

A.17-01-013, et al.
SDG&E 2018-2025 EE Rolling Portfolio Business Plan
ORA DATA REQUEST No. ORA-A1701013-SDGE001 Dated March 1, 2017
Question 11
Submitted: March 22, 2017

Utility Procurement Plans

11. How do you propose to structure your third-party solicitations?

- a. Will you conduct sector-specific third-party solicitations?
- b. Will you conduct cross-sector third-party solicitations?
- c. Specify the advantages of your solicitation structure over alternative solicitation strategies.

SDG&E Response:

a. SDG&E intends to solicit the market based on opportunities or gaps that are identified within its EE portfolio. These solicitations may be sector-specific or they may be cross-sector (e.g. there could be a solicitation for a program that will satisfy direct install requirements across both commercial and public sectors). The result could be a single program by a third party implementer that would cover both a single sector or cross-sectors and leverage marketing, development and implementation costs. Or there could be multiple implementers that have expertise in one or more of these areas. SDG&E will rely on these third parties to bring new and innovative solutions for us as they propose, design, and implement these programs.

b. Please see response to Question 11(a) above.

c. As stated in SDG&E's Business Plan, the advantages of our solicitation structure and strategies include inviting and encouraging third parties to bring innovation, expertise and cost efficiencies to our portfolio. As ordered in OP 11 of D.16-08-019, SDG&E will ramp up its solicitations to achieve at least the minimum threshold of 60% third party programs by the end of 2020 (see pages 23 – 26 of the Business Plan). One of the main considerations in the development of SDG&E's solicitation process is to balance the number of solicitations at any given time by SDG&E and potential concurrent solicitations by other PAs with a goal of avoiding market disruptions, abrupt program starts and stops, gaps in program availability and other potential negative effects that may occur with flooding the market with multiple solicitations.

Another key advantage of this phased approach is also providing the third-party implementers and contractors the necessary time they need to develop the concepts and program designs, as well as ample time to prepare to participate in each round of solicitations. The expectation is that this solicitation structure will offer many opportunities for bidders and increase competition.