27, 2023	
Interviews	April 25, 2023	
RFP Shortlist to PRG	May 2023	
Shortlisting Notification	June 2023	
Selections & Contracting Stage		
Contracting and Negotiations Period	Q2 2023	21 weeks
Contracts Presented to PRG	Q2/Q3 2023	
Contract Execution	Q3 2023	

1.3 Key Observations

Table 1.2 represents a collection of key IE issues, observations, and outcomes (where applicable), from the assigned IE for the NonRes Behavioral Solicitation.

Table 1.3: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Number of evaluators	In the past, SDG&E has often had three evaluators at the RFA stage and only two for the qualitative portion at the RFP stage. For a balanced calibration process, there should be more evaluators	Have at least three evaluators for the qualitative portion of the proposals	SDG&E has adopted the recommendation for this solicitation
Page Limits in Solicitation Materials	One bidder submitted a proposal where they removed the questions that were supposed to be included in the responses. Given that there was a page limit requirement of all bidders, this gave them a potential advantage of 1/2 to 2 pages in some sections	Rather than penalizing bidders, the IE recommends that SDG&E 1) increase page limits in some sections where more space is needed (e.g. Program Design and Program Operations and 2) reiterate the page limit topic during the Bidders Conference	Pending SDG&E response
Scoring of KPIs	Review and scoring of KPIs at the RFP stage doesn't tend to have a significant impact on the final outcome and KPIs are generally modified during the contract stage	Don't request or score KPIs at the RFP stage. Address in contracting	SDG&E will be requesting KPIs but not scoring them in future solicitations

2. RFA Bidder Response and Selections

2.1 RFA Development

SDG&E developed the RFA materials in September 2022 and the IE conducted a thorough review and provided comments and feedback on the RFA Instructions, Abstract Response Form, and Scorecard. We were given adequate time to review and provide feedback and to review changes made by SDG&E based on our recommendations.

Once the materials are finalized, we will review the scoring guidance to evaluators and provided feedback prior to score team training.

The main themes of our feedback included the following:

- Clarification in questions and adding definitions to ensure that the focus is on behavioral objectives, vs traditional measures and incentives.
- Modifying word limits to better match with the information being requested.
- [REDACTED]
- SDG&E accepted and/or adequately responded to our suggested modifications to the documents.

2.2 RFA Outreach

SDG&E used traditional outreach methods including the EE Service List, PEPMA, SDG&E website and LinkedIn page, and expanded to include other groups shown below:

- Email blast to Supplier Diversity DBE list.
- Interested Organizations Form via teams.
- American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) San Diego – Reached over 2,000 contacts.
- California Efficiency + Demand Management Council (CEDMC).
- Trade Pro Alliance – Reached over 1000 Trade Professionals.

SDG&E also had a paid ad on LinkedIn that led to the SDG&E website.

2.3 RFA Bidders' Conference

The Bidders' Conference was held via Slido on November 1, 2022. It was scheduled for one hour, but due to the low number of questions, the meeting only lasted about 45 minutes. There were eight attendees and limited questions during the call.

The questions mainly focused on targeted customers, the nature of the program (resource/market support/equity) and the drivers for the program.

2.4 RFA Bidders Response

Three abstracts were submitted by the November 23, 2022 deadline.

b. Abstract Evaluation Team Profile

The titles and basic responsibilities of each of the evaluators is shown below. Each evaluator scored the entire abstracts.

Table 2.3: Abstract Team Profiles	
Title	Duties/Responsibilities
[Redacted Content]	

c. Abstract Scoring Rubric Design

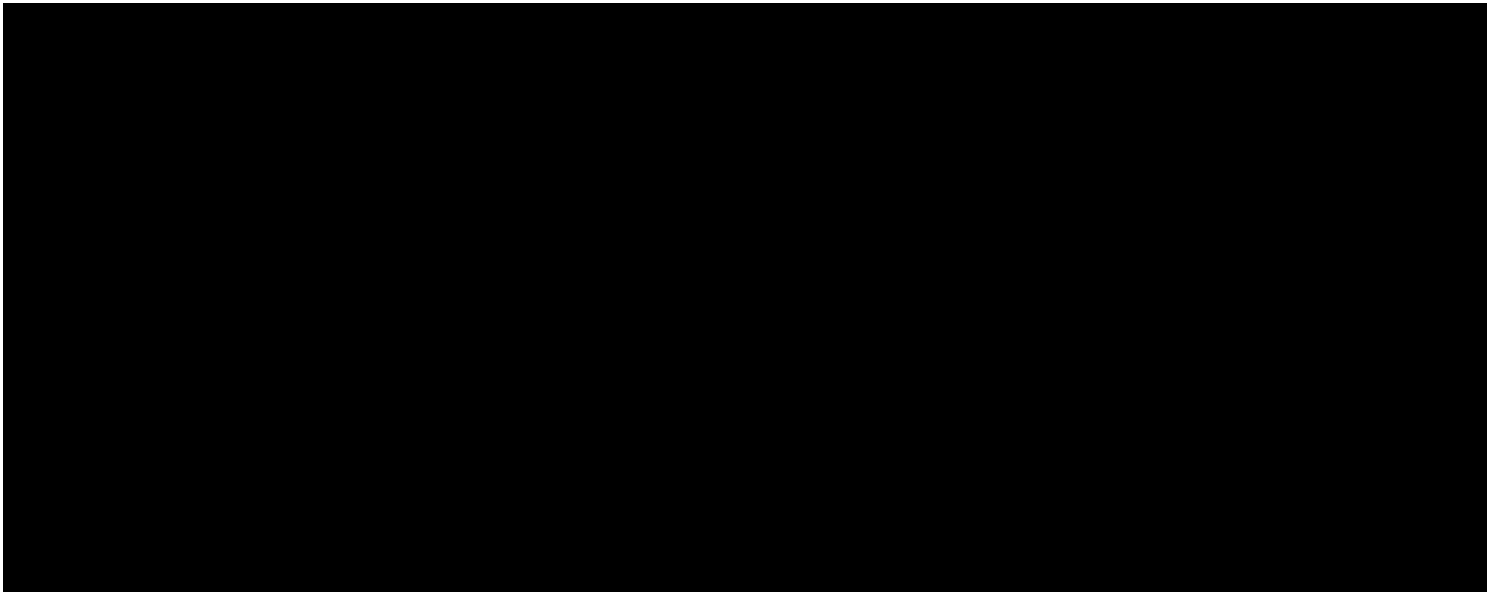
The abstract scorecard is shown in Table 2.4.

Table 2.4: Abstract Scoring Rubric	
Core Program Elements	% Of Total
Program Overview & Design	[Redacted Content]
Innovation	
Program Operations	
Cost and Performance	
Experience and Capability	
Compliance	
Total Score	100%

d. Evaluation Processes and Scoring Calibration

The evaluator team training was held on November 17, 2022 with a continuation on November 29, 2022 due to a change in one of the scorers for the abstracts. The training included an overview of the process, a mock abstract scoring exercise and a mock calibration session that allowed for the scorers to discuss their scores, rationale for scores and potential for making changes to scores based on the group discussion. [REDACTED] evaluators participated, and the team was very engaged in the training.

Improvements to the scoring criteria through consistent guidance for each score are shown below:



The calibration meeting was held on January 3, 2023 over a two-hour period. Thirteen questions were discussed based on a 2-point deviation between scores. No additional questions were added from the IE for consideration and/or discussion during the session. The main focus of the discussion included the following:

- Target customer groups and messaging;
- What constitutes Innovation in a non-residential behavioral (NRB) program;
- How program costs line up with savings and TSB numbers and how these can be justified;
- Appropriate experience and lessons learned from other programs that can apply to a newer NRB program.

The entire team was engaged in the discussions and in some cases, the evaluators (and the IE) changed their scores based on the discussion of the group. The meeting was well managed and the outcome resulted in the abstracts being very closely scored, with several areas of improvements and refinements for the RFP stage noted by the scoring team.

e. Abstract Selections

All scores were generally aligned after calibration and supported moving all bidders to the RFP stage.

2.6 PRG and IE Feedback to Abstract Process and Selections

a. Adherence to PRG Guidance and Feedback

The abstract review followed PRG guidance. SDG&E responded favorably to PRG feedback on the Abstract stage.

b. Response to IE Feedback

SDG&E accepted and/or adequately responded to IE suggested modifications to the documents.

3. RFP Bidder Response and Selections

3.1 RFP Development

In an effort to reduce solicitation timelines, SDG&E developed RFP materials in parallel to the RFA evaluation process. While we support this approach, the collective SDG&E IEs believe that the materials should not be finalized until after the RFA evaluation and calibration process so that any additional feedback from the evaluation team can be considered in refining the final RFP questions. SDG&E adopted this approach for this solicitation developed an initial package and then made refinements based on the post-calibration feedback.

We were provided with updated RFP materials in early January 2023 and provided additional feedback to SDG&E. SDG&E either accepted or addressed to our satisfaction, all of our feedback on the RFP materials.

3.2 RFP Bidders' Conference

The Bidders' Conference was held on January 31, 2023 and [REDACTED] participants in addition to SDG&E staff. There were [REDACTED] bidders who advanced to the RFP stage, two IE representatives and one person from the CPUC in attendance.

Themes of the questions during and following the conference included budget clarification, data sharing, CET clarifications including measure types, load shapes and project savings calculations, targeted markets including past usage and participation numbers and confirmation that there are no savings targets for this solicitation. SDG&E collected questions from the meeting and those provided after the bidders' conference and responded in writing on February 7, 2023 to a total of twelve questions.

3.3 RFP Bidder Response

Table 3.1: Solicitation RFP Response	
	No.
[REDACTED]	
Proposals moved to Contracting	To be reported in the next SAR

Each [REDACTED] bidders who advanced from the RFA to RFP stage submitted proposals by the February 27, 2023 deadline. Each of the proposals passed the threshold assessment.

3.4 Proposal Selection Process

a. Bid Screening Process and Management of Deficient Bids

There were no deficient proposals.

b. Proposal Evaluation Team Profile

The evaluation team for the proposal consisted of six SDG&E employees as noted in the table below.

Table 3.3 Proposal Evaluation Team			
	Position Title	Position Role	Area Scored
[REDACTED]			

Table 3.3 Proposal Evaluation Team			
	Position Title	Position Role	Area Scored

c. Proposal Scoring Rubric Design

The Proposal scorecard is shown in Table 3.4.

Table 3.4 Proposal Scoring Rubric	
Core Program Elements	% Of Total
Program Overview & Design	
Program Design	
Innovation	
Program Operations	
Experience and Capability	
Staffing	
Program Compliance	
Social Responsibility and Supply Management	
Measures	
CET/TSB	
Budgets and Savings	
KPIs	
M&V Plan	
Total Score	100%

d. Evaluation Processes and Scoring Calibration

Evaluation and calibration will be covered in the next Semi-Annual Report.

e. Interviews

Interviews will be covered in the next Semi-Annual Report.

3.5 PRG and IE Feedback to Proposal Process and Selections

Following the off-cycle email to the PRG for review of the RFP materials on January 13, 2023, there were two suggested edits from the Energy Division (ED). One requested additional language in the logic model directing bidders to identify metric indicators for each of the logic model outcomes they identify. This was adopted. The other requested greater clarification of IDSM approaches and options. This language was included in the IDSM question in Schedule B1: Narrative Response Form.

IE review of RFP materials resulted in feedback and/or clarification on 27 items across the RFP. SDG&E either accepted or adequately addressed all IE feedback on the RFP materials. Themes of feedback are listed below:

- Ensuring consistency across all of the materials.
- Clarification in questions to focus on the unique features of the NRB program including drivers for behavioral changes in this sector, customer messaging tactics, innovation, and lessons learned from past experiences that will be applied to this program.



4. Contracting Process

To be covered in a future Semi-Annual Report.

5. Assessment of Final Contract

To be covered in a future Semi-Annual Report.

6. Overall Assessment of Solicitation

To be covered in a future Semi-Annual Report.

7. Implementation Plan Assessment

To be covered in a future Semi-Annual Report.

Energy Efficiency Independent Evaluators' Semi-Annual Report on the

Local Residential Equity Education & Outreach Solicitation

Reporting Period: October 2022 through March 2023

Prepared by:
Don Arambula Consulting



Disclaimer: This report includes sensitive and confidential information.

Local Residential Equity Education & Outreach Solicitation

1. Solicitation Overview

1.1 Overview

This Report on the Local Residential Equity Education & Outreach (REEO) solicitation covers the period between October 2022 through March 2023 and addresses the development of the RFA of SDG&E's program solicitation.

The REEO solicitation seeks an informational residential equity education and outreach program from non-utility companies for the 2024-2027 program years. The solicitation budget is up to \$3.4 million for the four-year program implementation period. SDG&E plans to fund the program through the Equity segment²⁷ of its energy efficiency program portfolio. The solicitation may result in multiple awards.

a. Scope

The bidders' proposed REEO programs should have a primary focus on improving access to energy efficiency education and awareness to SDG&E's residential equity customers (Equity), as defined by the CPUC as hard-to-reach (HTR) customers and/or disadvantaged communities (DAC) in the advancement of the Commission's Environmental and Social Justice (ESJ) Action Plan. The CPUC, in Decision 21-05-031, clarifies that Equity programs may provide corollary benefits such as customer safety and comfort, resiliency, improved indoor air quality, and/or affordable customer utility bills.

A proposed Equity program should specifically target residential HTR and/or DAC customers who can benefit from education and awareness to prioritize the value of adopting energy efficiency measures and behaviors in their household.

The Equity category is distinct from SDG&E's low-income energy efficiency Energy Savings Assistance (ESA) programs, which have separate funding, goals, and regulatory treatment. While there may be some overlap in ESA-qualified customers within the target groups, the Equity category is intended to be defined within the energy efficiency programs that do not specifically target ESA-qualified populations with program offerings that low-income customers could receive at no cost

²⁷ Decision 21-05-031 defines "Equity Programs with a primary purpose of providing energy efficiency to hard-to-reach or underserved customers and disadvantaged communities in advancement of the Commission's Environmental and Social Justice (ESJ) Action Plan;3 Improving access to energy efficiency for ESJ communities, as defined in the ESJ Action Plan, may provide corollary benefits such as increased comfort and safety, improved indoor air quality, and more affordable utility bills, consistent with Goals 1, 2, and 5 in the ESJ Action Plan.", pp. 14-15.

from the ESA program. ESA-qualified customers encountered through this Equity program should be referred to the applicable ESA program.

b. Objectives

The Solicitation aims to procure a third-party program(s) (Program) that will provide SDG&E's residential Equity customers with the education and awareness of energy efficiency practices and benefits and encourage these customers to participate in other energy efficiency offerings. SDG&E will fund the program from the Equity segment of its EE program portfolio.²⁸ Thus, the CPUC's cost-effectiveness threshold requirements do not apply to the Equity segment.²⁹ Nevertheless, the IOU encourages bidders to propose a cost-efficient program design and delivery that maximizes program performance and minimizes costs.

1.2 Timing

SDG&E's RFA release was consistent with the projected release timeframe (first quarter of 2023), as shown in SDG&E's solicitation schedule presented to the bidder community through the CAEECC site. SDG&E had contemplated a one-stage solicitation but given that an REEO program type is not currently offered in its portfolio, SDG&E concluded that a two-stage solicitation was reasonable.

SDG&E plans to contract with the successful bidder(s) for a four-year program. As a result, SDG&E expects to file an advice letter to seek CPUC contract approval.³⁰ Unless otherwise indicated, all milestones were met or on schedule. Table 1.1 below includes key milestones for this program solicitation.

Table 1.1: Key Milestones		
Milestones	Completion Date	Duration
RFA Stage		
1. RFA Released	March 2, 2023	Pending
2. Optional Bidders' Conference	March 9, 2023	
3. Bidder Questions Due	March 15, 2023	
4. Responses to Bidder Questions Due	March 21, 2023	
5. Bidder Abstract Submission Due	April 10, 2023	

²⁸ [Decision 21-05-031](#) p. 23, pp. 30-31.

²⁹ Id, OP 3.

³⁰ [Decision 18-01-004](#), OP 5 states "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."

Table 1.1: Key Milestones		
Milestones	Completion Date	Duration
6. Submittal Review	April 12 – May 10, 2023	
7. Bidders Notified-Advancement to RFP Stage	May 17, 2023	
RFP Stage		
1. RFP Released	May 26, 2023	pending
2. Bidders' Conference	May 31, 2023	
3. Bidder Questions Due	June 7, 2023	
4. Responses to Bidder Questions	June 13, 2023	
5. Bidder's Proposal Due	July 7, 2023	
8. Proposal Review, Bid Clarification Discussions	July 11 thru August 4, 2023	
9. Selected Bidder Interviews	August 30 thru 31, 2023	
Selections & Contracting Stage		
1. Notification Selection (Subject to Negotiations) *	September 18, 2023	26 weeks
2. Contract Development and Negotiation*	Q3 2023	
3. Company's Advice Letter Filing, if Required*	Q4 2023	
4. Program Ramp-Up Begins	Q1 2024	
5. Full Program Roll Out	Q1 2024	

**Estimated Dates*

1.3 Key Observations

Throughout the development of the RFA, the IE provided feedback to the IOU on various RFA elements, including RFA instructions, scorecard, and bidder questions. The IE shared all recommendations with the IOU and the PRG. SDG&E was generally responsive to the IE's feedback. Table 1.2 presents the IE's key recommendations that the IOU considered but did not accept.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
RFA			
Implementer ■ Feature	In the RFA instructions, SDG&E presented its preferred compensation structure for the selected implementer, which included a pay-for-performance approach with a portion of the compensation to be paid contingent on meeting agreed-upon program deliverables.		

During the solicitation, the IE observed emerging effective practices by the IOU that made the process more effective, efficient, and transparent. The IE recommends that the IOU continue these practices, as presented below, and share them with other IOUs for their consideration and potential adoption.

Table 1.3: Effective Practices	
Emerging Effective Practice	IE Analysis
Subcontractor Teaming	At the RFA stage, SDG&E facilitated teaming among potential bidders and subcontractors in this solicitation.
Monthly IE Coordination Meetings	The IOU allowed the collective IEs to meet monthly to discuss emerging issues and find a common recommendation to present to the IOU. The collaboration provided the IOU with consistent, well-vetted recommendations associated with the various solicitations.
Reduce RFA Requirements for Bidders	SDG&E significantly reduced the number of questions a bidder must respond to in the RFA stage. This reduction in bidder requirements likely helped reduce the burden on the participating bidders and SDG&E’s evaluation team.
Small Business Enterprise (SBE) Consideration	SDG&E considered the bidder and bidder subcontractor’s SBE status in the scoring rubric.

2. RFA Bidder Response and Selections

SDG&E continues to make refinements to its RFA requirements. The RFA now includes only 8 bidder questions that focus on the bidder’s proposed program concept (i.e., program theory logic model), program experience, and conformance to the RFA’s stated scope. Also, the bidder must now provide their responses in the PRG-preferred Word rather than the previous Excel format. The IE commends SDG&E’s solicitation staff for addressing the PRG and IE concerns regarding the extensive bidder RFA requirements in previous solicitations.

The IOU should avoid repeating questions in the RFA and RFP stages for two-stage solicitations.



2.1 RFA Outreach

The solicitation outreach relied on targeted announcements through various channels, including Proposal Evaluation & Proposal Management Application (PEPMA), Supply Diversity list, SDG&E and LinkedIn page, CEDMC, and trade pro ally listings.

In response to its PRG and collective IE recommendations, SDG&E facilitated teaming among potential bidders and subcontractors in this solicitation.

2.2 RFA Bidders' Conference

This solicitation activity has not yet occurred; future Semi-Annual reports will address this topic.

2.3 RFA Bidders' Response

This solicitation activity has not yet occurred; future Semi-Annual reports will address this topic.

2.4 RFA Abstract Selection Process

This solicitation activity has not yet occurred; future Semi-Annual reports will address this topic.

3. RFP Bidder Response and Selections

This solicitation activity has not yet occurred; future Semi-Annual reports will address this topic.

4. Contracting Process

This solicitation activity has not yet occurred; future Semi-Annual reports will address this topic.

5. Assessment of Final Contract

This solicitation activity has not yet occurred; future Semi-Annual reports will address this topic.

6. Overall Assessment of Solicitation

This solicitation activity has not yet occurred; future Semi-Annual reports will address this topic.

7. Implementation Plan Assessment

This solicitation activity has not yet occurred.