

**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  
(Filed November 14, 2013)

**ENERGY EFFICIENCY SEMI-ANNUAL INDEPENDENT EVALUATOR'S REPORT  
PUBLIC VERSION  
(ATTACHMENT A CONTAINS CONFIDENTIAL MATERIAL)**

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Dated: June 21, 2021

Attorneys for  
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Pursuant to Decision (D.)18-01-004, Ordering Paragraph ("OP") 5, and on behalf of its independent evaluator, Pacific Gas and Electric Company ("PG&E") submits a public version of the Energy Efficiency Semi-Annual Independent Evaluators' Report ("IE Report" -Attachment A).

The independent evaluators are required by D.18-01-004, OP 5 (c) to submit a semiannual report on the overall third-party solicitation process for PG&E, Southern California Edison, San Diego Gas & Electric, and Southern California Gas Company:

*The IEs shall provide at least the following services:*

- a. Consultation and support to the procurement review groups.*
- b. A report on each solicitation to be presented to the appropriate procurement review group.*
- c. A semi-annual report on the overall process and conduct of the third-party solicitations, to be filed in the relevant energy efficiency rulemaking proceeding.*
- d. An individual report on the solicitation process resulting in any contract award valued at \$5 million or greater and/or with a contract term of longer than three years, to be submitted along with the Tier 2 advice letter seeking Commission review of such contracts.<sup>1/</sup>*

The IE Report was prepared by Barakat Consulting, Inc., Don Arambula Consulting, EAJ Energy Advisors, Great Work Energy, and The Mendota Group, LLC. Although the IE report concerns PG&E's third-party solicitation process, PG&E provided minimal input in its preparation.

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<sup>1/</sup> D.18-01-004, OP 5.

Respectfully Submitted,

JENNIFER C. REYES LAGUNERO

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# **ATTACHMENT A**

**(CONFIDENTIAL INFORMATION HAS BEEN REDACTED  
FROM THIS ATTACHMENT AND WILL BE FILED UNDER  
SEAL WITH THE COMMISSION'S DOCKET OFFICE)**

# **Semi-Annual Report**

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## **PACIFIC GAS AND ELECTRIC COMPANY**

### **Third-Party Energy Efficiency Program Solicitations**

Reporting Period: October 2020 through March 2021

*Prepared by Independent Evaluators:*

Barakat Consulting, Inc.  
Don Arambula Consulting  
EAJ Energy Advisors, LLC  
Great Work Energy  
The Mendota Group, LLC

June 11, 2021

**Disclaimer: This report includes sensitive and confidential information.**

# INDEPENDENT EVALUATORS' SEMI-ANNUAL REPORT

## PACIFIC GAS AND ELECTRIC COMPANY

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# I. Overview

## A. Purpose

The Independent Evaluators' (IE) Semi-Annual Report (Semi-Annual Report or Report) provides an assessment of Pacific Gas and Electric's (PG&E or the Company), third-party energy efficiency (EE) program solicitation process and progress by PG&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).<sup>1</sup> 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.<sup>2</sup> The IEs are privy to viewing all submissions, are invited to participate in the IOU's solicitation-related discussions, and are bound by confidentiality obligations.

In Decision 18-01-004, the California Public Utilities Commission (CPUC) directs that a semi-annual report on the overall process and conduct of the third-party solicitations be filed in the relevant EE rulemaking proceeding.<sup>3</sup> This Report is provided in response to this requirement and represents an assessment of the program solicitation activities conducted during the period from October 1, 2020 through March 31, 2021. This Report is intended to provide feedback to PG&E, the PRG, and other stakeholders on the progress of PG&E's EE program solicitations in compliance with this CPUC direction.

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

## 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 (PA). In January 2018, the CPUC adopted Decision 18-01-004 directing the four California IOUs—PG&E, Southern California Edison (SCE), San Diego Gas & Electric (SDG&E), and Southern California Gas Company (SoCalGas)—to ensure that their EE portfolios contain a minimum percentage of third-party designed and implemented programs by

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<sup>1</sup> Decision 18-01-004, OP 2.

<sup>2</sup> Id, p. 38.

<sup>3</sup> Id, OPN 5.c.

predetermined dates over the next three years.<sup>4</sup> Further directions were included in Decision 18-05-041, which states:

*The third-party requirements of Decision 16-08-019 and Decision 18-01-004 are required to be applied to the business plans of the investor-owned utilities approved in this decision. All utility program administrators shall have at least 25 percent of their 2020 program year forecast budgets under contract for programs designed and implemented by third parties by no later than December 19, 2019.*<sup>5</sup>

## **Two-Stage Solicitation Approach**

The IOUs are required by the CPUC to conduct a two-stage solicitation approach for soliciting third-party program design and implementation services as part of the EE portfolio. All IOUs are required to conduct a Request for Abstract (RFA) stage, followed by a full Request for Proposal (RFP) stage.<sup>6</sup>

The CPUC also requires each IOU to assemble an EE PRG. The IOU's PRG, a CPUC-endorsed 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 is charged with overseeing 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 briefs its PRG on a periodic basis throughout the process on topics including RFA and RFP language development, abstract and proposal evaluation, contract negotiations, and development of the program's Implementation Plan.

## **Extension Request**

In a letter dated November 5, 2019, PG&E requested an extension to June 30, 2020 to meet the 25 percent requirement to allow for sufficient time for a detailed and thoughtful contract negotiation stage for its Local Multi-Sector RFP. In November 2019, the CPUC granted PG&E's request for extension of time to meet the 25 percent threshold by June 30, 2020.<sup>7</sup>

The CPUC further stated that, consistent with Decision 18-05-041, the IOUs must meet at least 40 percent of their EE portfolios under contract for programs designed and implemented by third parties by December 31, 2020. No further extensions of time will be granted to the IOUs for meeting the third-party percentage requirements specified in Ordering Paragraph 4 of Decision 18-05-041.

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<sup>4</sup> In Decision 18-05-041, Ordering Paragraph 4, the CPUC extended the original target date for the 25 percent threshold from December 31, 2019 to December 19, 2019.

<sup>5</sup> OPN 5.C.

<sup>6</sup> Decision 18-01-004, p. 31. The Decision further states that the "two-stage process should be used unless there is a specific schedule-related reason that a shortcut must be used."

<sup>7</sup> 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.



## **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 invitation to contract negotiation unless IOU is conducting multiple negotiations within the same solicitation, the program is complex, or contract is addressing challenging contract elements.
- Update the solicitation schedules in the next quarterly update.

### RFA Guidance

- Adhere to the intent of the RFA stage explained in CPUC 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.

## C. Overview of Solicitations

This Report represents a collection of individual IE assessments for each of PG&E’s active program solicitations. For ease of review, 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. The Report does not address program solicitations for which PG&E has yet to release an RFA.

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

C1: PG&E Solicitations Overview				
	Solicitations		Assigned IEs	Solicitation Status
	Initial	Revised		
1.	Local Agriculture	Local Multi-Sector	Barakat Consulting, Inc. (Barakat)	Contracts Executed
	Local Commercial		EAJ Energy Advisors, LLC (EAJ)	
	Local Industrial		Great Work Energy (GWE)	
	Local Public		Don Arambula Consulting	
	Local Residential		The Mendota Group, LLC (TMG)	
2.	Statewide Residential New Construction	Statewide New Construction (SWNC)	TMG	Contracting (Residential)
	Statewide Non-residential New Construction		EAJ	Contract Executed (Non-Residential)
			Barakat <sup>8</sup>	
3.	Originally Not Proposed	Local Government Partnerships (Non-resource)	Don Arambula Consulting	Contract Executed
4.	Statewide Codes and Standards		Barakat	Contract Executed <sup>9</sup>
5.	Statewide Workforce Education & Training (WE&T): Career Connections K-12		GWE	Contracting

<sup>8</sup> At the request of PG&E to reduce the number of assigned IEs on the solicitation, Barakat worked as an assigned IE in SWNC through scoring of the proposals and then discontinued their work on the solicitation.

<sup>9</sup> Codes and Standards was contracted in Q1 2020. The final contracted information was included in the November 2019 through March 2020 Semi-Annual Report and not in this Report.

C1: PG&E Solicitations Overview				
	Solicitations		Assigned IEs	Solicitation Status
	Initial	Revised		
6.	Statewide WE&T: Career and Workforce Readiness (CWR)		GWE	Contracting
7.	Originally proposed as Institutional-State of California and Department of Corrections DGS/DoC (p.91 of 18-05-041)	State of California	Don Arambula Consulting	Contracting

Legend

**Pre-RFA:** Activities conducted prior to RFA release  
**RFA:** Includes bid preparation and evaluation period  
**Pre-RFP:** Activities conducted prior to RFP release  
**RFP:** Includes bid preparation and evaluation period  
**Contracting:** Contract negotiations  
**Contract Executed:** Contract executed with implementer  
**Suspended:** Solicitation held until a later date  
**Cancelled:** Solicitation withdrawn; scope may be included as part of a future solicitation.

During the current solicitation process, the following contracts have been executed and applied to PG&E’s minimum third-party program threshold requirement as directed by the CPUC in Ordering Paragraph 4 of Decision 18-05-041. Please note that this table is for historical reference only; no additional contracts were executed during the current reporting period.

Table C.2: Solicitations to Meet Portfolio Goals					
Solicitation	Company	Program Name	Contract Agreement Signed	Contract Amount	Diverse Business Enterprise (DBE) <sup>10</sup>
Multi-Sector-Res	TRC Solutions	Multifamily Energy Savings Program	June 20, 2020	██████████	████
Multi-Sector-Commercial	KW Engineering, Inc.	Smart Labs Program	June 27, 2020	██████████	██
Multi-Sector-Commercial	KW Engineering, Inc.	Grocery Comprehensive Retrofit and Commissioning Program (GCRCx)	June 27, 2020	██████████	██

<sup>10</sup> The DBE spend is an estimate from the contracts to show percentage of the budget that is expected to be subcontracted with DBE firms. These programs may contain significant levels of customer incentives that are not eligible for DBE classification. Actual DBE spend will reported by the IOU per GO 156.

Table C.2: Solicitations to Meet Portfolio Goals

Solicitation	Company	Program Name	Contract Agreement Signed	Contract Amount	Diverse Business Enterprise (DBE) % <sup>10</sup>
Multi-Sector-Public	Willdan Energy Solutions, Inc.	Government and K-12 Schools Program	June 19, 2020	██████████	██
Multi-Sector-Public	Alternative Energy Systems Consulting, Inc. (AESC)	RAPIDS Wastewater Optimization Program	June 19, 2020	██████████	██
Multi-Sector - Industrial	CLEAResult	Business Energy Performance (BEP)	June 24, 2020	██████████	██
Multi-Sector - Industrial	Cascade Energy	Industrial Systems Optimization Program (ISOP)	June 22, 2020	██████████	██
Multi-Sector – Agriculture	TRC Solutions	Agricultural Energy Savings Action Plan	June 27, 2020	██████████	██
Local Government Partnerships	City and County Association of Governments	San Mateo County Energy Watch	June 9, 2020	██████████	██
Local Government Partnerships	City and County of San Francisco	EnergyAccess SF	June 19, 2020	██████████	██
Local Government Partnerships	County of Marin - Community Development Agency	Marin County Energy Watch	June 16, 2020	██████████	██
Local Government Partnerships	The Energy Coalition	Central Coast Leaders in Energy Action Program	June 9, 2020	██████████	██
Local Government Partnerships	Redwood Coast Energy Authority	Redwood Coast Energy Watch	June 9, 2020	██████████	██
Local Government Partnerships	Sierra Business Council	Sierra Nevada Energy Watch	June 10, 2020	██████████	██
Local Government Partnerships	San Joaquin Valley Clean Energy Organization	Central California Energy Watch	June 8, 2020	██████████	██

Table C.2: Solicitations to Meet Portfolio Goals					
Solicitation	Company	Program Name	Contract Agreement Signed	Contract Amount	Diverse Business Enterprise (DBE) % <sup>10</sup>
Local Government Partnerships	Sonoma County	Sonoma Public Energy	June 19, 2020	██████████	██████

*\*Includes Integrated Demand Side Management (IDSM) funding.  
 \*\* Non-profit organizations are not included in the DBE classification.*

**D. IE Assessment of Solicitations**

The following are key observations gleaned from the individual IE reports on specific solicitations, as presented in Attachment II. Corresponding details are provided in Table D.1, including a summary of IE recommendations and outcomes.

Key issues are related to the following areas:

- **Schedule and Communication:** PG&E has generally improved its communications, but the IEs are still sometimes unclear about the overall schedule, when solicitation materials would be available for review, and other details. PG&E has also instituted a monthly check-in meeting.
- **Term of Program:** Increase contract term length to reflect long project development lead times.
- **Addressing Statewide Program Overlap and Coordination:** PG&E should be clear throughout Statewide solicitations how it expects potential overlaps/conflicts between local and statewide programs to be managed, seek to limit the degree of overlap, and work with other IOUs and the Energy Division to clarify methods for coordinating. All of the IOUs should also standardize contract requirements related to optional IOU services such as marketing and use of customer account reps that could be adopted across other IOUs’ Statewide program contracts.
- **Number of Bidders Invited to Contract Negotiations:** Given the cost and time impact on bidders, IEs recommended fewer bidders be invited to negotiations. PG&E has reduced the number of bidders invited to competitive contract negotiations during the reporting period.

Table D.1 reflects a detailed summary of IE recommendations and outcomes.

Table D.1: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
<b>Overall</b>			
Schedule and Communication	IEs provided feedback on the need for better communication on schedules to be able to plan and know when to expect documents for review.	Provide regular communication and updates on schedule. Provide frequent updates and ensure transparency for all solicitation schedules. Hold regular meetings even if the schedule is slipping.	PG&E has generally improved communications, but the IEs are sometimes unclear about the overall schedule, when solicitation materials would be available for review, and other details. PG&E has also instituted a monthly check-in meeting.
Term of Program	Initially, for SWNC, bidders were asked to propose three-year programs. However, given the nature of the long lead time of construction projects, it made more sense to allow a longer program.	It is important to revisit “assumptions” about program parameters during the development of the initial solicitation as some features (such as program duration) may be less applicable.	Based on discussions, PG&E revised the released materials to request that bidders propose five-year programs. This adjustment made sense for this particular program.
Statewide and Local Programs Scope	The SWNC program allowed bidders to include alteration (non-new construction) measures in their program designs. Given that these projects diverge from the program’s primary new construction scope, they will likely overlap and may potentially conflict with other IOU energy efficiency programs.	The IOU should be clear throughout the solicitation how it expects these potential overlaps/conflicts between programs to be managed, seek to limit the degree of overlap, and work with other IOUs and the Energy Division to clarify methods for coordinating.	PG&E engaged the selected SWNC contractors to clarify how overlaps would be managed, sought during contract negotiations to reduce overlap, and began a dialogue with the Energy Division and other IOUs to establish protocols to handle such situations.

Table D.1: Key Issues and Observations

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
Involving IEs in Communications with Other IOUs for Statewide Solicitations	At the RFA stage for statewide solicitations, IEs were not initially involved in PG&E's (lead IOU) discussions with non-lead IOUs.	For statewide solicitations, include IEs in all IOU communications. This ensures that IEs are aware of non-lead IOU positions on issues. It also gives the IEs the ability to help resolve/respond to issues.	For statewide solicitations, PG&E has since included the IEs in most, but not all, relevant communications with the non-lead IOUs. For all statewide solicitations, IEs should be included in communications with non-lead IOUs.
<b>Contracting Stage</b>			
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Table D.1: Key Issues and Observations

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
<p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>[REDACTED]</p>
<p>Consistent Customer Account Representative Support</p>	<p>Larger utility customers that are located in multiple service territories may experience different levels of basic customer EE service support from the IOUs that may cause inconsistent delivery of statewide programs across service territories. Typically, such customers are directly supported by utility account representative who provide various utility customer services.</p>	<p>Working in coordination with each other, the IOUs should offer statewide program implementers a common set of basic and enhanced customer support services. At a minimum, these services should describe how assigned customer account representatives can effectively support and promote EE program awareness and encourage customer participation.</p>	<p>As the lead IOU, PG&amp;E is currently engaged with non-lead IOUs to create a common set of basic and enhanced customer support services that can support statewide program delivery. The outcome is pending.</p>



**Table D.1: Key Issues and Observations**

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
IOU and IE Check-in Meetings	In the Statewide California Partnership solicitation, the PG&E solicitation team met on a weekly basis with the IE to address any emerging issues with the solicitation.	These weekly check-in meetings greatly improved communication between the IE and IOU, which allowed emerging issues to be addressed in a timely manner.  This practice should be extended to all solicitations.	New recommendation. Under consideration.

## E. Effective Solicitation Practices

As the EE Solicitations developed, the IEs observed effective practices that helped make the process more efficient, fair, and transparent. In some cases, these practices are applicable across all solicitations, and generally these were incorporated into the PRG guidelines to drive standard practice across all IOUs. In most cases though, practices listed were effective in context: given the specific circumstances and approach taken by the IOU, what was done worked especially well. It is important to reinforce that many of these items are not generally standardizable across other contexts, and that IEs have not performed the external research and deeper analysis necessary to determine these to be solicitation “best practices”.

The IEs recommend that these effective practices be reinforced and maintained by the IOU. Their relevance to other IOUs/solicitations should be considered by all of the IOUs for EE solicitations.

**Table E.1: Effective Solicitation Practices**

Effective Practice	IE Analysis
Improved Project Management Practices Support Negotiations and Contracting	PG&E developed a matrix laying out the proposed schedule for review, revision, and completion of each contract document by bidders and PG&E staff. The schedule for turn-around of deliverables by either party was reviewed and updated as needed in weekly negotiation meeting. Bidders expressed appreciation for having the information and actively used it to manage their own review and feedback to PG&E.
Running Two Similar Solicitations in a Joint Process May Reduce Overall Solicitation Cost and Effort	PG&E managed the two WE&T solicitations’ processes behind the scenes as a single, joint process. This reduced complexity for bidders participating in both solicitations and improved the quality and consistency of solicitation materials developed and evaluation processes. It also greatly reduced effort and time for PG&E staff, the assigned IE, and the PRG, versus what may have been required if these two similar solicitations were run as entirely separate processes.

**Table E.1: Effective Solicitation Practices**

Effective Practice	IE Analysis
Scorer Training	PG&E developed a process for training the scoring team for each solicitation and held mock scoring sessions. Mock scoring involves creating mock sections of an example proposal for individual scoring practice and then calibrating the results of that exercise with the scoring team. This is an effective way to ensure that all scorers have the same expectations and understanding of how to score proposals.
Map CPUC Standard Contract Terms to the Final Contracts	PG&E integrates the IOU’s proposed additional terms and conditions and the CPUC terms and conditions into one contract template. Providing a mapping of the CPUC standard contract terms to the contract templates and final contracts makes it easier for IEs and the PRG to review and to confirm inclusion of the CPUC terms. This mapping process also provides clear information about the starting point for negotiation of these terms with bidders.
Format of Contract Summary Presentations to the PRG	PG&E has developed an effective model for presenting contract summaries to the PRG. Further, the PRG believes this model should be adopted by all IOUs.
Evaluation Team Check-in Meetings	PG&E’s evaluation teams meet on a weekly basis during the evaluation period to provide updates on the progress of their reviews. These check-in meetings also provide opportunities for evaluators to ask clarifying questions on how to properly apply the scorecard and to ensure that evaluation team members are following protocols (such as not sharing bid information outside of the evaluation team).
Allow Bidders to Cure Cost-Effectiveness Showings	As a last step in its RFP process, PG&E provides bidders feedback on their cost-effectiveness test (CET) submissions and allows them to cure identified issues. Bidders are not permitted to change budgets or program designs at this point.
Provide Bidders a List of CPUC-Approved EE Measures	PG&E provides bidders with a list of CPUC-approved deemed measures and corresponding assumptions (aka, Measure Picklist) to bidders.
IOU and IE Check-in Meetings	PG&E meets weekly with the assigned IE to address any emerging issues with the solicitation that greatly improves communication between the IE and the IOU and enables addressing issues in a timely manner.

## **F. PRG Feedback on Solicitations**

Virtually all of the IE feedback and PRG recommendations have been adopted or have been adequately addressed in some alternative way by PG&E, to the satisfaction of IEs and PRG members.

## G. Stakeholder Feedback from CPUC Workshops

### January Stakeholder Meeting

The CPUC, pursuant to Decision 18-01-004, held a public stakeholder workshop on January 29, 2021. The session focused on recapping activities of all of the EE third-party solicitations from both the IOUs' and the IEs' perspectives and providing an opportunity for stakeholders to ask questions and receive updates on the EE Third-Party solicitations. Participants included PRG members, IEs, CPUC Energy Division staff, IOUs, stakeholders, and bidders. Presentations and agendas from the workshop are available on the California for Energy Efficiency Coordinating Committee's (CAEECC) website.<sup>11</sup>

The IOUs reported on the status of their solicitations and the IEs presented observations from the last semi-annual report.

#### Open Forum

The main topics that were raised and discussed by stakeholders included the following<sup>12</sup>:

- **IOU Receptivity to IE Advice.** California Efficiency + Demand Management Council (CEDMC) noted that stakeholders appreciate the IE role. The IE expertise in the EE industry is critical for providing technical support to the IOUs. The concern is that the IOUs are not listening to the IEs and there is not enough transparency to the stakeholders on what is adopted and what is not. The IOUs responded that, while there are some issues that cannot be made public, it should be noted that the IOUs are adopting the large majority of IE suggestions during the process. The IE reports support this statement.
- **Solicitation Timing.** CEDMC shared that, across-the-board, the timing of the process is better, with better visibility, but there are still concerns about the length of time (much driven by the need for stakeholder involvement) for solicitations. The time third-party solicitations have taken to date is an outlier within the EE industry. PG&E responded that they are implementing improvements to shorten timelines. SCE remarked that the schedules started at a slower pace but were improved with each solicitation. Some delays have been the result of the time necessary for the PRG review and meeting.
- **Small Business/Disadvantaged Enterprises.** CEDMC observed that there is little room for small businesses to participate in these solicitations. Onerous terms and conditions pose significant challenges for small or disadvantaged businesses. The IOUs agreed that this issue is a high priority. SDG&E is working on better outreach to vendor

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<sup>11</sup> <https://www.caeccc.org/third-party-solicitation-process>.

<sup>12</sup> This information reflects comments made by stakeholders in the meeting and is not necessarily aligned with IE observations/opinions

communities and noted that the IEs are helping to provide help with improvements. PG&E is focused on enabling small businesses to engage in many ways, including in teams as primes or sub-contractors. SCE is looking into more small businesses and disadvantaged business enterprise opportunities. The IEs are tracking the percentage of contracts awarded to small and minority business as either the prime or subcontractor. Small Business Utility Advocates (SBUA) noted they are aware of the tradeoff between the focus on program cost-effectiveness and encouraging innovation and recommended greater outreach to various organizations, such as Supplier Clearinghouse, National Minority Council, Women-Owned Businesses, and Disabled Veterans to potentially partner to increase opportunities for small businesses to participate in solicitations.

- **Feedback to Bidders.** Although there have been improvements to the feedback process, concerns remain that there is a lack of progress on providing meaningful feedback to unsuccessful bidders. The IOUs maintain that, because of confidentiality and legal issues, feedback to bidders must be kept at a high level. The IOUs are working to improve their feedback and are considering potential ways to share aggregated lessons learned and to make conversations with bidders more “two-way”. The IOUs noted that feedback is currently provided upon request.

#### Electronic Technical Reference Manual (eTRM) Improvements

The Energy Division presented technological improvements they are incorporating into the eTRM. This publicly-available and easily accessed tool serves as the statewide repository for California's deemed energy efficiency measures, along with supporting documentation. The new tool can be found here: <https://www.caetrm.com/login/>.

Stakeholders recommended the following related to eTRM/CET:

- Adding a Deemed Pick List (as PG&E provided) would assist in inputting deemed measures into the CET
- Accommodating Mac users
- Including the ability to address multiple climate zones/multiple IOUs
- Including a consideration of societal costs from the IDER Decision

#### Next Steps/Meetings

The Energy Division intends to have a follow-up meeting to address issues raised in this forum and to follow up on conversations. It is important that stakeholders provide feedback on topics areas to help focus these follow-up meetings.

## **II. Attachments: Individual IE Semi-Annual Solicitation Reports**

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

## **Local Multi-Sector Solicitation: Agriculture**

Reporting Period: October 2020 through March 2021

*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 Multi-Sector: Agriculture

This solicitation was completed in Q3 of 2020. Barakat reported in full on the fairness, transparency and efficacy of the Local Multi-Sector Agriculture solicitation process, from RFA through contracting, in the April 2020 through September 2020 IE Semi-Annual Report and in the IE Final Solicitation Report, which was submitted as an appendix to PG&E’s advice letter filings seeking contract approval for the programs on July 30, 2020. This Report will only address the final task that PRG has requested IEs perform for their assigned solicitations: review of implementation plans (IPs) for alignment with the contract signed.

### 7. Implementation Plan Assessment<sup>13</sup>

#### Review of Draft Implementation Plan (IP)

The IEs reviewed the draft IPs for programs contracted in Wave 1 of the Multi-Sector solicitation. By assigned sector, IEs considered alignment of the IPs with the final contract documents, as requested in the PRG Guidelines for the contracting phase of solicitations. The table below provides a summary of the contracted Agriculture program.

Solicitation	Company	Program Name	Contract Execution Date	Contract Amount	Diverse Business Enterprise (DBE) % <sup>14</sup>
Multi-Sector: Agriculture	TRC Solutions, Inc. (TRC Solutions)	Agricultural Energy Savings Action Plan (AESAP)	June 27, 2020	██████████	1.9%

*\*Includes Integrated Demand Side Management (IDSM) funding*

Barakat reviewed the draft IP for TRC Solutions’ AESAP. The main points of feedback that Barakat provided to the PG&E team on the IP include the following:

- TRC Solutions indicates that they will focus 70 percent of their marketing on Hard-to-Reach (HTR) and Disadvantaged Communities (DAC) but do not indicate how much of the savings they expect/are committing to from HTR/DAC.
- TRC Solutions still has a focus on Normalized Metered Energy Consumption (NMEC) savings, even though it was determined in the negotiations process that NMEC can only

<sup>13</sup> Sections 1-6 addressing the entire solicitation and selection processes were included in all previous Semi-Annual Reports.

<sup>14</sup> The DBE spend is an estimate from the contracts to show percentage of the budget that is expected to be subcontracted with DBE firms. These programs may contain significant levels of customer incentives that are not eligible for DBE classification. Actual DBE spend will be reported by the IOU per General Order (GO) 156.

be used for buildings, not typical agriculture facilities or processing. This should be clarified.

- Although TRC Solutions included IDSM features in their stakeholder presentation and it is included in the contract, the IP does not address IDSM in the Innovation section.
- TRC Solutions mentions the “grocery subsector” as an example (page 7, but there are no page numbers). However, this subsector is not in the Agriculture sector. How is this relevant?
- In Lighting and Heating, Ventilation, and Air Conditioning (HVAC) sections, although these are focused on workforce, we believe that it is important to address how Lighting and HVAC measure efforts are coordinated with the Statewide HVAC and Lighting programs to avoid double counting of savings

After providing feedback, PG&E indicated that TRC Solutions received the information and addressed it in the final IP.

### **Stakeholder Meeting**

TRC Solutions presented their draft IP in a one-hour public webinar hosted by PG&E on December 8, 2020. TRC Solutions also presented their multifamily program during this forum. The meeting had approximately 36 participants (for both Agriculture and Multifamily) and stakeholders were moderately engaged in the question and answer (Q&A) portion of the meeting. The main question for the Agriculture portion of the meeting was related to the North American Industry Classification System (NAICS) codes that are part of the contract.

For future stakeholder meetings, we recommend a broader audience be notified so that more stakeholders are aware of the final program elements. Notifying unsuccessful bidders in the various solicitations could also help answer questions they may have about the final selection.



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

## **Local Multi-Sector Solicitation: Commercial**

Reporting Period: October 2020 through March 2021

*Prepared by:*  
EAJ Energy Advisors, LLC



**Disclaimer: This report includes sensitive and confidential information.**

## Local Multi-Sector: Commercial

The contracts selected for Wave 1 negotiations of this solicitation were executed in Q3 of 2020. For the two contracts executed, EAJ reported in full on the fairness, transparency, and efficacy of the Local Multi-Sector Commercial solicitation process, from RFA through contracting, in the April 2020 through September 2020 IE Semi-Annual Report and in the IE Final Solicitation Report. The Final Report was submitted as an appendix to PG&E's advice letter filings seeking contract approval for the programs on July 30, 2020. IPs for these two contracts were reviewed in Q4 of 2020 as reported below.

Contracts selected from the Wave 2 negotiations that ended in Q3 of 2020, were executed in late November and early December of 2020. The IE Final Solicitation Report for these three programs was submitted as an appendix to PG&E's advice letter filings seeking approval for these programs on January 13, 2021. The CPUC approved this advice letter the week of February 10, 2021. With this approval, the Local Multi-Sector Commercial Sector solicitation process has been completed.

This Semi-Annual Report only addresses the final task that PRG has requested IEs perform for their assigned solicitations: review of IPs for alignment with the contract signed.

## 7. Implementation Plan Assessment

IEs from EAJ assigned to the Commercial market sector have reviewed IPs for the following programs that are consistent with each bidder's design intent and consistent with the executed contracts.

The stakeholder meetings for Nexant and Ecology Action were held virtually on March 30, 2021. For Nexant, approximately 12 people representing PG&E and Nexant were present for their presentation.

During the first half of the meeting, Nexant presented their two programs selected from proposals submitted in response to the Local Multi-Sector RFP: The Advanced Energy Program (AEP) and the Healthcare Energy Fitness Initiative (HEFI). Approximately 12 individuals attended the meeting representing the implementer or PG&E. No questions were raised regarding either program. The time required to complete this portion of the meeting was about 25 minutes.

During the second half of the meeting Ecology Action presented their NetOne program. Approximately ten individuals attended the meeting representing the implementer or PG&E. No questions about the program were raised. The IE did not hear anyone else introduce themselves as an external guest to the meeting. The program presentation was concluded after 25 minutes.

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

## **Local Multi-Sector Solicitation: Industrial**

Reporting Period: October 2020 through March 2021

*Prepared by:*  
Great Work Energy LLC



**Disclaimer: This report includes sensitive and confidential information.**

## Local Multi-Sector: Industrial

This solicitation was completed in Q3 of 2020. GWE reported in full on the fairness, transparency, and efficacy of the Local Multi-Sector Industrial solicitation process, from RFA through contracting, in the April 2020 through September 2020 IE Semi-Annual Report and in the IE Final Solicitation Report, which was submitted as an appendix with PG&E’s advice letter filings seeking contract approval for the programs on July 30, 2020. This Report will only address the final task that PRG has requested IEs perform for their assigned solicitations: review of IPs for alignment with the contract signed.

### 7. Implementation Plan Assessment

GWE reviewed draft IPs for CLEAResult’s Business Energy Performance (BEP) program and Cascade Energy’s Industrial Systems Optimization Program (ISOP).

Table 7.1: Solicitation to Meet Portfolio Goals					
Implementer	Program Name	Contract Approval/Start Date (CPUC approved Advice Letter)	Implementation Plan Stakeholder Meeting Date	Implementation Plan Posted to California Energy Data and Reporting System (CEDARS)	IP posted within 90-days of contract approval?
CLEAResult	BEP	10/23/20	12/7/20	12/22/20	Yes
Cascade Energy	ISOP	10/23/20	12/7/20	12/22/20	Yes

The versions provided by PG&E for IE review on November 24, 2020 were those submitted by the implementers to PG&E. These did not yet reflect PG&E program manager input, which was occurring on a parallel track with IE review.

**CLEAResult BEP IP Review Findings:** GWE review of the IP and Program Manual identified some inconsistencies with final contracts, which were communicated to PG&E on December 2, 2020.

- Inclusion of NMEC in the IP: The contract only included custom-calculated and deemed savings claims, and so the contract term did not include the one- to two-year post-measurement and verification (M&V) that would be needed for NMEC. GWE recommended that if NMEC was not planned to be used for savings claims, that all references to NMEC be stripped out of the IP. If NMEC was actually going to be included in the program, multiple changes would be needed, both to the contract and to the IP.

PG&E response: The Program Manager had flagged the same issue in their review, and CLEAResult removed NMEC from the draft IP. If a rules change happens and site NMEC is allowed to be used for Industrial processes in the future, the contract and IP can be considered for revision at that time.

- Incomplete sections in the IP: For the topics of Quality Assurance, Incentives, Workforce Standards and tracking of Disadvantaged Workers, the BEP contract Attachment 2 Narrative (Scope of Work) provides some information on the planned scope of effort and states that full information regarding how the implementer will comply/execute would be provided in the IP. But GWE review found that the draft IP included even less information on these topics than was in the contract, and as a result, it would be difficult to assess if what they are planning would be compliant or not.

PG&E response: PG&E asked CLEAResult to provide more clarity, especially in the areas where in their contract they said they would expand in the IP. CLEAResult committed to revising the draft IP in response to this and other feedback from PG&E prior to it being submitted for posting to CEDARS.

**Cascade Energy ISOP IP Review Findings:** The IP, including program-level NMEC M&V Plan, was well-aligned with and representative of the final contract documents in all sections. Besides this feedback on December 4<sup>th</sup>, GWE had no comments or questions for PG&E on either document. GWE informed PG&E that the Program Manual, an appendix to the IP, was missing from the initial IP package provided for IE review. PG&E provided the Program Manual for review on December 22, 2020, when it was submitted along with the IP in CEDARS.

## **Stakeholder Meeting**

The implementers presented their draft IPs in a one-hour public webinar hosted by PG&E on December 7, 2020. There were more than 25 attendees, with a mix of PG&E staff and other external organizations. Clarifying questions were asked about what is planned, and answers were readily provided by the implementers. There were no recommendations, concerns, opinions, or other feedback provided by attendees that would necessitate or inform a change in either draft IP.

While the webinar was not high value in terms of informing or influencing the plans for these particular programs, the level of effort required to hold the public webinar appeared to be minimal. It provided an opportunity for PG&E staff who were not as directly involved in the solicitation to hear and ask questions about the new programs and offered the broader CA EE stakeholder community the same. It seems likely that both presenting a draft IP in a public workshop and having IEs review and comment on draft IPs may drive preparation of a higher quality IP, within the required 60-day timeframe.

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

## **Local Multi-Sector Solicitation: Public**

Reporting Period: October 2020 through March 2021

*Prepared by:*  
Don Arambula Consulting



**Disclaimer: This report includes sensitive and confidential information.**

## Local Multi-Sector: Public

The Local Public Sector solicitation concluded June 19, 2020. The IE reported on the solicitation process from RFA development through contract execution in the IE Semi-Annual Report (Reporting Period: April 2020 through September 2020) dated December 2020, and in the IE Final Solicitation Report filed as part of PG&E’s advice letter filing seeking contract approval. As requested by the PRG, this IE Semi-Annual Report only addresses the IE’s review of the Implementation Plan for alignment with the CPUC-approved contract.

## 7. Implementation Plan Assessment

The IE reviewed the draft IPs corresponding to the approved third-party Program Implementer Contracts listed below. The IE review was limited to confirming whether the draft IPs, drafted by the program implementers, were consistent with the corresponding approved contracts. The IE review did not address whether the draft IPs were compliant with the CPUC’s IP requirements.<sup>15</sup>

Program Implementer	Program Name	Contract Approval Date	Public Stakeholder Meeting Date	Implementation Plan Posting Date	IP Posted within 60-days of Contract Approval?
Willdan	GK-12 Program	10/23/2020	12/8/2020	12/22/2020	Yes
Alternative Energy Systems Consulting, Inc. (AESC)	Risk Assessment Process Improvement Decision Support (RAPIDS) Program	10/23/2020	12/8/2020	12/22/2020	Yes

### Results of the Draft IP Review

The following identifies areas where the draft IPs did not conform to the approved contract. The IE did not receive final IPs from PG&E, prior to the posting date, to confirm whether the IE comments were considered. To improve on the IP review process, the IE recommends that the IOU create a timely feedback loop back to the IE prior to finalizing the IP so, the IE can confirm actions were taken in response to the IE’s recommendations and any remaining issues can be discussed in a timely manner.

#### Willdan - GK-12 Program

- The Total Budget Table amounts reflecting both the EE and IDSM budgets are

<sup>15</sup> Implementation Plan Template, Version 2.0, dated January 2020.

calculated incorrectly.

- Energy savings for Year 1 is not consistent with the contract, which does not forecast energy savings until Year 2.
- The contract presents the total resource cost (TRC) and protective action criteria (PAC) ratios only at the program level. The IP presents ratios by year without a listing of the program's overall TRC and PAC ratios.
- The program's "Journey to Zero Net Energy" description excluded the goal of reducing customer costs, which is presented in the contract.
- The program diagram presented in the IP represents the GK-12 program coordination with other programs but excludes coordination with statewide programs such as finance, water heating, etc.
- The IP did not include the program level M&V plan.

#### AESC - RAPIDS Program

- The list of intervention strategies (Sections 1 and 2 of the IP) was incomplete. The IP should list all strategies presented in the contract.
- Eligibility did not clearly state that the program excludes net power producers.
- The eligible customer size is presented as up to 200 million gallons per day (MGD), but the contract indicates it will target only up to 100 MGD.
- The IP applies a HTR definition at a regional level and not at the customer level. The IE recommended removing the reference to HTR as the contract indicates that the program will not target HTR customers or DACs.
- The Program Manual and program rules were missing. The Program Manual should clearly address customer eligibility, the role of PG&E account executives and coordination of other public sector offerings including applicable local government partnerships (LGPs). The Program Manual should also note the potential replacement by/or coordination with a future statewide Water/Wastewater program.

### **Public Workshop Overview Summary**

PG&E held public workshops for these two Public sector programs on December 8, 2020. Over 25 attendees participated in the webinars. Willdan and AESC made detailed presentations of their respective programs. There was limited question and answer time for both sessions. Below is a summary of each presentation:

#### Willdan's GK-12 Program



During the Public workshop, Willdan did not mention channeling of EE projects from the new LGPs to the GK-12 Program. This coordination is critical to the success of the LGPs so the IE encouraged PG&E to facilitate such coordination among its program implementers. This necessary collaboration among the Program Implementers should be recorded in future updates to the IP to assist the CPUC with future program evaluations of the LGP and Public sector program offerings, including Willdan's GK-12 and AESC's RAPIDS programs.

#### AESC's RAPIDS Program

AESC presented a detailed overview of its RAPIDS program. AESC indicated RAPIDS will focus on 17 of the nearly 150 wastewater treatment plants (WWTPs) in PG&E's service territory. Redwood Coast Energy Authority, a new PG&E LGP, inquired as to whether the program will be offered in Humboldt County. AESC indicated that the 17 targeted WWTPs had not been identified and was willing to reach out to Humboldt to gauge interest and whether Humboldt could meet the program's project threshold requirement of 1 million kWh of annual energy usage. As with Willdan's GK-12 program, AESC should collaborate with applicable LGPs to coordinate program outreach and customer engagement. Channeling public sector projects to other EE resource programs is the primary LGP strategy and it should be actively supported and promoted by other applicable programs and PG&E's customer account representatives.

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

## **Local Multi-Sector Solicitation: Residential**

Reporting Period: October 2020 through March 2021

*Prepared by:*  
THE MENDOTA GROUP, LLC



**Disclaimer: This report includes sensitive and confidential information.**

# Local Multi-Sector: Residential

## 1. Solicitation Overview

### 1.1 Overview

The Residential portion of the Local Multi-Sector solicitation resulted in two contracts. PG&E completed negotiations for the first contract with TRC Solutions for the Multifamily Energy Savings program (MESP) in July 2020. The contract and solicitation were discussed in the April – September 2020 Semi-Annual Report. During the time period covered by this Report, PG&E also completed its contract negotiations (March 2021) for the second Residential contract. As the bulk of the solicitation information was provided in the April 2020 through September 2020 Semi-Annual Report, the current Report primarily reflects information specific to this second contract, with Oracle America, Inc. for its Continuous Energy Feedback Program (CEFP). The IP assessment for the TRC MESP contract is included in this report.

## 4. Contracting Process

### 4.1 Contract Negotiations

#### ***a. Collaboration on Final Program Design and Scope***

Although the bidder's proposed program design did not change substantially from what was proposed, there were extensive discussions between the parties about contract details. We believe the collaboration with Oracle met Decision 16-08-019's definition of a third-party program in that the program was proposed and designed and will ultimately be implemented and delivered by non-utility personnel. Conclusions of Law 57 from the same Order clarifies that "utilities may consult and collaborate, using their expertise, on the ultimate program design implemented by the third party." The collaboration and consultation between Oracle and PG&E did not result in a violation of the requirement that the program be designed by the third party.

The key outcomes of the contract negotiation process included:

- **Including in contract "Core" and "Non-Core" products** – the distinction between the two categories relates to products that Oracle previously offered to PG&E customers (core) and new products (non-core). In the contract, the core category includes Home Energy Reports and Bill Forecast Alerts, while non-core is currently represented by Time-of-Use (TOU) Coach (IDSM) only. Non-core products must successfully complete customer experience validation and satisfy design of experiments requirements to become core products,

- **Clearly establishing delivery requirements** – clarifying between the two parties the requirements for delivery of products to PG&E staff (for review) and to PG&E customers (after approval),
- **Designation of TOU Coach as IDSM** – the PG&E team determined that the TOU Coach product should be defined as IDSM because of its contribution to elevating customer understanding of and maximizing the effectiveness of PG&E’s time-of-use rates,
- **Retaining language related to DACs and HTR customers** – the PG&E team was uncertain whether the program could adequately serve the subset of customers in DACs and designated as HTR, but determined that, although the program could not specifically target these customer groups (due to randomized controlled trial [RCT] requirements), the program would necessarily include those in DACs and HTR customers, that such customer participation can be tracked, and that messaging to customers can be tailored to various customer attributes (e.g. income threshold, energy usage, zip codes, etc.), and
- **Potential Demand Response elements removed** – PG&E was uncertain whether Oracle’s Peak Day Alerts product would constitute demand response and asked Oracle to remove the element from the program until they could further assess the product’s applicability to the program.

The budget for the program did not change from the amount proposed despite changes to budgets for other sectors in the Multi-Sector solicitation (Commercial, Industrial, Public, Agriculture).

## **b. Fairness of Negotiations**

We believe the contract negotiations were fair and did not require the bidder to incur any uncompensated costs. Negotiations with Oracle were protracted and complex, but fair and transparent. PG&E and Oracle first met on August 26, 2020 and finalized negotiations on February 12, 2021, a span of 170 days (with some holidays thrown in). Based on the IE’s tracker, the parties met a total of 23 times and had more than 90 exchanges of documents.

The contract negotiations were particularly complicated because:

- PG&E wanted to ensure that Oracle migrated from its existing contract structure to the new third-party contract framework, along with updated standard and modifiable terms and conditions,
- The use of the behavioral aspect of the meter-based platform and the fact that Oracle’s program is primarily software-based created issues related to data security and inapplicability of some terms and conditions (T’s&Cs) and contract template elements,
- There were aspects of Oracle’s proposed program that PG&E was uncertain could be funded by EE (in particular, Oracle’s Peak Day Alerts product),

- There were questions about the applicability of IDSM,
- The program itself, with the number of program components, sheer volume of customers served, and highly orchestrated operations, is complex, and
- There were many Oracle and PG&E subject matter experts involved in the process (well more than 20 at peak).

The final contract was a balanced product that reflected the significant attention and due diligence both parties applied to the process.

### **c. Changes to Contract Terms & Conditions**

The main issues with respect to changes to the CPUC’s Modifiable Contract Ts&Cs and PG&E’s corporate Ts&Cs related to the need to adapt PG&E’s standard third-party contract to the needs of a primarily software-based offering. The CPUC’s Standard Contract Ts&Cs were adopted, unchanged. In our view, changes to terms were reasonable.

### **d. Conformance with CPUC Policies and Objectives**

The following table provides a summary of the way elements of the program align with CPUC Policies and Objectives. Some information may duplicate other parts of this report.

<b>Table 4.1: Contract Alignment with CPUC Policies and Objectives</b>		
<b>Item</b>	<b>Covered/Location</b>	<b>Program</b>
Requires Advice Letter Filing Check	Yes.	Budget of \$47 million. Program is a full three years, although 2021 and 2024 are partial years.
Noted No Changes to CPUC Standard Contract Ts&Cs	Program Implementation Agreement (PIA).	No changes to CPUC Standard Contract Ts&Cs.
Noted Changes to CPUC Modifiable Contract Ts&Cs	Yes. PIA, Att. 1, Att. 2	Oracle and PG&E modified the modifiable terms and conditions to match the program's requirements. Changes were reasonable.
Noted Changes to IOU Ts&Cs	Yes. PIA.	Many changes. Most aimed at conforming contract to application to software-based structure of program.
Contract is Consistent with CPUC Incentive Guidelines	N/A	Contract does not include customer incentives.
Contract is Consistent with M&V Plan with NMEC Guidelines	Yes. In Att. 1, Section 2.10 and Att. 2, Section 4.10.	Contract discusses relevance of NMEC Rulebook to behavioral programs and cites M&V documentation supporting Home Energy Rating System (HERS)-type programs.

**Table 4.1: Contract Alignment with CPUC Policies and Objectives**

Item	Covered/Location	Program
Reasonable Number of Key Performance Indicators (KPI)s	Yes. In Att. 2 - Data Form, Tab H.	Has 7 KPIs, which we view to be a reasonable number.
KPIs Make Sense in Terms of What They Are Measuring, the Scale Applied to Them, and the Timeframe on Which They are Monitored	Yes.	KPIs align with program priorities in terms of ensuring accurate, reliable, and consistent delivery of savings and customer satisfaction. Tab H provides significant detail regarding how and when KPIs are measured, ties to compensation, and remedies.
Contract Includes Appropriate Performance Issue Remedies	Yes.	Contract includes mechanisms for PG&E and Oracle to revisit issues that may arise during program delivery (in KPIs) along with an annual review of contract terms.
Savings and Cost Effectiveness are Similar to Proposal and Appear Reasonable	Yes and No.	Savings and cost effectiveness are considerably lower than originally proposed. However, the final goals appear reasonable given the removal of certain program elements (Peak Day Alerts) and reduction in size and scope of other aspects (TOU Coach).
Compensation Structure was not Substantially Modified from Proposal to Detriment of Ratepayers	Yes.	Although, as discussed in Section 7.2(e), the final compensation structure differed from what the bidder originally proposed, we believe the changes were to the benefit of ratepayers. The contractor originally proposed compensation that was 16 percent performance-based while the final contract is 97 percent performance-based.
Compensation Structure is Clear	Yes.	[REDACTED]
Relevant Elements of IP Clearly Documented in Contract	Yes, in Att. 1, specifically Section 4.1.3.	IP elements are well highlighted, and PG&E and Oracle had direct discussions about IP requirements.

[REDACTED]

Table 4.1: Contract Alignment with CPUC Policies and Objectives		
Item	Covered/Location	Program
Innovative Aspects of Program are Retained	Yes.	Innovative components, including TOU Coach, Bill Forecast Alerts, customized digital energy insights, integration with the utility's Marketplace, and secure links promoting online audits were retained along with the opportunity for PG&E to work with Oracle on messaging around specific objectives such as peak demand reduction, electric vehicle usage and HTR/DAC.
If Applicable, IDSM Components Incorporated and are Consistent with Proposal	Yes.	IDSM was not contemplated in the proposal but was clearly incorporated into the contract through the TOU Coach product.
If Applicable from Proposal, Program Considerations for HTR Customers are Incorporated and are Consistent with Proposal	Yes.	Yes. Oracle discussed in their proposal the intention to target HTR customers and those in DACs as part of their messaging, although during contract negotiations both parties agreed that the program did not have the ability to create an RCT subgroup in order to estimate savings for these groups of customers. It was decided that the program would still include references to serving HTR customers and those in DACs along with tracking participation by these customers. In addition, Oracle and PG&E can work to refine overall messaging to these groups to better serve their needs.
Contract Clearly Addresses Disadvantaged Worker Requirements	N/A	N/A to this contract.
Contractor is Diversified Business Enterprise (DBE) or identifies committed DBE spend	Oracle is not a DBE.	Oracle committed to 0 percent spending on DBE subcontractors. Oracle indicated that although they have a printer that is a certified DBE the printer provides services to multiple internal clients and, therefore they are unable to break out the contract's DBE commitment.
Changes Made Due to COVID-19	No.	Contract includes standard language related to COVID-19. There was not any specific discussion about how the

Table 4.1: Contract Alignment with CPUC Policies and Objectives		
Item	Covered/Location	Program
		program will be affected by COVID-19.
Changes Proposed by IOU or Contractor Were Reasonable and Fair	Yes.	As discussed in this report, we believe the changes from both parties resulted in a fair contract.

**e. Uniformity of Contract Changes**

PG&E negotiated with two contractors to serve the Residential Sector. There were no issues related to consistency between the two. We had limited visibility into the contracts that PG&E was negotiating for other sectors.

**4.2 Final Selection**

As part of its Multi-Sector Wave 2 negotiations, PG&E engaged with Oracle for its proposed Continuous Energy Feedback Program (CEFP) [REDACTED]

[REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED] sense to explore further and decided to also invite ICF to Wave 2 negotiations.

PG&E [REDACTED]. During each bidder meeting, PG&E stated that contract negotiations were continuously competitive and that an invitation to negotiations did not guarantee the bidder a contract. [REDACTED]

[REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]

**4.3 Contract Execution**

Table 4.2: Bids Selected for Contract Execution		
Bidder	Years	Program
TRC Solutions	3	Multifamily Energy Savings



Table 4.2: Bids Selected for Contract Execution		
Bidder	Years	Program
Oracle America	3	CEFP

**4.4 PRG and IE Feedback to Contracting**

PG&E presented the final contracts from its Phase 2, Wave 1 Negotiations at its May 2020 PRG meeting and presented the Oracle CEFP contract resulting from Phase 2, Wave 2 at its January 2021 PRG meeting. Although no PRG member objected to the final Oracle CEFP contract, participants had questions related to the degree of control PG&E would exercise in implementing the program and the way the RCT method of estimating savings would be conducted to estimate savings. Concerns about PG&E’s degree of control of the program emanated from the Decision 16-08-019 language related to the definition of a third party and that the program should be “delivered by non-utility personnel under contract to a utility program administrator.” We do not believe the contract with Oracle violates this requirement, in part because the language is not clear about the limitations placed on the utility in directing the third party’s “delivery” of the program. CEFP is different from other third-party programs in terms of the extent to which it is integrated with PG&E’s own operations (access to detailed customer and billing information, use of email and mail to distribute program information to large number of customers, etc.).

[REDACTED]

**5. Assessment of Final Contract**

**5.1 Bid Selections Respond to Portfolio Needs**

The selection of Oracle’s Continuous Energy Feedback Program and finalization of the program’s contract as part the Phase 2, Wave 2 negotiation process is consistent with PG&E’s portfolio needs as identified in its Business Plan, its Solicitation Plan, and its Annual Budget Advice Letter (ABAL) filings. PG&E sought programs that would serve the needs of its Residential Sector, but most single-family residential proposals did not score well. [REDACTED]

[REDACTED] Other bids targeting residential single family and multifamily customers did not merit advancing to contract negotiations.

PG&E has existing third-party programs that serve its residential customers, and these are expected to continue for the foreseeable future. The CEFPP will complement these other programs, enabling PG&E to meet the needs of its single family and multifamily customer segments.

## 5.2 Bid Selections Provide the Best Overall Value to Ratepayers

### a. Introduction

Assessing best overall value to ratepayers is challenging for IEs because our primary roles, as defined by the CPUC, are to “monitor the entire process from RFA design to contract execution”, “serve as a consultant to the PRGs”, “provide assessments of the overall third-party solicitation process and progress”, and “lend arms-length expertise evaluating the fairness of the conduct and results of the solicitation process by the IOUs.”<sup>18</sup> During the solicitation process, the IEs’ roles expanded to include providing IOUs and the PRG advice and feedback on ways to improve the efficiency and effectiveness of the solicitation process.

As such, beyond reporting about the details of selected bids and the process that produced the final contracts, from our perspective, an IE would not evaluate whether the selections were the “best” options available to the IOU. Rather, as indicated by the CPUC, IEs monitor the entire process from RFA design to contract execution, provide assessments of the overall third-party solicitation process, and lend arms-length expertise evaluating the fairness of the conduct and results of the solicitation process by the IOUs.

A critical component of the solicitation process is the scorecard that is used to assess bids [REDACTED]

[REDACTED]

PG&E’s approach to its competitive contract negotiations process is discussed in Section 5.4.

The analysis that follows does not attempt to directly compare the selected program with other proposals in the bid pool. In our view, if the solicitation process was conducted fairly and consistent with the scorecard and other selection criteria, the resulting programs represent the best from the pool. By extension, they would also provide the best overall value to ratepayers. That said, as

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<sup>18</sup> Decision18-01-004, pages 37-38.

discussed in Section 4.1.b., the contract negotiation process provides another opportunity to improve (or reduce), from the ratepayer perspective, the terms under which the program will operate.

In the interest of providing context for the selected bids, we compare quantitative aspects of the selected program to PG&E's existing Residential portfolio to understand whether, if successfully implemented according to plan, the program will improve the portfolio metrics and help enable the Company to meet its goals. We also discuss the program's compensation structure, how the program aligns with or diverges from reasonable EE planning principles, and whether the program is consistent with CPUC policies and objectives.

### **b. Brief Program Description**

Oracle's CEFPP was the highest scoring Residential program submitted in response to the RFP. The program scored particularly well in the areas of Program Design, Program Benefits, and Company Qualifications. The program is primarily an "opt out" behavioral program that uses a RCT approach to estimating savings from the customers who receive the program's interventions (communications regarding how their household is performing from an energy efficiency perspective relative to neighbors and tips about how the household can become more efficient). It uses the meter-based savings platform to estimate savings.

As described in its contract, the CEFPP builds upon the effectiveness of Oracle's existing HER program with PG&E while introducing new products such as Bill Forecast Alerts (BFA)<sup>19</sup> and TOU Coach. New experiences include advanced disaggregation and detection modules, audit capabilities, and additional experiences targeted for specific customer groups, such as electric vehicle or TOU-enrolled customers. The program introduces these new experiences while increasing the number of customers reached and energy savings generated. To optimize cost-effective savings, CEFPP provides a coordinated set of multi-channel communications to as many as 2.9 million PG&E residential customers, engaging and educating customers about how to reduce and shift their usage.

### **c. Quantitative Program Information**

The following table shows a summary of the quantitative information extracted from the CEFPP contract. We have also provided for comparison ex-ante metric information from a combination of Section 9 of PG&E's 2019 Energy Efficiency Annual Report and 2019 end-of-year claims from CEDARS.<sup>20</sup> We used the 2019 end-of-year claims although PG&E has indicated that 2019 and 2020 are transition years during which the Company is both re-balancing its portfolio to deliver cost effective programs to its customers while moving to a primarily third-party-run EE portfolio.<sup>21</sup>

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<sup>19</sup> BFA is in the current Oracle contract but has not yet launched. It is also included in the new contract.

<sup>20</sup> "2019 Energy Efficiency Annual Report of Pacific Gas and Electric Company (U 39 M)", May 15, 2020. The report can be accessed at: <https://www.caeccc.org/annual-reports>.

<sup>21</sup> See discussion on page 2 of PG&E's 2019 Energy Efficiency Annual Report and page 3 of PG&E's 2020 ABAL filing.

Despite the characterization of 2019 as a transition year, we believe the results provide a reasonable indication of a future PG&E residential portfolio given that the company is substantially reducing the number of its Residential programs. The comparison is only intended to provide context for the selected program relative to PG&E's existing residential sector programs and not to imply that the selected program will significantly alter the utility's results for the sector.

Different from our report on TRC Solutions MESP (July 20, 2020), we are not excluding results or budget for the Company's Residential Energy Advisor program (for which savings primarily come from Oracle's existing HER program); however, like the MESP report, we are removing budget/savings/cost effectiveness results for Primary Lighting and the low-income Energy Savings Assistance (ESA) program.<sup>22</sup> We removed Primary Lighting because, although the program closed in 2020 and will be replaced by SCE's Statewide Upstream Lighting Program, it is unclear how much savings that program will contribute to the future Residential portion of PG&E's portfolio. In addition, the ESA program is not included in the scope of programs that third-party contractors can serve.

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<sup>22</sup> In our report for the TRC Solutions MESP contract we removed Residential Energy Advisor from the totals because the program contributed a large enough portion of the Residential Sector savings that it made it difficult to compare the new multi-family program to the existing portfolio. According to PG&E's 2019 Energy Efficiency Annual Report, Residential Energy Advisor includes HER, Home Energy Checkups, and PG&E Marketplace.

Table 5.1: Oracle CEFP Contract Attributes		
Item	Oracle's CEFP <sup>23</sup>	PG&E Residential Sector <sup>24</sup>
<b>Summary Data</b>		
Budget (Average Annual for Contract)	██████████	██████████
IDSMS Budget (included in total budget – Ave. Annual) <sup>25</sup>	██████████	██████████
Electric Savings (Average Annual - Net first-year kWh)	195,633,333	155,431,874
Electric Savings (Average Annual - Net lifecycle kWh) <sup>18</sup>	195,633,333	266,743,554
Gas Savings (Average Annual - Net first-year therms) <sup>18</sup>	6,970,733	6,824,770
Net-to-Gross Ratio (kWh)	1.0	0.98
Net-to-Gross Ratio (therms)	1.0	0.96
NPV of Net Lifecycle Benefits <sup>26</sup>	\$34,611,326	-\$48,662,179
<b>Metrics</b>		
TRC Test	1.83	0.48
PAC Test	1.83	0.63
Lifecycle Acquisition Cost/kWh (PAC Levelized Cost) <sup>27</sup>	\$0.05	\$0.06 \$0.11
Lifecycle Acquisition Cost/therm (PAC Levelized Cost)	\$0.58	\$0.41 \$0.68
Simple Acquisition Cost (\$/kWh) <sup>28</sup>	\$0.08	\$0.47
Simple Acquisition Cost (\$/therm) <sup>29</sup>	\$2.26	\$10.76
Simple Acquisition Cost (\$/lifecycle mMBTU)	\$11.56	\$29.26

The CEFP aligns with California energy policies in helping achieve energy savings and other benefits in the Residential Sector. Specifically, the program aligns with Senate Bill 350's pursuit of doubling statewide energy efficiency savings by 2030 and seeking to overcome barriers to DACs participating

<sup>23</sup> We used an average program single year to match with the single year of PG&E Residential Sector results.

<sup>24</sup> As noted, Residential Sector values do not include PG&E's Primary Lighting or ESA programs.

<sup>25</sup> IDSMS is included in total budget because the IDSMS budget is part of the program's cost effectiveness calculations.

<sup>26</sup> Net supply and other costs avoided minus participant and program costs.

<sup>27</sup> PAC levelized cost is calculated using total PACs from the CET, weighting the portion of net benefits attributable to the fuel (gas or electric), and then dividing by the program's total lifecycle net therms or net kWh. Data provided for PG&E's Residential Sector is from 2019 and shows Single Family followed by Multifamily.

<sup>28</sup> Simple acquisition cost per lifecycle therm divided the total budget by the program's total lifecycle energy savings.

<sup>29</sup> Simple acquisition cost per lifecycle mMBTU provides a better way to show total savings relative to cost since a BTU calculation captures both electric and gas savings. For programs that only generate gas (or electric) savings, the mMBTUs are based on the single fuel.

in EE programs.<sup>30</sup> The program takes a mass market approach to engaging customers and delivering savings through HERs (print, email, web, and video) with customized aspects that provide BFAs, education about time-of-use rates (TOU Coach), integration with other PG&E programs such as Marketplace, and the capability to send messages to subgroups (such as customers with electric vehicles).

The selected program is more cost effective than existing Residential Sector programs (according to its Annual Reports, PG&E's existing sector had a TRC test result of 0.48 in 2019) and which, as evidenced by Table 5.1, should help increase PG&E's overall portfolio TRC for the Residential Sector. Innovative features of the program include:

- TOU Coach,
- BFAs,
- Customized Digital Insights,
- Integration with PG&E's Marketplace, and
- Secure links promoting online audits were retained along with the opportunity for PG&E to work with Oracle on messaging around specific objectives such as peak demand reduction, electric vehicle usage and HTR/DAC.

The CEFPP's savings goals as incorporated into the contract may be at the limit of the savings the program can achieve. The program's total energy savings goals are 586,900,000 net kWh, 158,000 net kW and 20,912,200 net therms, averaging approximately 195.6 GWh and 6,970,733 therms annually. Using 2019 results as a guide, the program would exceed PG&E's non-ESA, non-Primary Lighting Residential Sector savings.

Further, based on the 2019 Navigant Market Potential Study,<sup>31</sup> the average annual PG&E Residential Sector potential for 2021-2024 excluding low-income, is approximately 165 million kWh and 6.7 million therms. Of these totals, approximately 77 percent of electric and 57 percent of gas savings are attributable to behavioral programs. The CEFPP's average annual goals equal approximately 119 percent of the residential electric kWh and 104 percent of the gas therms average annual (2021-2024) program potential savings.

#### **d. Measurement and Verification**

The program relies entirely on meter-based behavioral savings. Specifically, the program uses RCTs in which energy usage from customers the program serves are compared with a randomized group

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<sup>30</sup> SB 350 is the Clean Energy and Pollution Reduction Act of 2015.  
[https://leginfo.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160SB350](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB350).

<sup>31</sup> The study documents are available at: <https://www.cpuc.ca.gov/General.aspx?id=6442461220>.

of non-treated customers. The approach is documented in *Work Paper PGECOALL107 - Home Energy Reports*. As described in the *Work Paper Home Energy Reports* it

*is a residential information-based measure that provides usage feedback and comparisons of energy usage to similar residences. Information is provided via printed or email reports sent to residential customers. The measure is implemented through successive experiments (also named waves). These experiments use a randomized control trial whereby a subset of the whole eligible population defined by multiple eligibility criteria is randomly assigned either to receive reports (“treatment condition”) or not (“control condition”). The treatment is defined as receiving reports containing usage feedback and comparisons. Due to the unique composition of each experiment, savings for this measure must be estimated for each experiment separately using the associated control group as the Base Case energy consumption (acting as counterfactual or baseline), on an ex-post basis.*<sup>32</sup>

Further, the “program operates on the principle that customers in the treatment condition that are provided periodic reports with energy use feedback and comparisons of energy use of similar neighbors reduce energy consumption and shift demand compared to customers in the control condition who are not provided these reports.” The Program’s measures have a one-year Effective Useful Life (EUL) and the program receives a net-to-gross ratio of 1.0.

The Program is unique among PG&E EE programs in that it relies heavily on PG&E billing system data, as it is not implemented through discrete data requests, but rather through continuous receipt of data from PG&E’s billing system. Savings are determined by comparing the energy usage data of treatment customers with the usage of control customers, the same data integration that allows for Oracle to run the Program is used to measure the savings from the program.

Of note, PG&E actively incorporates mechanisms to adjust program savings to remove potential double counting associated with households that have participated in other PG&E-administered or Statewide EE programs. As discussed in the program’s 2018 Program Year ex-post evaluation conducted by DNV-GL, savings are classified as “adjusted” and “unadjusted”.<sup>33</sup> Adjusted savings remove estimates of savings associated with other downstream and upstream energy efficiency programs.

Section 4.1 of the contract’s Attachment 2 describes in detail how savings are estimated and provides supporting documentation for the method used. We consider the program’s M&V, as described in the contract, to be sufficiently robust as to provide reliable savings estimates.

#### **e. Compensation**

[REDACTED]

<sup>32</sup> *Work Paper PGECOALL107 - Home Energy Reports, Revision #1*, Pacific Gas & Electric Company, March 6, 2017, p. ii.

<sup>33</sup> [http://calmac.org/publications/CPUC\\_Group\\_A\\_HER\\_Evaluation\\_PY2018\\_CALMAC.pdf](http://calmac.org/publications/CPUC_Group_A_HER_Evaluation_PY2018_CALMAC.pdf)

[REDACTED]

PG&E as part of Phase 2 Negotiations proposed to all contractors a fairly complex performance-based compensation approach [REDACTED]

This approach may pose challenges during contract implementation in that it requires detailed tracking and frequent updates from a reliable data stream. The Company is in the process of configuring its systems to facilitate implementation, and we anticipate that PG&E will be able to overcome the challenges this may pose.

The Company’s approach to compensation was a departure from how contractors proposed to be compensated, but we considered this acceptable given that the CPUC’s Modifiable Contract Ts&Cs (Attachment B of Decision 18-10-008) include payment terms that contemplate use of a “Performance Security” component.<sup>36</sup> Performance Security is an amount of the contracted budget that is held back and released based on contractor performance. In PG&E’s contracts, the SGAP, CEPP, and KPIP constitute the Performance Security portion of the contract. Contractors receive payments for achieving SGAP, CEPP, or KPIP goals, with results measured quarterly or annually. Payments for metrics may be all or nothing or graduated (receive percentage of payment based on portion of goal achieved). As this is a negotiable term, contractors are encouraged to propose alternative values for the various components. Although PG&E discouraged contractor deviations from the general compensation structure, in each negotiation the Company took unique program characteristics into account.

<sup>34</sup> It should be noted that the CPUC in Order 19-08-034 suspended for three years the requirement for ex-post evaluations of HERs programs. See Ordering Paragraph 2 of the CPUC’s “Decision Adopting Energy Efficiency Goals: 2020-2030”, Rulemaking 13-11-005, August 15, 2019, p. 35.

<sup>35</sup> Decision 18-01-004, p. 42. See also COL 22 of the same Decision and Decision 16-08-019 COL 59.

<sup>36</sup> Decision 18-10-008, Attachment B, page B-9. PG&E uses the term “Performance Reserve” in its contracts.



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

We believe this approach strikes a reasonable balance between utility and the third-party's interests in that ratepayers will not pay if the program does not achieve savings and achieve other contract objectives. Different from programs that offer customers incentives and rebates (which can be considered "pass through" portions of the contract), this contract has no incentives or rebates (customers receive a "service" in terms of information about their energy use rather than a payment to reduce measures costs). Therefore, all payments go to the contractor.

[REDACTED]

[REDACTED]

[REDACTED] As discussed in Section 4.1.a, the product mix did change. In addition, there were adjustments to the number of customers served (such as increases to the number of BFAs). These changes affected pricing. We considered the final compensation structure and program budget and goals to be a reasonable outcome in that both parties were willing to give in order to achieve an outcome with which they were comfortable.

The agreed-upon approach to compensation certainly shifts a large amount of risk to the implementer in that the program must both produce verifiable energy savings and meet savings and KPI goals to collect holdbacks. As discussed earlier, although we consider the approach permissible per Decision 18-10-008, it remains unclear how it will manifest in practice. If contractors are unable to meet their goals for whatever reason, they will likely seek redress from PG&E. The contract does contemplate this possibility by allowing either party to request to revisit terms and incorporates an annual performance review during which time the parties may realign program goals and budgets.

[REDACTED]

[REDACTED]						
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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**f. Supports portfolio and applicable sector metrics achievements**

The Program’s KPIs support PG&E’s portfolio and sector metrics. Per CPUC Decision 18-05-041, all utilities are required to track and report portfolio and sector-level metrics to help ensure programs are meeting Business Plan objectives. Decision 18-10-008 required that third-party contracts include KPIs that assess third-party program performance on an ongoing basis. Since, by the end of 2022, third-party programs budgets will be, at a minimum, 60 percent of total IOU budgets, it is important that third-party contracts and associated KPIs support utility Business Plan metrics.

Table 5.3 below shows the KPIs from the contract and whether the metric directly supports PG&E’s portfolio and Residential Sector metrics. The metrics are referenced in Section 9 of PG&E’s 2019 Energy Efficiency Annual Report. As shown in the table, many of the metrics are very specific to the contract. Although they will help PG&E assess the program’s performance on an ongoing basis and ensure that the contractor focuses on areas that are important to successful program implementation, the metrics do not necessarily have a direct connection with specific portfolio or sector metrics. This is understandable in that contract KPIs are aimed at ensuring that the program meets its goals and objectives. However, PG&E will need to remain mindful of ways that its third-party programs support the Company’s portfolio and sector metrics, whether or not these metrics are directly incorporated into contract KPIs.

Table 5.3: Contract KPIs and PG&E Metrics		
KPI	Portfolio Metric	Residential Sector Metric
Savings Forecast Accuracy	Yes	Yes
Reporting Accuracy	Yes	Yes
Opt-Out Rates	No	No
Customer engagement with digital communications	No	No
Customer Satisfaction - RCT Validated	No	No
Customer Satisfaction - Non-RCT Validated	No	No
Savings broken out by product type	No	No

The KPIs are appropriate for the program and will help the utility and contractor ensure that the program is delivering on its goals and objectives.

## 6. Overall Assessment of Solicitation

The selected program will enable PG&E to effectively deliver EE and other Distributed Energy Resource services to its residential customers and help meet its Business Plan goals, the State’s SB 350 goals, the California Energy Efficiency Strategic Plan’s vision, and ultimately California’s efforts to reduce carbon emissions.

## 7. Implementation Plan Assessment

During the time period reflected in this Report, PG&E worked with TRC Solutions to develop the Multifamily Energy Savings Program’s IP, hold the required stakeholder workshop to present the draft IP and receive feedback, and finalize the Plan for posting to CEDARS.<sup>37</sup> PG&E held the stakeholder workshop for the contract December 8, 2020. As discussed in the section of this Report for the Agriculture portion of the Multi-sector solicitation, the stakeholder workshop included both TRC Solutions’ AESP and its Multifamily Energy Savings Program. The workshop was well attended, with approximately 36 participants at peak. Participants asked several clarifying questions about the program.

TMG reviewed the program’s draft IP and provided feedback to PG&E about any missing items and the IP’s consistency with the contract. In general, we felt that the IP did a good job of covering the required portions of the contract although we identified a few areas where the IP could include more information (Evaluation, Measurement and Verification [EM&V], QA/QC, incentives). We also noted that the QA/QC section includes discussion of virtual verifications and we wanted to flag

<sup>37</sup> “Decision Addressing Energy Efficiency Business Plans,” Decision 18-05-041, California Public Utilities Commission, Conclusions of Law 1, p. 169.

this for PG&E consideration as we didn't know whether this was an acceptable form of verification (it was not discussed in the contract). PG&E posted to CEDARS the final IP for the Multifamily Energy Savings Program on December 22, 2021.

Energy Efficiency Independent Evaluator's Semi-Annual Report on the  
**Statewide New Construction Solicitation**

Reporting Period: October 2020 through March 2021

*Prepared by:*  
EAJ ENERGY ADVISORS  
THE MENDOTA GROUP, LLC



**Disclaimer: This report includes sensitive and confidential information.**

# Statewide New Construction

## 1. Solicitation Overview

### 1.1 Overview

Pursuant to Decision 18-05-041, PG&E on behalf of the Statewide IOUs sought bids from third-party EE implementers to design, propose, and implement statewide residential and non-residential new construction programs (SWNC).<sup>38</sup> During the period covered by this report, PG&E completed contract negotiations with the bidder (Willdan) selected to implement the Non-Residential portion of the program and filed for Energy Division approval the contract's two Advice Letters (Advice 4387-G/6095-E) for the Electric-Only and Mixed Fuel (Electric and Gas) programs on February 19, 2021. The Energy Division has not yet issued a disposition on the Advice Letter. The residential portion of the program remained in contract negotiations during the period covered by this report. Therefore, the bulk of contract-specific information in this report relates to two non-residential contracts.

#### a. Scope

PG&E sought a wide range of abstracts and proposals with a high level of innovation and creativity around cost-effective approaches to identifying and capturing deep, long-term energy savings in all customer sectors. Bidders were encouraged to team with other firms to provide the most complete and compelling program ideas. PG&E sought and considered a wide variety of third-party program proposals that in total could contribute to a cost-effective EE portfolio and:

- Serve all PG&E customer sectors and sub-sectors, including all types and sizes of customers, across all geographies within PG&E's service territory.
- Address the specific needs of HTR markets and DAC.
- Promote long-term market transformation of the EE market.
- Do not duplicate or interfere with the scope of EE programs identified for statewide administration.
- Include local pilot ideas to test new program concepts in PG&E's service territory with potential for future statewide administration.
- Include any combination of resource and/or non-resource programs or program elements that support energy savings acquisition.
- Permit deemed, custom, and/or meter-based energy savings calculation methodologies

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<sup>38</sup> Statewide IOUs and service territories include PG&E, SoCalGas, SCE, and SDG&E.

or any combination of these methodologies.

- Permit any combination of upstream, midstream, or downstream delivery channels.
- Include EE programs that have IDSM capabilities, including, but not limited to Demand Response (DR), Distributed Generation (DG), Grid Resource (GR), Energy Storage, and Electric Vehicles (EV).
- Provide innovative approaches to improving the customer experience and outcomes.
- Add to the diversity, safety, and sustainability of PG&E’s supplier base.

**b. Objectives**

Pursuant to CPUC Decision 18-05-041, PG&E, on behalf of the Statewide IOUs, sought bids from third-party EE Implementers to design, propose, and implement Statewide Residential and Non-residential New Construction program(s).

The buildings/occupancy types and activities considered in scope for this solicitation included any residential or non-residential building or occupancy type covered by California Code of Regulations Title 24 Parts 6 (California Energy Code) and 11 (California Green Buildings Standards) and whole new buildings, additions, alterations, and covered processes. Through the SWNC program model, the Statewide IOUs seek to take advantage of uniform opportunities across the state for customers and market actors, prioritize easy program access to customers, and lower transaction costs.

Additionally, PG&E sought innovative EE program(s) designed to encourage integration of high-performance whole building solutions. It was also expected that new program designs would create cost-effective approaches to achieving market transformation leading to the highest levels of efficiency in design and construction within the residential and non-residential sectors.

**1.2 Timing**

Table 1.1: Key Milestones	
Milestones	Completion Date
<b>RFA Stage</b>	
Solicitation Launch	May 28, 2019
Bidder Conference	June 6, 2019
Offer Submittal Deadline	June 28, 2019
RFA Shortlist to PRG	July 28, 2020
Shortlisting Notification	July 31, 2020
<b>RFP Stage</b>	
Solicitation Launch	March 16, 2020



Table 1.1: Key Milestones	
Milestones	Completion Date
Bidder Conference	March 26, 2020
Offer Submittal Q&A Period	
Offer Submittal Deadline	April 22, 2020
RFP Shortlist to PRG	July 28, 2020
Shortlisting Notification	July 28, 2020
Contracting Stage	
Contracting and Negotiations Period	August 28- October 18, 2020 <sup>39</sup>
Contracts Presented to PRG	December 22, 2020 <sup>40</sup>
Contract Signed by Both Parties	December 1, 2020

### 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 SWNC solicitation.

Table 1.2 Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
<b>Contracting Stage</b>			
██████████ ██████████	██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████	██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████	██████████ ██████████ ██████████ ██████████ ██████████

<sup>39</sup> Negotiations and contracting were completed only for Willdan’s two Non-Residential Programs (Electric only and Mixed-fuel) during this time period.

<sup>40</sup> Only Willdan’s two Non-Residential Programs (Electric only and Mixed-fuel) were presented to the PRG at this meeting.

Table 1.2 Key Issues and Observations

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
Term of SWNC Programs	In response to bidder requests at the RFA stage of the solicitation, PG&E adjusted the program term from three to five years in acknowledgement of the long lead time required for new construction projects.	Although the standard program term for solicitations has been set at three years, it is good for IOUs to consider if this is the appropriate program length for the specific program. It may make sense to adjust the term for certain programs, such as those dealing with projects that take longer to develop (such as new construction or industrial custom). Being flexible with the program term, as PG&E was with SWNC, can be an effective practice.	PG&E concurred and adopted a five-year term for programs selected for the SWNC Program.

## 2. RFA Bidder Response and Selections

This section is addressed in a previous Semi-Annual Report

## 3. RFP Bidder Response and Selections

This section is addressed in a previous Semi-Annual Report

## 4. Contracting Process

### 4.1 Contract Negotiations

Contract negotiations for the SWNC programs selected began on August 28, 2020. Four programs proposed from two bidders were selected to participate in competitive contract negotiations (one electric-only proposal and one-mixed fuel proposal from each bidder).



Agreement was reached on these four contracts for the two bidders in late October 2020. The proposals were included in the PG&E's Advice filing in February 2021. Details regarding these proposals were reviewed in the previous Semi-Annual Report.

For the Statewide Non-Residential New Construction sector, the following contracts were executed:



**a. Collaboration on Final Program Design and Scope**

For all bidders participating in negotiations, PG&E opened negotiations with a presentation outlining the objectives and timeline of the contract negotiations. During the entire period of the negotiations, meetings—one to two meetings a week—there was open and frank discussion of the contract scope, terms, conditions, and pricing. The bidders' program designs were not materially changed, but there was some redefinition of target markets to preclude conflicts with other third-party programs.

**b. Fairness of Negotiations**

During the negotiations, PG&E used the following program metrics to determine which programs would be selected for contracts:

- Program Net Benefits
- Program Cost Effectiveness (TRC, PAC)
- Lifecycle Costs (\$/MMBtu)/Deep Savings
- First-Year Savings (kWh, kW, therms)
- Contract Performance (% Performance, % Reserve, % Pre-Payment)
- Implementer Experience/Capability
- Program Design/Innovation
- Portfolio Risk/Counterparty Concentration.

**c. Changes to Contract Terms & Conditions**

The CPUC standard terms are unmodified in the final PIA. They are identical to the latest contract templates reviewed by IEs and PRG, and other IOU terms do not supersede them.

In some cases, PG&E agreed to changes related to uncertainty of values and rules impacting energy savings and the program budget. These changes are considered reasonable. Other changes to the modifiable terms and conditions were minimal.

**d. Conformance with CPUC Policies and Objectives**

PG&E’s changes to the modifiable Ts&Cs served to clarify and enhance other contract provisions. PG&E has provided a table that maps the elements of the Modifiable Contract Ts&Cs to the contract conformance with CPUC Policies and Objectives.

**e. Uniformity of Contract Changes**

From the Non-Residential SWNC market sector, the selected contracts provided the best value to ratepayers while meeting the needs of the entire portfolio of EE programs. PG&E reached agreement with the bidder consistent with the bidder’s original program design intent. While the final executed contracts are different with respect to some details related to the unique aspects of each program’s design, the options were uniformly available to all bidders during the negotiations. Uniformity of contract changes were closely monitored during contract negotiations.

**4.2 Final Selection**

The final program selection of programs to serve the Non-Residential SWNC market sector provide the best value to ratepayers and are forecast to provide energy savings with higher TRC and PAC values than the programs they will replace.

**4.3 Contract Execution**

Table 4.1: Bids Selected for Contract Execution		
Bidder	Years	Program
Willdan Energy Solutions	5	Electric-Only Non-Residential
Willdan Energy Solutions	5	Statewide Non-Residential New Construction (Mixed Fuel)

**4.4 PRG and IE Feedback to Contracting**

PG&E was attentive and receptive to the comments and suggestions made by the PRG and the IEs observing the Non-Residential market sector bid process. In most cases, PG&E adopted all or part of the suggested changes or provided logical rationale for not accepting the recommendations given.

## 5. Assessment of Final Contract

### 5.1 Bid Selections Respond to Portfolio Needs

PG&E's Non-Residential selections provide significant coverage for the major segments of the SWNC market. The Electric-Only program supports California's electrification plans by incentivizing all-electric new construction projects. The Mixed-Fuel program complements the Electric-Only program by improving efficiencies in the portion of the new construction and alterations markets that still receive electricity and natural gas.

### 5.2 Bid Selections Provide the Best Overall Value to Ratepayers

For each contract, value to ratepayers is quantified and substantiated by the following:

- NPV of Net Life-cycle benefit
- Cost-Efficiency
- Simple acquisition cost (e.g., \$/kWh)
- Lifecycle acquisition cost (PAC levelized cost)
- Alignment with California's energy efficiency policies and the CPUC's overarching solicitation policy objectives
- Program scope provides benefits to targeted sector (e.g., Commercial market sector of any size throughout the PG&E service territory)
- TRC ratio
- Innovative features to reach more customers; deliver more savings
- Includes target of HTR customers/DACs with specific and quantifiable goals

## 6. Overall Assessment of Solicitation

The executed contracts for third-party designed and implemented EE programs targeting the Non-Residential market sector provide customers with two flexible program options to help them be more efficient and competitive within the New Construction market. At the same time, these new programs are forecast to provide ratepayers with better value than the existing EE programs they will replace. Finally, the total value of the Non-Residential SWNC programs helps PG&E meet its 40 percent budget commitment of third-party designed and delivered.

## **7. Implementation Plan Assessment**

Since the Advice Letter for the two Non-Residential programs has not been approved at this time, IPs have not yet been drafted by the implementers.

Energy Efficiency Independent Evaluators' Semi-Annual Report on the

## **Statewide Workforce Education and Training: Career Connections (K-12) Solicitation**

Reporting Period: October 2020 through March 2021

*Prepared by:*  
Great Work Energy



**Disclaimer: This report includes sensitive and confidential information.**

# Statewide Workforce Education & Training: K-12 Career Connections

## 1. Solicitation Overview

### 1.1 Overview

The Scope and Objectives of the solicitation were summarized in the RFA and RFP General Instructions as follows:

#### **a. Scope of Solicitation**

“Bidders will design and propose to implement a statewide, non-resource WE&T Career Connections (CC) program that imparts knowledge of energy and sustainability fundamentals and awareness of career pathways among K-12 students. While not solely focused on disadvantaged communities, CC drives long-term change by prioritizing schools with student populations that are predominantly disadvantaged and hard to reach. The annual budget available for this statewide CC program solicitation is approximately \$1 million per year, for a three-year program implementation period.”

#### **b. Objectives of Solicitation**

“Bidders are requested to employ innovative approaches and strategies in order to achieve program outcomes including:

- Students learn about energy, EE, DR, and DG fundamentals;
- Students are prepared for EE post-secondary education and career pathways;
- Students are provided with hands-on EE, DR, and DG career experiences;
- Teachers are provided with EE, DR, and DG educational resources;
- Students in disadvantaged schools are prioritized;
- Formal partnerships are established between teachers/schools and organizations that serve K-12 teachers and students and these support efforts to build energy and EE career pathways.”

#### **c. Milestones in the Solicitation Process to Date**

The CC solicitation is being conducted in accordance with CPUC requirements as a two-stage (RFA/RFP) process, with robust IE engagement and regular coordination with the PRG on all aspects of the solicitation. During the period of focus for this Report, proposals were received,



evaluated and ranked, negotiations were held with the highest scoring bidder, and the contract was finalized and reviewed by the IE and PRG. The RFA process was addressed in the prior Semi-Annual Report, covering the period April 2020 through September 2020, and this information is not repeated in this report.

- The **RFA process** yielded eight abstracts. The abstracts were screened, evaluated and scored, a shortlist was created and five were invited to participate in the RFP stage. The RFA process began in December 2019 with materials development and concluded in June 2020 with an approved shortlist to proceed to RFP and notifications to bidders.
- The **RFP process** yielded five proposals, which were screened, scored and ranked. The highest-ranking proposal was selected to move into active negotiations. The RFP process began in July 2020 with development of the CC RFP documents and forms and concluded in November 2020 with bidder notification.
- The **Contracting stage** of the solicitation began in December 2020 when negotiations kicked off with the selected bidder and was close to conclusion in March 2021 when the negotiated final contract was sent to PRG for review. Contract execution is expected in April.

The CCs solicitation was administered by PG&E in a joint, concurrent process with their other statewide WE&T solicitation for a Career and Workforce Readiness (CWR) program that will serve disadvantaged workers. While the programs are distinct in their target audience and objectives sought, they share many other attributes. Wherever possible, PG&E managed the solicitations' processes behind the scenes as a single, joint process, which reduced complexity for bidders who were participating in both solicitations and improved the quality and consistency of solicitation materials developed and evaluation processes. This approach also greatly reduced effort and time for PG&E staff, the assigned IE, GWE, and the PRG, versus what would have been required if the two solicitations were run as entirely separate processes. Given the small budgets available for these two programs, the approach PG&E took was an effective way to minimize administration costs for the two solicitations while still following all CPUC and PRG guidelines for third-party solicitations.

Readers may see that much of the information provided by the IE in this CC Report is identical or very similar to what is being reported in the CWR Report for this period. Where it occurs, this duplication between the two reports is not in error but is due to PG&E's joint administration of the two statewide WE&T program solicitations.

## 1.2 Timing

Timing of the key milestones throughout the solicitation process has been generally in alignment with PRG Solicitation Guidelines and was consistent with the shared IOU Dynamic Schedule that is posted on the Proposal Evaluation and Proposal Management Application (PEPMA) website and linked through CAECC. While there were some delays in the contracting stage of the solicitation,

the RFP stage had been executed quite quickly and effectively, and overall the two-stage solicitation process up to Advice Letter submission is expected to be just over a year. This was an improvement compared to the longer timelines seen in PG&E's initial third-party solicitations.

Table 1.1: Key Milestones	
Milestones	Completion Date
<b>RFA Stage</b>	
Solicitation Launch	April 6, 2020
Bidders Conference	April 17, 2020
Offer Submittal Deadline	May 15, 2020
RFA Shortlist to PRG	June 23, 2020
Shortlisting Notification	July 2-3, 2020
<b>RFP Stage</b>	
Solicitation Launch	September 4, 2020
Bidders Conference	September 9, 2020
Offer Submittal Q&A Period	September 4 – September 23, 2020
Offer Submittal Deadline	October 2, 2020
CET Cure Period	not applicable – non-resource
RFP Shortlist to PRG	October 26, 2020
Shortlisting Notification	November 11, 2020
<b>Contracting Stage</b>	
Contracting and Negotiations Period	December 8, 2020 – March 10, 2021
Contracts Presented to PRG	March 23, 2021
Contract Execution	expected April 2021

### 1.3 Key Observations

Table 1.2: Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

**Table 1.2: Issues and Observations**

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
<p>Effective Practice: Improved project management practices support negotiations and contracting</p>	<p>PG&amp;E developed a matrix laying out the proposed schedule for review, revision and completion of each contract document by bidders and PG&amp;E staff. The schedule for turn-around of deliverables by either party was reviewed and updated as needed in weekly negotiation meetings. Bidders expressed appreciation for having the information and actively used it to manage their own review and feedback to PG&amp;E.</p>	<p>Continue this effective practice and consider adopting it as standard/common practice.</p>	<p>PG&amp;E continued to use the matrix to support contract negotiations throughout the process. This appeared to decrease stress about the overall negotiations process, alleviated concerns about version control and supported all parties in proceeding effectively toward final agreements.</p>
<p>Effective Practice: Running two similar solicitations in a joint process reduces overall solicitation cost and effort.</p>	<p>PG&amp;E managed the two WE&amp;T solicitations' processes behind the scenes as a single, joint process. This reduced complexity for bidders who were participating in both solicitations and improved the quality and consistency of solicitation materials developed and evaluation processes. It also greatly reduced effort and time for PG&amp;E staff, the assigned IE, GWE, and the PRG, versus what would have been required if the two solicitations were run as entirely separate processes.</p>	<p>Agree with PG&amp;E approach and encourage this approach in the future: small, similar solicitations could be bundled into a joint process with single IE for efficiency of administration.</p>	<p>The approach PG&amp;E took was an effective way to minimize administration costs for the two solicitations while still following all CPUC and PRG guidelines for third-party solicitations.</p>

## 2. RFA Bidder Response and Selections

### 2.1 RFA Development

RFA development was reported in the prior Semi-Annual Report covering the period April 2020 through September 2020.

### 2.2 Bidder Outreach

Bidder outreach for the RFA was reported in the prior Semi-Annual Report covering the period April 2020 through September 2020.

### 2.3 Bidder's Conference & Q&A

Information about the Bidders Conference and Q&A was reported in the prior Semi-Annual Report covering the period April 2020 through September 2020.

### 2.4 RFA Bidders Response

Responses to the RFA exceeded IOU expectations for participation

Table 2.1: Solicitation Abstract Response	
	No.
Abstracts Expected	5
Abstracts Received	8
██████████	█
Abstracts Shortlisted	5

### 2.5 Abstract Selection Process

Information about the abstract selection process was reported in the prior Semi-Annual Report covering the period April 2020 through September 2020. After ranking based on weighted scores, the five top-scoring abstracts were selected to participate in the RFP.

### 2.6 PRG and IE Feedback to Abstract Process and Selections

Information about IE and PRG feedback on the abstract process and selections was reported in the prior Semi-Annual Report covering the period April 2020 through September 2020.

To summarize, PG&E was open and responsive to PRG and IE advice regarding the scoring rubric and methodology in the RFA. All IE and PRG recommendations were adopted. There were no

areas of disagreement between the IOU and the IE/PRG regarding the RFA shortlist and bids selected to advance to RFP. The PRG and IE considered the RFA shortlist to be fairly and appropriately drawn. GWE’s assessment of individual bids and merits of the proposed shortlists lined up with the outcomes of PG&E’s scoring process and resulting recommendations.

### 3. RFP Bidder Response and Selections

#### 3.1 RFP Development

Information about development of RFP materials was reported in the prior Semi-Annual Report covering the period April 2020 through September 2020.

#### 3.2 RFP Bidder’s Conference

Information about the RFP bidders conference was reported in the prior Semi-Annual Report covering the period April 2020 through September 2020.

#### 3.3 RFP Bidders Response

Five proposals were received by the RFP due date of October 2. All bidders whose abstracts were invited into the RFP submitted a proposal.

	No.
Proposals Expected	5
Proposals Received	5

#### 3.4 Proposal Selection Process

##### a. Bid Screening Process and Management of Deficient Bids

The RFP General Instructions state that “proposals will be disqualified for failure to comply with these RFP instructions which include, but are not limited to:

- The proposal was not invited to participate in the RFP by PG&E after having been selected in the RFA stage of the solicitation.
- The proposed program is materially different from what was described in the abstract selected, without explanation and justification.
- The proposal is substantively incomplete, does not follow formatting requirements or

exceeds length limitations.

- The Proposal is not responsive to the objectives and requirements of this RFP.
- PG&E determines that a conflict of interest exists.”

As a first step of proposal evaluation, PG&E screened bids for eligibility according to these published screening criteria. All bids submitted met the eligibility criteria and none were screened out.

**b. Evaluation Team Profile**

[Redacted]

- PG&E provided information about the qualifications for scoring team members to the IE for review, including name and current role in the company, bios and resumes. The team appeared to be well qualified to effectively score the CC proposals.
- PG&E provided score team training which familiarized reviewers with the components of the scorecard and RFP documents, goals and objectives of the solicitation, company procurement policies, and the third-party solicitation process and roles. Code of conduct rules were made clear to all scorers, especially as it related to their day-to-day communications with implementers of existing WE&T programs that were also bidding on new programs.
- RFP scoring prep included mock scoring and a mock calibration session [Redacted]

**Table 3.2: CC RFP Evaluation Team**

Position Title	Position Role	Area Scored
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

**c. Scoring Rubric Design**

PG&E first presented a proposal scoring rubric for PRG feedback in June 2020. Scoring criteria and associated weightings incorporated lessons learned in prior solicitations with recommendations and identified needs from the RFA stage. [REDACTED]

The final scoring rubric developed for evaluation of proposals was presented by PG&E for final PRG review in July 2020 and is represented below.

[REDACTED]					
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED] The established criteria were distinct and represented all of the most critical elements of the design, feasibility, cost and performance for this WE&T program.



**d. Evaluation Processes and Scoring Calibration**

PG&E evaluated proposals using the established scoring criteria and processes, with no deviations. The integrity of the process was upheld throughout the review and scoring effort. Individual scoring occurred between October 5th – 13th and the scoring calibration meeting for CC was held on October 14, 2020.

[REDACTED] Discussions in these meetings indicated that scoring team training and other preparation work had laid a strong foundation for alignment in the reviewers’ understanding of the RFP objectives and established criteria.

Using the same methodology as the PG&E scoring team, GWE reviewed and shadow-scored all submitted proposals across all criteria and participated in calibration discussions.

**e. Shortlist and Final Selections**

PG&E’s stated objective throughout the solicitation process was to identify a single finalist to enter into negotiations with, with one to two runners-up on hold in case these negotiations were not successful. Decisions made in developing the RFP package and scoring rubric supported this outcome well, as was evidenced by how clearly differentiated the bids were, post-calibration, especially those at the top of the rankings.

PG&E proposed to move into active negotiations with the highest-ranking bid, from [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] There were no difficult decisions to make or hard calls to arrive at this recommendation.

PG&E’s scoring and the resulting ranking of bids seen in the final scores aligns closely with GWE’s evaluation of the bids. In particular, the proposal ranked highest based on PG&E final scores was the highest ranked in IE scores as well. This was clearly a strong proposal, with program design, feasibility and outcomes that directly and fully addressed all objectives of the solicitation.

**Table 3.4: Bids Selected for Contract Negotiations**

Bidder	Budget	Years	Status
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

### 3.5 PRG and IE Feedback to Proposal Process and Selections

#### a. Adherence to PRG Guidance and Feedback

PG&E was open and responsive to PRG and IE advice regarding the RFP scoring rubric and methodology. All IE and PRG recommendations were adopted. [REDACTED]

PG&E’s execution of bid evaluation and selection for the WE&T RFP solicitations met all PRG guidelines pertaining to the scoring rubric and methodology, scoring team characteristics and training, and the individual scoring, calibration and shortlist processes.

PG&E presented the WE&T shortlists to PRG on October 28th. Given the strong natural break between the top scoring bid, runner up and the other proposals, there were no concerns expressed about PG&E’s recommendations regarding Finalists to advance into negotiations. No additional PRG feedback was received following the meeting, and PG&E notified all bidders of their status via PowerAdvocate on November 11th.

#### b. Response to IE Feedback

As described in the preceding sections, PG&E was open and responsive to IE advice and feedback throughout the RFP process.

Results of considering the PRG Guidelines Appendix J: IE Question Template for Scoring Review and Monitoring are summarized below.

Table 3.5: IE Scoring Review and Monitoring	
Question	IE Assessment
Was there a conflict of interest with any of the scorers?	No
Was it a fair process?	Yes
Do you agree with scoring? If not, was it resolved? If it was resolved, how? If it wasn’t, what are next steps?	Yes
Were there major differences of opinion within the scoring team? If so, why?	No, there were no major differences of opinion within the scoring team.
Did the IOU articulate a clear philosophy about how many abstracts/proposals to advance to the next phase?	Yes.
Does the IOU’s approach to drawing the line make sense and comport with the overall goals of the two-stage solicitation process?	Yes

Table 3.5: IE Scoring Review and Monitoring	
Question	IE Assessment
Did the IOU adhere to its plan?	Yes
Did the IOU identify the marginal cases (hard calls)? <ul style="list-style-type: none"> <li>• Did the marginal cases that the IOU identified match your own identifications?</li> <li>• Did the IOU have a robust discussion about what to do with the marginal cases?</li> </ul>	There were no marginal cases or hard calls to make.
Things to fix moving forward? <ul style="list-style-type: none"> <li>• Did the bid review and scoring reveal any places where the solicitation instructions were unclear or incomplete?</li> </ul>	Nothing to fix, it worked well.

#### 4. Contracting Process

In preparation for negotiations, PG&E modified their standard contract templates as appropriate for these specific statewide, non-resource WE&T programs. The structure of the package and function of each section was the same as prior PG&E contracts reviewed by PRG in 2020.

- The PIA and Attachment 1 Program Requirements (Attachment 1) form the master services agreement. These documents contain all of the CPUC and PG&E contract terms and conditions. PG&E prepared a matrix accompanying these documents that maps CPUC standard terms to their location in the templates, and clearly identifies in redline changes that PG&E had made to some of the modifiable terms.
- Attachment 2 Narrative and Attachment 2 Data Form are the Scope of Work for the program being contracted. As templates, they are basically just outline headers and blank tables, which align with sections of the proposals submitted by bidders. During negotiations, Finalists transfer their proposals into these forms, where applicable incorporating mutually agreeable changes that come out of negotiation discussions with PG&E.
- Compensation structure follows what was laid out in the RFP, with Time & Materials (T&M), Deliverables-based payments and Milestone-based payments. Use of Deliverables and Milestones as a basis for payments was emphasized as PG&E's preference in the RFP and during negotiations. There were no additional performance reserves incorporated into the compensation structure for this relatively small, non-resource program.
- Funding for the program described in Attachment 2 is disbursed annually through contract work authorizations (CWAs) with associated purchase orders (POs). Through this mechanism, goals and budgets for an upcoming year will be considered in light of current performance and forecasts and can be adjusted if appropriate. The total contract

amount is capped across the contract period at the not-to-exceed (NTE) total budget amount listed in Attachment 2 Data Form, Budget and Compensation tabs.

PG&E provided GWE with the full set of draft WE&T contract templates on November 6<sup>th</sup>, allowing a week for thorough IE review of the documents and a second week for clarification and discussion on issues identified, revisions and final confirmation of changes made.

- The CPUC standard terms and conditions were appropriately addressed in the contract templates. Unmodifiable terms incorporated changes made in response to feedback on prior third-party EE solicitations and were compliant with requirements. Modifiable terms were appropriately altered to reflect these WE&T solicitations or in some cases omitted where they are not applicable to non-resource programs, as discussed with PRG during the RFA and RFP processes. The matrix PG&E provided in negotiations along with the contract templates allowed Finalists to see the CPUC standard term with PG&E's proposed redline and be able to address this as the starting point for negotiations.
- The PRG Guidelines checklist was updated to reflect PG&E's full alignment with the PRG Guidelines pertaining to contract templates. The completed Checklist was provided along with the package of contract templates for PRG review.
- All GWE comments on the WE&T contract templates were sufficiently addressed by PG&E prior to distribution to the PRG, and the Comment Tracker provided to PRG for review reflected this assessment. PG&E adopted multiple modest changes recommended by the IE. For items where PG&E only partially accepted or did not accept GWE's specific recommendation, the underlying concern being flagged by the IE was addressed by PG&E differently or elsewhere in the documents, effectively.

The planning, organization and rapid execution of this task by PG&E was commendable. Finalists entering negotiations in December received well-structured contract templates that effectively supported negotiations.

#### **4.1 Contract Negotiations**

Negotiations began December 8, 2020 with a kick-off meeting with [REDACTED]. A second meeting was held on December 15<sup>th</sup>, where the contract templates were introduced. These initial meetings were well organized and executed, and all parties appeared to be engaging actively, cooperatively and transparently in negotiations. After a holiday break, weekly negotiation meetings and follow-up communications via PowerAdvocate continued to be executed well and consistently by PG&E. All parties engaged actively and cooperatively in negotiations, and there was consistent forward progress.

PG&E had communicated a target of reaching negotiated agreement with finalists in both WE&T solicitations by late January, with contracts coming to PRG for review in February. At the end of January, it appeared that everything substantive had been addressed in negotiations to all parties' satisfaction and that PG&E was on track to meet this schedule. [REDACTED]

[REDACTED]

PG&E managed bidder communications regarding this delay well. On January 26<sup>th</sup>, PG&E met [REDACTED] to explain the issue and delay. They discussed potential schedule impacts and reassured the bidder of PG&E's intent to proceed quickly in either settling or deferring this minor issue, so as not to impact the date of planned program launch. While negotiations paused, PG&E maintained weekly communications with bidders throughout this period. On February 25<sup>th</sup>, PG&E communicated via PowerAdvocate that they hoped to have resolution of the [REDACTED] [REDACTED] by early the following week and were intending to bring draft contracts for PRG review in March.

PG&E reached negotiated agreement on all contract [REDACTED] on March 11, 2021. From the beginning of negotiations to their conclusion, PG&E hosted ten negotiation meetings, representing 14.5 hours of discussion, and the parties exchanged more than a hundred messages and files through PowerAdvocate. Collaboration on Final Program Design and Scope

**a. Collaboration on Final Program Design and Scope**

The final program scope retains all aspects of the Implementers' original proposed program design. In negotiations, PG&E program staff emphasized gaining a shared understanding of what was planned, especially as it related to students who will be served in schools (formal) versus those served in other environments such as before or after-school programs, boys or girls clubs, etc. (informal) and proposed new program offerings that would be developed to better support middle and high school students. PG&E asked clarifying questions and requested changes in language as needed to better support progress tracking and reporting, paying milestone-based compensation and evaluating outcomes [REDACTED]

Contract terms associated with program curriculum, communications and materials were a focus of negotiations, including PG&E marketing review requirements and intellectual property rights to materials used by or developed for the program. These terms can have an outsized effect on the day-to-day implementation of these types of non-resource WE&T programs, where the major portion of program effort is tied to communicating with, encouraging and training participants. PG&E solicitations, marketing and legal staff were sympathetic to the bidder's justifications for their

requested redlines of these terms and worked collaboratively to reach agreement on terms that were acceptable to all parties and did not change [REDACTED]

The only substantive request for change from PG&E was focused on improving the proposed compensation structure, [REDACTED]. At negotiations kick-off, PG&E reiterated a preference for compensation structures that include some deliverables- or milestone-based performance payments. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

### **b. Fairness of Negotiations**

The negotiation process that bidders experienced was planned and executed consistently. PG&E used effective project management practices to support a more transparent, less stressful negotiation process. TEC was not asked for new or excessive information that would have caused them to incur significant, uncompensated costs, and rework was minimized in the process. There was no evidence of either positive or negative bias in negotiations.

GWE's assessment is that both the negotiation process and its outcomes were fair. IE observations supporting this assessment include:

- PG&E invited the single top-scoring finalist from the RFP into active negotiations, and they were ultimately successful at reaching mutually agreeable terms.
- PG&E communicated regularly, consistently, and transparently with [REDACTED] including schedule, contract documents, and outstanding topics under discussion.
- PG&E staff quickly and thoughtfully reviewed the scope of work information and questions [REDACTED] and came to negotiation meetings prepared to discuss these.
- The tone set by PG&E staff in all negotiations meetings was collaborative, curious, and respectful [REDACTED] as the third-party designer and implementer of the program. GWE witnessed this same attitude consistently maintained behind the scenes in internal PG&E negotiation team meetings.
- [REDACTED] capably and consistently. They responded quickly and in great detail to PG&E requests for clarifying information about their proposed program.

They were appropriately flexible in making some small concessions in contract negotiations, but they also demonstrated their expertise by respectfully pushing back and proposing alternatives if PG&E contract terms or requests in negotiations were perceived to be a risk to effective implementation.

- PG&E agreed to [REDACTED] contract changes or recommended alternate solutions to address their concern.

[REDACTED]

### **c. Changes to Contract Terms & Conditions**

CPUC standard terms are unmodified in the final contracts. They are identical to the Statewide WE&T contract templates provided to PRG for review in November 2020, and other IOU terms in the PIA and Attachment 1 do not supersede them.

Only one CPUC modifiable term was revised in final contracts. All other CPUC modifiable terms not listed below were identical to the contract templates.

- Intellectual Property and Implementer Pre-existing Materials: a minor change in PIA Section 2.10 [REDACTED] reinforces that PG&E rights to Implementer’s Pre-existing Materials are limited solely to materials that are part of the Services Work Product of this agreement.

Outside of the CPUC terms, there were only a few other changes negotiated to the PIA and Attachment 1 terms and conditions.

- Attachment 1 Section 4.1.6 Implementer Program Materials section had a major update, addressing marketing requirements including co-branding and required disclosure statements. Exhibit B item 3.A also added an auspices disclosure statement. Bidder assumed no co-branding in the proposal, IOUs preferred otherwise. Disclosure requirements were not included in the original contract template.
  - Marketing requirements are tied primarily to new program materials that will be developed by the program, but there is a wider range and larger number

of materials that PG&E preferred that marketing requirements would apply to. [REDACTED] about the operational and cost impacts of these requirements, which had not been explicit in the RFP. PG&E approved their requested, reasonable budget increase during the program pre-launch period to cover the associated costs. This modest budget increase is reflected in the final budget in Attachment 2 Data Form.

- Attachment 1 Section 2.3.5 Program Eligibility was updated to clarify eligibility requirements for these particular programs. Contract template was general, PG&E developed and added specific language in response to questions from bidders in negotiations.

Some changes were made to [REDACTED] proposed in the final negotiated Scope of Work (Attachment 2 Narrative and Attachment 2 Exhibit A Data Form)

- Contract duration: Timeline (Data Tab B) - Updated proposed schedule with better informed timeframes for pre-launch activities.
- Budget (Data Tab D) - Added budget during pre-launch for revision of some pre-existing materials and for management of marketing review process.
- KPIs (Data Tab H) – Refine and standardize language.
- Quantifiable Outcomes (Data Tab C) - Outcomes needed to be better defined for both PG&E due diligence and to support development of a milestone-based compensation structure. Include targets for formal vs. informal education. In addition to the six outcomes originally proposed, two new quantifiable outcomes were added in negotiation:
  - Minimum number of formal education providers (schools) served equals 306 out of total 510 local education providers of all kinds. Total education providers served includes both schools (“formal”) as well as before- and after-school programs, boys’ and girls’ clubs, other “informal” education providers. Including informal education providers [REDACTED] core strategies for reaching HTR students and DACs.
  - Verified student instruction and [REDACTED] this additional metric in response to two PG&E requests 1) for more information about new, advanced offerings for middle and high school students and 2) to consider performance-based compensation. It allows [REDACTED] classroom instruction time as well as time students spend in the more advanced offerings for middle or high school students such as internships and Jr. Energy Manager certification.



[REDACTED]

[REDACTED]

**d. Uniformity of Contract Changes**

[REDACTED] bidder in contract negotiations for the statewide CC program. Contract changes made, described above, were uniformly aligned with what had been discussed and agreed to in negotiations.

The two statewide WE&T solicitations shared the same contract template. During negotiations, in a few cases, changes made in one due to finding typos or omissions in the template were also updated in the other contract. But specific bidder-requested changes to a contract term that PG&E had accepted for one program were not typically applied to the contract for the other solicitation.

**e. Conformance with CPUC Policies and Objectives**

The solicitation was designed to effectively source a statewide third-party CC program that will meet the needs laid out in PG&E’s approved Business Plan and contribute to meeting WE&T overarching goals and metrics.

As planned and executed, the solicitation process was in accordance with the CPUC-adopted IOU Solicitation Plan, including using a two-stage RFA/RFP process and allowing IE/PRG monitoring and feedback on all aspects of the solicitation.

**Program Evaluability:** For some non-resource programs, evaluation of outcomes can be a challenge, and this was a concern raised by PRG members for these WE&T program solicitations. Program evaluability was a scored criterion in the RFP and also a major PG&E focus in negotiations. PG&E informed TEC that a CPUC evaluation contractor would be reviewing the evaluability of the program before or soon after program launch. Through discussion and mutual agreement, edits were made during contract negotiations to refine and better define the program’s quantifiable outcomes and KPIs. The final language better supports reporting and administration of milestone-based compensation and will also support evaluability.

**Innovation:** The PRG adopted definition of innovation is grounded in advancing a technology, marketing strategy or delivery approach in a manner different from previous efforts. There have been CC programs running locally and amongst joint IOUs for a number of years, some targeting K-8 and others targeting middle or high school students, but this program is the first run at a statewide level with a single third-party implementer and a single program serving across all four IOU territories and including all K-12 students. The Energy is Everything (EisE) program includes the innovative elements such as:

- Field Educators and Energy Fellows will help extend the reach of the program in underserved communities.
- Behavior-based energy action campaigns extend beyond the classroom to homes and communities.
- Distance learning strategies and other virtual offerings allow flexible delivery in remote locations and boost interest and participation in the program.
- Modular design and content allow educators flexible integration into core studies at their own pace.
- New offerings for middle and high school students include: Career Technical Education (CTE):
  - Articulation agreements developed with community colleges enable high school students to earn college credit and develop technical career skills through hands-on learning.
  - Internships for 11<sup>th</sup> and 12<sup>th</sup> grade students provide real-life career experiences and exposure to EE career pathways
  - Technical skills certifications (Jr. Energy Manager) for 7-12 grade students to gain technical skills while learning about EE career pathways.

**Solicitation Schedule Management:** To reduce schedule delays in administration of third-party solicitations, in November 2019, CPUC recommended maximum timelines for the two-stage solicitation process<sup>41</sup>. PG&E’s performance against these timelines is represented in the table below.

Regarding the timeliness of the solicitation schedule reported below, GWE would like to emphasize that the overall two-stage solicitation timeline for both WE&T solicitations will be just over a year, which is an improvement when compared to PG&E’s initial third-party solicitations. PG&E’s efficiency and speed in the RFP stage offset the delays in Contracting phase and resulted in a reasonably timely solicitation.

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<sup>41</sup> CPUC Executive Director letter to the IOUs regarding the “Request of Time to Comply with Ordering Paragraph 4 of Decision18-05-041,” November 25, 2019.

PG&E’s perspective on the recommended 12-week timeline for the contracting stage is that it is not realistic, as it does not appear to include time for internal contract approval processes that come after IE and PRG review of the final contract, and before contract execution. GWE agrees with this assessment and would recommend that CPUC ED update the recommended maximum timeline for the Contracting stage of solicitations to 16 weeks to provide a more achievable but still accelerated target to IOUs.

Table 4.1: Timeliness of Solicitation Schedule			
Solicitation Stage	CPUC Recommended Maximum Timeline	Actual Timeline of CC Solicitation	IE Assessment of Delays or Discrepancies
<b>RFA</b>	Up to 12 weeks from RFA release to notification of bidder notification of selection for RFP	12.5 weeks	No actual delays observed, very close to meeting CPUC recommendation.
<b>RFP</b>	Up to 15 weeks from RFP release to bidder notification of invitation to contract negotiation	9.5 weeks	A faster RFP process was possible because the CC program sought is small, well-defined, and budget-limited. It is also non-resource, so there was no CET or incentive design to assess. Also, PG&E was seeking to award this contract to single Implementer, and there was no portfolio balancing aspect to selection.
<b>Contracting</b>	Execute contract by 12 weeks after invitation to contract negotiation (unless there are specific complexities or challenges)	Expected: 24 weeks	<p>Bidders were notified of contract selection on November 11<sup>th</sup>. PG&amp;E also began developing the contract template in November, a critical path activity involving IE and PRG review that would be completed before contract negotiations could begin. Not developing the WE&amp;T contract template earlier in the solicitation process created a 3-week delay to beginning negotiations.</p> <p>Beginning negotiations on December 8<sup>th</sup> did not allow much progress before the new year. While the holiday break in negotiations was planned and preferred by both parties, it did slow down the overall contracting timeline by two weeks.</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

Table 4.1: Timeliness of Solicitation Schedule			
Solicitation Stage	CPUC Recommended Maximum Timeline	Actual Timeline of CC Solicitation	IE Assessment of Delays or Discrepancies
			<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>After confirmation from PRG on April 2<sup>nd</sup> that there were no further questions about the contract, PG&amp;E began processing and routing the contract for internal approvals. This created another three- to four-week delay in contract executions. PG&amp;E intends to execute the contract by the end of April.</p>

## 4.2 Final Selection

Throughout the solicitation, PG&E focused on requesting useful information from bidders and designing a scoring rubric for bid evaluation that would provide a high degree of clarity about which were the best proposals. At the conclusion of the RFP, PG&E proposed to move into active negotiations with the highest-ranking bid [REDACTED]. The thoughtful approach taken to solicitation design was effective, and negotiations between PG&E [REDACTED] and PG&E successfully reached the conclusion of negotiations on March 11, 2021.

## 4.3 Contract Execution

Following PRG review of the contract in late March and receiving confirmation that there were no further PRG or IE questions or concerns, PG&E initiated their internal review and processing of the contract. Contract execution is expected in April, prior to PG&E submitting the Advice Letter to CPUC for approval.

Table 4.2: Bids Selected for Contract Execution			
Bidder	Bid#	Years	Program
[REDACTED]	5	3.5	EisE

#### 4.4 PRG and IE Feedback to Contracting

Negotiations and contracting efforts by PG&E comported with PRG guidance<sup>42</sup> related to negotiations, contracting and final contract review, including the following:

- PG&E had presented the planned contract negotiation process to the IE and PRG for feedback in October and November. The process executed was in line with what was planned.
- GWE monitored all electronic communication and document exchange via PowerAdvocate and attended all negotiation meetings, both those with the bidders and the internal PG&E negotiations team planning and debrief meetings.
- PG&E explained the steps in the negotiation process and provided a timeline in the first two negotiation meetings with the bidder.
  - **Effective Practice:** PG&E developed and shared a matrix laying out the proposed schedule for review, revision, and completion of each contract document by bidders and PG&E staff. This improved transparency and provided a good basis for project management of the negotiation process. The schedule for turn-around of deliverables by either party was reviewed and updated as needed in each weekly negotiation meeting. Bidders repeatedly expressed appreciation for having this information, and actively used it to manage their own rounds of review and feedback to PG&E. This appeared to decrease stress about the overall negotiations process, alleviated concerns about version control and supported all parties in proceeding effectively toward final agreements.

GWE monitored all negotiation meetings and communications [REDACTED] PG&E via PowerAdvocate throughout the negotiations period, from December through March. There were no gaps in IE monitoring of negotiations and potential, emerging issues were reported in a timely fashion to PRG in the IE monthly report. There were no outstanding issues as of the conclusion of negotiations.

- Throughout the negotiations phase, GWE tracked proposed modifications to the contract template, by either party. GWE also monitored dialogue about the program design, outcomes and commercial terms that were proposed at the RFP stage.
- Detailed review was performed on all final contract documents (PIA, Attachment 1, Attachment 2 (Scope of Work) Narrative and Attachment 2 Data Form) for the solicitation between March 11th – March 18th. GWE compared the final contracts to the WE&T contract template (reviewed by PRG in November 2020) and associated

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<sup>42</sup> PRG Guidelines sections 3.6, 6.2, 6.3 and Appendix L

matrix of CPUC terms and conditions, IE negotiation meeting notes, files and communications exchanged through PowerAdvocate during negotiations, and the original proposal that bidders had submitted.

- GWE did not uncover any issues that would prevent contract execution or indicate that a revision was needed to any contract documents prior to contract execution.

## 5. Assessment of Final Contract

**The final contract provides a good basis for administration and performance management**, for both PG&E [REDACTED]. Emphasis in negotiations was on clarifying, improving and consistently defining KPIs, quantifiable outcomes, and associated milestones proposed as the basis for performance compensation. Changes agreed to in negotiations were all included in the final Attachment 2 Data Form and Narrative.

**The final program scope, objectives, and outcomes** are consistent with what was sought in the solicitations, and with the approved business plans and metrics that the RFA/RFP was based on.

**Terms and information** about program scope, cost, and metrics in the contract scope of work are entirely consistent with what was discussed and agreed to between parties in the negotiation process.

**The final program scope** retains [REDACTED]. In negotiations, PG&E staff emphasized gaining a shared understanding of what was planned. PG&E asked clarifying questions and requested changes in language as needed to better support progress tracking and reporting, paying milestone-based compensation, and evaluating outcomes for the program that TEC designed.

**CPUC standard terms are unmodified in the final contracts.** They are identical to the Statewide WE&T contract templates provided to PRG for review in November 2020, and other IOU terms in the PIA and Attachment 1 do not supersede them.

Few CPUC modifiable terms were revised in final contracts. One minor change was made to the Intellectual Property [REDACTED], which clarified but did not change the meaning of the original language. All other CPUC modifiable terms were identical to the contract templates.

### 5.1 Bid Selections Respond to Portfolio Needs

The solicitation was designed to effectively source a statewide third-party CC program that will best meet the needs laid out in PG&E's approved Business Plan and contribute to meeting WE&T overarching goals and metrics.

- RFA and RFP documents clearly communicated what was being sought in a statewide

CC program. Scoring rubrics developed for the RFA and RFP appropriately valued the most essential program attributes. Information requested from bidders was precisely aligned with the scoring criteria.

- The evaluation structure and process worked exactly as designed, and the five bids selected at the RFA stage and the single bid selected at the RFP stage were those whose programs and proposals clearly were higher ranking and best aligned with the solicitation’s objectives.
- PG&E maintained full transparency at all times with the IE and PRG. PG&E invited input at every step of the process and consistently accepted recommendations and other feedback. Final selection of [REDACTED] conforms to all PRG requirements regarding selection.

In the Final Contract scope of work, [REDACTED] program as follows, directly addressing all objectives of the solicitation:

“The EisE program provides IDSM education and energy career exploration to K-12 students throughout the IOU state-wide territories, focusing on disadvantaged and hard-to-reach students. The program, delivered through a train-the-trainer model, provides formal and informal educators the tools and resources to educate students effectively about IDSM/EE topics. EisE students learn, explore, and practice IDSM topics and skills, pro-environmental behaviors, and energy career skills through a standards-based curriculum, hands-on learning activities, and technical training.”

[REDACTED] services and products to formal and informal educators and their students. Program components are designed to minimize gaps and create alignment between energy efficiency (EE) education and training programs and workforce demands. The services also provide indirect benefits such as improved behavioral norms, energy savings, and awareness for local education providers, community-based organizations (CBOs), students’ families, and their communities [REDACTED]

- Leverage and expand train-the-trainer professional development training (PDT), conducted online or in-person, for educators to build knowledge, confidence and experience in IDSM, STEM, EE and other energy subjects and ensure long-term instruction;
- Utilize and expand adaptable, modular subject matter by grade, topic and objective to allow for flexible integration into instruction and to meet demands for distance learning;
- Maximize access to services through multilingual materials (printed and online) for educators, students and their families;
- Utilize and further develop family-facing materials through coordination with IOU/third-party (3P) residential resource programs to support pro-environmental behaviors and energy savings, moving beyond education sites and into students’ homes

and communities;

- Maintain statewide delivery through distance learning platforms, [REDACTED] Field Educators, Program Ambassadors and Energy Fellows;
- Enroll and retain energy educators through direct marketing to educators and local education providers and indirect marketing through peer-to-peer referrals and engagement materials;
- Overcome traditional barriers to serving disadvantaged local education providers through key partnerships and enhanced services to meet the unique needs of these students;
- Leverage [REDACTED] network to engage hundreds of partner “educators in training” at CSUs, UCs and CCCs who support cost effective on-site and virtual instruction while gaining on-the-job training, and;
- Engage Climate Corps AmeriCorps (CCAC) Energy Fellows strategically placed in DAC/HTR/rural areas across the state at County Offices of Education (COE), school districts, and with CBOs to cost effectively support local implementation.”

## 5.2 Bid Selections Provide the Best Overall Value to Ratepayers

Because CC is a non-resource program, many of the quantitative assessments that would be performed to compare simple acquisition cost, program cost-effectiveness or amount of energy savings are not applicable for this solicitation. GWE’s assessment is that [REDACTED] the best overall value to ratepayers out of the field of bidders.

The budget and types of outcomes sought from a CC program were well-defined in the RFP, and the task for bidders was to design a program and put together an implementation team that could effectively deliver the best outcomes for the budget available. The available budget for the statewide CC program was set by PG&E at \$1 million/program year for three years, plus costs for pre-launch activities and program ramp down. Six Quantifiable Outcomes were defined by PG&E in the RFP Data Form, where bidders were asked to estimate their program’s annual outcomes for each of the 3 program years.

- Number of teachers that received and utilized educational resources
- Number of students participating
- Number of students provided with career awareness/experience
- Number of schools served
- Number of disadvantaged schools served
- Partnerships established



- Other

[REDACTED]

GWE’s review and shadow-scoring of the proposals generally agreed with the PG&E scoring team’s assessment.

[REDACTED]

- Proposal maximizes leverage of committed Partners to stretch resources and impact.
- Generally clear and well-justified targets for program metrics were tied exactly to PG&E desired Outcomes from RFP. Eighty percent disadvantaged schools proposed. Metric around career awareness/experience was not useful as proposed (100 percent of those trained), and the proposal was also missing outcomes or KPIs associated with deeper engagements for 7-12 grades such as new certificates, CTE, and internships. These minor deficiencies were addressed well in negotiations.

Comparing [REDACTED] to the final contract that was negotiated, changes were minimal, and the positive characteristics of the bid were maintained and improved.

Table 5.1: Program Data: Comparison of Proposed to Final Contract		
Budget	Proposal	Contract
Administration	3%	1%
Marketing	5%	6%
Direct Implementation - Non-Incentive	93%	92%
Total Program Budget	\$3,035,500	\$3,094,000
Quantifiable Outcomes	Proposal	Contract
Number of energy educators that received and utilized educational resources	1,090	1,090

Table 5.1: Program Data: Comparison of Proposed to Final Contract		
Number of students enrolled	100,000	100,000
Number of students provided with career awareness/experience	100,000	100,000
Number of local education providers served	510	510
Minimum number of formal local education providers served		306
Number of disadvantaged local education providers served	408	408
Partnerships established	80	80
Verified student instruction & training hours		450,000
<b>Compensation %</b>	<b>Proposal</b>	<b>Contract</b>
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED] and not a certified DBE business or small business. There are numerous named program partners whose existing resources are being leveraged to deliver the program statewide, described briefly in the contract Attachment 2 Narrative. Twenty-one partners provided letters of intent (LOIs) during the RFP in support of TEC's bid.

[REDACTED]

Clarifying and improving Outcomes, Milestones and KPIs was a primary focus of discussion during negotiations. Parties began and made progress on discussions about how and what data will be collected to support reporting, PG&E's fiscal due diligence, and eventual evaluation of these metrics. The final adopted set of KPIs are:

- Energy educator enrollment
- Student enrollment
- Local education provider enrollment
- Disadvantaged local education provider
- Partnerships established
- Verified student instruction and training hours
- Educator knowledge gain
- Student knowledge gain
- EE behavior metrics
- Program satisfaction

## 6. Overall Assessment of Solicitation

As planned and executed, the solicitation process was in accordance with the CPUC-adopted IOU Solicitation Plan, including using a two-stage RFA/RFP process and allowing IE/PRG monitoring and feedback on all aspects of the solicitation.

As has been detailed throughout this report, PG&E was fair and consistent with all bidders in their administration of the statewide CC solicitation. GWE saw no indication of conflict of interest or positive or negative bias from PG&E staff at any time in the process. PG&E consistently maintained strict communication protocols with bidders and did not stray from planned evaluation methodologies that had been presented to PRG.

The solicitation process resulted in the best bid being selected. Negotiations produced a fair contract that addresses the needs of the solicitation, bases compensation upon achievement of program outcomes, supports program evaluability and retains all elements [REDACTED], compelling program design and strategy. IE monitoring of the process and review of the final contract with [REDACTED] any outstanding issues and there are no concerns that should be addressed prior to approving the contract.

## 7. Implementation Plan Assessment

[REDACTED]

[REDACTED]

[REDACTED]



Energy Efficiency Independent Evaluators' Semi-Annual Report on the

## **Statewide Workforce Education and Training: Career and Workforce Readiness Solicitation**

Reporting Period: October 2020 through March 2021

*Prepared by:*  
Great Work Energy



**Disclaimer: This report includes sensitive and confidential information.**

# Statewide Workforce Education & Training: Career and Workforce Readiness

## 1. Solicitation Overview

### 1.1 Overview

The Scope and Objectives of the solicitation were summarized in the RFA/RFP General Instructions as follows:

#### **a. Scope of Solicitation**

“Bidders will design and propose to implement a statewide, non-resource WE&T Career and Workforce Readiness (CWR) program that provides Disadvantaged Workers<sup>43</sup> in the California IOU service territories with support services and technical training to enter the EE workforce. Successful CWR program(s) resulting from the solicitation will partner with and leverage the efforts of workforce development organizations for social services and non-EE skills training. The annual budget available for this statewide CWR program solicitation is approximately \$2 million per year, for a three-year program implementation period.”

#### **b. Objectives of Solicitation**

“Bidders are requested to employ innovative approaches and strategies in order to achieve program outcomes including:

- Targeted participants are Disadvantaged Workers;
- Participants learn about EE best practices that they will use on the job;
- Participants become aware of EE/energy education and career pathways;
- Participants are placed in jobs where:
  - The employer is undertaking energy efficiency work and/or energy efficiency projects, the participant applies their EE training within the first 6 months, and Participants remain employed for at least 12 months;

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<sup>43</sup> Decision 18-10-008 (October 11, 2018), “Decision Addressing Workforce Requirements and Third Party Contract Terms & Conditions”, defines a disadvantaged worker as “an individual that meets at least one of the following criteria: lives in a household where total income is below 50 percent of Area Median Income; is a recipient of public assistance; lacks a high school diploma or GED; has previous history of incarceration lasting one year or more following a conviction under the criminal justice system; is a custodial single parent; is chronically unemployed; has been aged out or emancipated from the foster care system; has limited English proficiency; or lives in a high unemployment ZIP code that is in the top 25 percent of only the unemployment indicator of the CalEnviroScreen Tool.”

- Workforce training programs introduce/expand EE content for their students;
- Partnering workforce development organizations' goals are met/supported;
- New collaborations are established between EE technical training organizations and organizations that provide case management and job placement services;
- Training provided is relevant, timely and practical for both current and near future industry needs;
- Participant awareness of and preparation for emerging opportunities in a more integrated industry.”

### **c. Milestones in the Solicitation Process to Date**

The CWR solicitation is being conducted in accordance with CPUC requirements as a two-stage (RFA/RFP) process, with robust IE engagement and regular coordination with the PRG on all aspects of the solicitation. During the period of focus for this Semi-Annual Report, proposals were received, evaluated and ranked, negotiations were held with the highest scoring bidder, and the contract was finalized and reviewed by the IE and PRG. The RFA process was addressed in the prior Semi-Annual Report, covering the period April 2020 through September 2020, and this information is not repeated in this Report.

- The **RFA process** yielded nine abstracts. The abstracts were screened, evaluated and scored, a shortlist was created, and three were invited to participate in the RFP stage. The RFA process began in December 2019 with materials development and concluded in June 2020 with an approved shortlist to proceed to RFP and notifications to bidders.
- The **RFP process** yielded three proposals, which were screened, scored, and ranked. The highest-ranking proposal was selected to move into active negotiations. The RFP process began in July 2020 with development of the CWR RFP documents and forms and concluded in November 2020 with bidder notification.
- The **Contracting stage** of the solicitation began in December 2020 when negotiations kicked off with the selected bidder and was close to conclusion in March 2021 when the negotiated final contract was sent to PRG for review. Contract execution is expected in April.

The CWR solicitation was administered by PG&E in a joint, concurrent process with their other statewide WE&T solicitation for a CC program that will serve K-12 students and their teachers. While the programs are distinct in their target audience and objectives sought, they share many other attributes. Wherever possible, PG&E managed the solicitations' processes behind the scenes as a single, joint process, which reduced complexity for bidders who were participating in both solicitations and improved the quality and consistency of solicitation materials developed and evaluation processes. This approach also greatly reduced effort and time for PG&E staff, the assigned IE, GWE, and the PRG, versus what would have been required if the two solicitations

were run as entirely separate processes. Given the small budgets available for these two programs, the approach PG&E took was an effective way to minimize administration costs for the two solicitations while still following all CPUC and PRG guidelines for third-party solicitations.

Readers will note that much of the information provided by the IE in this CWR Semi-Annual Report is identical or very similar to what is being reported in the CC semi-annual report for this period. Where it occurs, this duplication between the two reports is not in error but is due to PG&E’s joint administration of the two statewide WE&T program solicitations.

## 1.2 Timing

Timing of the key milestones throughout the solicitation process has been generally in alignment with PRG Solicitation Guidelines and was consistent with the shared IOU Dynamic Schedule that is posted on PEPMA and linked through CAECC. While there were some delays in the Contracting stage of the solicitation, the RFP has been executed quickly. Overall, the WE&T solicitation process up to Advice letter submission will take a little more than a year, which is an improvement compared to the longer timelines seen in PG&E’s initial batch of third-party solicitations.

Table 1.1: Key Milestones	
Milestones	Completion Date
<b>RFA Stage</b>	
Solicitation Launch	April 6, 2020
Bidders Conference	April 17, 2020
Offer Submittal Deadline	May 15, 2020
RFA Shortlist to PRG	June 23, 2020
Shortlisting Notification	July 2-3, 2020
<b>RFP Stage</b>	
Solicitation Launch	September 4, 2020
Bidders Conference	September 9, 2020
Offer Submittal Q&A Period	September 4 – September 23, 2020
Offer Submittal Deadline	October 2, 2020
CET Cure Period	not applicable – non-resource
RFP Shortlist to PRG	October 26, 2020
Shortlisting Notification	November 11, 2020
<b>Contracting Stage</b>	
Contracting and Negotiations Period	December 8, 2020 – March 10, 2021
Contracts Presented to PRG	March 23, 2021



Table 1.1: Key Milestones	
Milestones	Completion Date
Contract Execution	expected April 2021

### 1.3 Key Observations

Table 1.2: Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

**Table 1.2: Issues and Observations**

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
<p>Effective Practice: Improved Project Management Practices Support Negotiations and Contracting</p>	<p>PG&amp;E developed a matrix laying out the proposed schedule for review, revision, and completion of each contract document by bidders and PG&amp;E staff. The schedule for turn-around of deliverables by either party was reviewed and updated as needed in weekly negotiation meeting. Bidders expressed appreciation for having the information and actively used it to manage their own review and feedback to PG&amp;E.</p>	<p>Continue this effective practice and consider adopting it as standard/common practice.</p>	<p>PG&amp;E continued to use the matrix to support contract negotiations throughout the process. This appeared to decrease stress about the overall negotiations process, alleviated concerns about version control, and supported all parties in proceeding effectively toward final agreements.</p>
<p>Effective Practice: Running Two Similar Solicitations in a Joint Process Reduces Overall Solicitation Cost and Effort.</p>	<p>PG&amp;E managed the two WE&amp;T solicitations' processes behind the scenes as a single, joint process. This reduced complexity for bidders who were participating in both solicitations and improved the quality and consistency of solicitation materials developed and evaluation processes. It also greatly reduced effort and time for PG&amp;E staff, the assigned IE, GWE, and the PRG, versus what would have been required if the two solicitations were run as entirely separate processes.</p>	<p>Agree with PG&amp;E approach and encourage this approach in the future: smaller, similar solicitations could be bundled into joint processes with single, assigned IE for efficiency of administration.</p>	<p>The approach PG&amp;E took was an effective way to minimize administration costs for the two solicitations while still following all CPUC and PRG guidelines for third-party solicitations.</p>

## 2. RFA Bidder Response and Selections

### 2.1 RFA Development

RFA development was reported in the prior Semi-Annual Report covering the period April 2020 through September 2020.

### 2.2 Bidder Outreach

Bidder outreach for the RFA was reported in the prior Semi-Annual Report covering the period April 2020 through September 2020.

### 2.3 Bidder's Conference & Q&A

Information about the Bidders Conference and Q&A was reported in the prior Semi-Annual Report covering the period April 2020 through September 2020.

### 2.4 RFA Bidders Response

Responses to the RFA exceeded IOU expectations for participation.

	No.
Abstracts Expected	5
Abstracts Received	9
██████████	█
Abstracts Shortlisted	3

### 2.5 Abstract Selection Process

Information about the abstract selection process was reported in the prior Semi-Annual Report covering the period April 2020 through September 2020.

### 2.6 PRG and IE Feedback to Abstract Process and Selections

Information about IE and PRG feedback on the abstract process and selections was reported in the prior Semi-Annual Report covering the period April 2020 through September 2020.

To summarize, PG&E was open and responsive to PRG and IE advice regarding the scoring rubric and methodology in the RFA. All IE and PRG recommendations were adopted. There were no areas of disagreement between the IOU and the IE/PRG regarding RFA shortlist and bids selected to advance to RFP. The PRG and IE considered the RFA shortlist to be fairly and appropriately drawn. GWE’s assessment of individual bids and merits of the proposed shortlists lined up with the outcomes of PG&E’s scoring process and resulting recommendations. All abstracts recommended to advance to RFP had the potential to eventually succeed in the solicitation.

### 3. RFP Bidder Response and Selections

#### 3.1 RFP Development

Information about development of RFP materials was reported in the prior Semi-Annual Report covering the period April 2020 through September 2020.

#### 3.2 RFP Bidder’s Conference

Information about the RFP bidders conference was reported in the prior Semi-Annual Report covering the period April 2020 through September 2020.

#### 3.3 RFP Bidders Response

Three proposals were received by the RFP due date of October 2. All bidders whose abstracts were invited into the RFP submitted a proposal.

	No.
Proposals Expected	3
Proposals Received	3

#### 3.4 Proposal Selection Process

##### a. Bid Screening Process and Management of Deficient Bids

The RFP General Instructions state that “proposals will be disqualified for failure to comply with these RFP instructions which include, but are not limited to:

- The proposal was not invited to participate in the RFP by PG&E after having been selected in the RFA stage of the solicitation.

- The proposed program is materially different from what was described in the abstract selected, without explanation and justification.
- The proposal is substantively incomplete, does not follow formatting requirements or exceeds length limitations.
- The proposal is not responsive to the objectives and requirements of this RFP.
- PG&E determines that a conflict of interest exists.”
- As a first step of proposal evaluation, PG&E screened bids for eligibility according to these published screening criteria. All bids submitted met the eligibility criteria and none were screened out.

**b. Evaluation Team Profile**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

PG&E provided score team training which familiarized reviewers with the components of the scorecard and RFP documents, goals and objectives of the solicitation, company procurement policies, and the third-party solicitation process and roles. Code of conduct rules were made clear to all scorers, especially as it related to their day-to-day communications with implementers of existing WE&T programs who were also bidding on new programs.

RFP scoring prep included mock scoring and a mock calibration [REDACTED]

[REDACTED]

[REDACTED]

Table 3.2: CWR RFP Evaluation Team		
Position Title	Position Role	Area Scored
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

**c. Scoring Rubric Design**

PG&E first presented a proposal scoring rubric for PRG feedback in June 2020. Scoring criteria and associated weightings incorporated lessons learned in prior solicitations with recommendations and identified needs from the RFA stage. [REDACTED]

The following table is the final scoring rubric developed for evaluation of proposals, which was presented by PG&E for final PRG review in July 2020.

Table 3.3 RFP Scoring Rubric					
Tier 1 Criteria	Tier 2 Criteria	Scale	Tier 1 %	Tier 2 %	Max Points
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Using the published RFP and approved scorecard, GWE worked with PG&E to review and finalize the full criteria scoring definitions and 1-5 scale, prior to Score Team training. The established criteria were distinct and represented all of the most critical elements of the design, feasibility, cost and performance for this WE&T program.

**d. Evaluation Processes and Scoring Calibration**

PG&E evaluated proposals using the established scoring criteria and processes, with no deviations. The integrity of the process was upheld throughout the review and scoring effort. Individual scoring occurred between October 5th – 13th and the scoring calibration meeting for CWR was held on October 16, 2020.

[REDACTED]

Using the same methodology as the PG&E scoring team, GWE reviewed and shadow-scored all submitted proposals across all criteria and participated in calibration discussions.

**e. Shortlist and Final Selections**

[REDACTED]

[REDACTED] Decisions made in developing the RFP package and scoring rubric supported this outcome well, as was evidenced by how clearly differentiated the bids were, post-calibration, especially those at the top of the rankings.

PG&E proposed to move into active negotiations with the highest-ranking bid [REDACTED]

[REDACTED]. There were no exceptions made to rankings after calibration; there were no difficult decisions to make or hard calls to arrive at this recommendation.

PG&E’s scoring and the resulting ranking of bids seen in the final scores aligns closely with GWE’s evaluation of the bids. In particular, the proposal ranked highest based on PG&E final scores was also the highest ranked in IE scores as well. This was clearly a strong proposal, with program design, feasibility and outcomes that directly and fully addressed all objectives of the solicitation.

**Table 3.4: Bids Selected for Contract Negotiations**

Bidder	Budget	Years	Status
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

### 3.5 PRG and IE Feedback to Proposal Process and Selections

#### a. Adherence to PRG Guidance and Feedback

PG&E was open and responsive to PRG and IE advice regarding the RFP scoring rubric and methodology. All IE and PRG recommendations were adopted. [REDACTED]

PG&E’s execution of bid evaluation and selection for the WE&T RFP solicitations met all PRG guidelines pertaining to the scoring rubric and methodology, scoring team characteristics and training, and the individual scoring, calibration and shortlist processes.

PG&E presented the WE&T shortlists to PRG on October 28th. Given the strong natural break between the top scoring bid and the other proposals, there were no concerns expressed about PG&E’s recommendations regarding finalists to advance into negotiations. No additional PRG feedback was received following the meeting, and PG&E notified all bidders of their status via PowerAdvocate on November 11th.

#### b. Response to IE Feedback

As described in the preceding sections, PG&E was open and responsive to IE advice and feedback throughout the RFP process.

Results of considering the PRG Guidelines Appendix J: IE Question Template for Scoring Review and Monitoring are summarized below.

Table 3.5: IE Scoring Review and Monitoring	
Question	IE Assessment
Was there a conflict of interest with any of the scorers?	No
Was it a fair process?	Yes
Do you agree with scoring? If not, was it resolved? If it was resolved, how? If it wasn’t, what are next steps?	Yes
Were there major differences of opinion within the scoring team? If so, why?	No, there were no major differences of opinion within the scoring team.
Did the IOU articulate a clear philosophy about how many abstracts/proposals to advance to the next phase?	Yes.
Does the IOU’s approach to drawing the line make sense and comport with the overall goals of the two-stage solicitation process?	Yes



**Table 3.5: IE Scoring Review and Monitoring**

Question	IE Assessment
Did the IOU adhere to its plan?	Yes
Did the IOU identify the marginal cases (hard calls)? Did the marginal cases that the IOU identified match your own identifications? Did the IOU have a robust discussion about what to do with the marginal cases?	There were no marginal cases or hard calls to make.
Things to fix moving forward? <ul style="list-style-type: none"> <li>• Did the bid review and scoring reveal any places where the solicitation instructions were unclear or incomplete?</li> </ul>	Nothing to fix, it worked well.

## 4. Contracting Process

In preparation for negotiations, PG&E modified their standard contract templates as appropriate for these specific statewide, non-resource WE&T programs. The structure of the package and function of each section was the same as prior PG&E contracts reviewed by PRG in 2020.

- The PIA and Attachment 1 Program Requirements (Attachment 1) form the master services agreement. These documents contain all of the CPUC and PG&E contract terms and conditions. PG&E prepared a matrix accompanying these documents that maps CPUC standard terms to their location in the templates, and clearly identifies in redline changes that PG&E had made to some of the modifiable terms.
- Attachment 2 Narrative and Attachment 2 Data Form are the Scope of Work for the program being contracted. As templates, they are basically just outline headers and blank tables, which align with sections of the proposals submitted by bidders. During negotiations, finalists transfer their proposals into these forms, where applicable incorporating mutually agreeable changes that come out of negotiation discussions with PG&E.
- Compensation structure follows what was laid out in the RFP, T&M, deliverables-based payments, and milestone-based payments. Use of deliverables and milestones as a basis for payments was emphasized as PG&E’s preference in the RFP and during negotiations. There were no additional performance reserves incorporated into the compensation structure for this relatively small, non-resource program.
- Funding for the program described in Attachment 2 is disbursed annually through CWAs with associated POs. Through this mechanism, goals and budgets for an upcoming year will be considered in light of current performance and forecasts and can be adjusted if appropriate. The total contract amount is capped across the contract period at the NTE total budget amount listed in Attachment 2 Data Form, Budget and

Compensation tabs.

PG&E provided GWE with the full set of draft WE&T contract templates on November 6<sup>th</sup>, allowing a week for thorough IE review of the documents and a second week for clarification and discussion on issues identified, revisions and final confirmation of changes made.

- The CPUC standard terms and conditions were appropriately addressed in the contract templates. Unmodifiable terms incorporated changes made in response to feedback on prior third-party EE solicitations and were compliant with requirements. Modifiable terms were appropriately altered to reflect these WE&T solicitations or in some cases omitted where they are not applicable to non-resource programs, as discussed with PRG during the RFA and RFP processes. The matrix PG&E provided in negotiations along with the contract templates allowed finalists to see the CPUC standard term with PG&E's proposed redline and be able to address this as the starting point for negotiations.
- The PRG Guidelines checklist was updated to reflect PG&E's full alignment with the PRG Guidelines pertaining to contract templates. The completed Checklist was provided along with the package of contract templates for PRG review.
- All GWE comments on the WE&T contract templates were sufficiently addressed by PG&E prior to distribution to the PRG, and the Comment Tracker provided to PRG for review reflected this assessment. PG&E adopted multiple modest changes recommended by the IE. For items where PG&E only partially accepted or did not accept GWE's specific recommendation, the underlying concern being flagged by the IE was addressed by PG&E differently or elsewhere in the documents, effectively.

The planning, organization, and rapid execution of this task by PG&E was commendable. Finalists entering negotiations in December received well-structured contract templates that effectively supported negotiations.

#### **4.1 Contract Negotiations**

Negotiations began on December 8, 2020 with a kick-off meeting [REDACTED]. A second meeting was held on December 15<sup>th</sup>, where the contract templates were introduced. These initial meetings were well organized and executed, and all parties appeared to be engaging actively, cooperatively, and transparently in negotiations. After a holiday break, weekly negotiation meetings and follow-up communications via PowerAdvocate continued to be executed well and consistently by PG&E. All parties engaged actively and cooperatively in negotiations, and there was consistent forward progress.

PG&E had communicated a target of reaching negotiated agreement with finalists in both WE&T solicitations by late January, with contracts coming to PRG for review in February. At the end of

January, it appeared that everything substantive had been addressed in negotiations to all parties' satisfaction and that PG&E was on track to meet this schedule. [REDACTED]

[REDACTED]

PG&E managed bidder communications regarding this delay well. On January 28<sup>th</sup>, PG&E met with [REDACTED]. They discussed potential schedule impacts and reassured the bidder of PG&E's intent to proceed quickly in either settling or deferring this minor issue, so as not to impact the date of planned program launch. PG&E maintained weekly communications with bidders throughout this period. On February 17<sup>th</sup>, PG&E communicated via PowerAdvocate that they hoped to have resolution of the [REDACTED] by early the following week, that they were targeting a "pencils down" date in early March for conclusion of negotiations and intending to bring draft contracts for PRG review in March.

From the beginning of negotiations to their conclusion, PG&E hosted nine negotiation meetings [REDACTED] 11.5 hours of discussion, and the parties exchanged more than a hundred messages and files through PowerAdvocate. PG&E reached negotiated agreement on all contract elements with SEI on March 10, 2021.

#### **a. Collaboration on Final Program Design and Scope**

The final program scope retains all aspects of the Implementer's original proposed program design. In negotiations, PG&E program staff emphasized gaining a shared understanding of what was planned, especially as it related to employment outcomes and the role of proposed training Partners. PG&E asked clarifying questions and requested changes in language as needed to better support progress tracking and reporting, paying milestone-based compensation, and evaluating outcomes for [REDACTED].

Contract terms associated with program curriculum, communications, and materials were a focus of negotiations, including PG&E marketing review requirements and intellectual property rights to materials used by or developed for the program. These terms can have an outsized effect on the day-to-day implementation of these types of non-resource WE&T programs, where the major portion of program effort is tied to communicating with, encouraging, and training participants. PG&E solicitations, marketing, and legal staff were sympathetic to the bidder's justifications for their requested redlines of these terms and worked collaboratively to reach agreement on terms that were acceptable to all parties and [REDACTED] program design and scope.

The only substantive request for change from PG&E was focused on improving [REDACTED] of program KPIs, so that KPIs would be leading indicators that could be used to diagnose and tune

progress towards program outcomes on an ongoing basis. [REDACTED] responsive to this request and updated their KPIs accordingly.

**b. Fairness of Negotiations**

The negotiation process that bidders experienced was planned and executed consistently. PG&E used effective project management practices to support a more transparent, less stressful negotiation process. SEI was not asked for new or excessive information that would have caused them to incur significant, uncompensated costs, and rework was minimized in the process. There was no evidence of either positive or negative bias in negotiations.

GWE’s assessment is that both the negotiation process and its outcomes were fair. IE observations supporting this assessment include:

- PG&E invited the single top-scoring finalist from the RFP into active negotiations, and they were ultimately successful at reaching mutually agreeable terms.
- PG&E communicated regularly, consistently, and transparently with SEI regarding the status of negotiations, including schedule, contract documents, and outstanding topics under discussion.
- PG&E staff quickly and thoughtfully reviewed the scope of work information provided and questions [REDACTED] and came to negotiation meetings prepared to discuss these.
- The tone set by PG&E staff in all negotiations meetings was collaborative, curious, and respectful of [REDACTED] as the third-party designer and implementer of the program. GWE witnessed this same attitude consistently maintained behind the scenes in internal PG&E negotiation team meetings.
- [REDACTED] in the process capably and consistently. They responded quickly and enthusiastically to requests for information about their proposed program. In making some small concessions in contract negotiations, they demonstrated reasonableness and flexibility. But they also showed a keen commitment to maintaining their compelling program design and strategy by respectfully pushing back and proposing alternatives if PG&E questions or requests were perceived to be a risk to effective implementation.
- PG&E agreed [REDACTED] requested contract changes or recommended alternate solutions to address their concern.

[REDACTED]

### **c. Changes to Contract Terms & Conditions**

CPUC standard terms are unmodified in the final contracts. They are identical to the Statewide WE&T contract templates provided to PRG for review in November 2020, and other IOU terms in the PIA and Attachment 1 do not supersede them.

Few CPUC modifiable terms were revised in final contracts. The only material change is in the Intellectual Property terms. All other CPUC modifiable terms not listed below were identical to the contract templates.

Contract Term and Length - change initiated by PG&E

- Minor clarification of template language in PIA Section 2.2.c, related to contract end date. CWR program term is planned to run through January 2026 in order to gather data verifying job retention after one year of employment, but EE funding is only approved through December 2025 at this time. Implementer offered the option to reduce program implementation period or to take risks on the final month being unfunded/potential future change order. Implementer chose to take minor risk and proceed with the program schedule as planned.

Intellectual Property and Implementer Pre-existing Materials – change initiated by Bidder.

- Changes in PIA Section 2.10 grant Implementer ownership of materials created under agreement. Bidder initiated change protects bidder and subcontractor intellectual property, especially pre-existing materials. Enables the program to go forward as designed/proposed by third party and better supports longer-term objectives of the program. Original contract template language did not support this well. Unique circumstances including major RFP focus on leverage of pre-existing materials and proposed ecosystem of nine training partners/subcontractors with huge volumes of pre-existing curriculum and other training materials that they would not want to put at risk.

Outside of the CPUC terms, there were only a few other changes negotiated to the PIA and Attachment 1 terms and conditions.

- Attachment 1 Section 4.1.6 Implementer Program Materials section had a major update, addressing marketing requirements including co-branding and required disclosure statements. Exhibit B item 3.A also added an auspices disclosure statement. Bidder assumed no co-branding in the proposal, IOUs preferred otherwise. Disclosure requirements were not included in the original contract template. Marketing requirements are tied explicitly to new program materials that will be developed. This is a limited list, and requirements do not apply to other, pre-existing materials
- Attachment 1 Section 2.3.5 Program Eligibility was updated to clarify eligibility

requirements for these particular programs. Contract template was general, PG&E developed and added specific language in response to questions from bidders in negotiations.

PIA Section 15 Insurance in response to SEI request to forego Employee Dishonesty Insurance requirement, [REDACTED]

Few changes were made to [REDACTED] originally proposed in the final negotiated Scope of Work (Attachment 2 Narrative and Attachment 2 Exhibit A Data Form)

- Contract duration: Timeline (Data Tab B) - Updated proposed schedule with better informed timeframes for pre-launch activities.
- Budget (Data Tab D) - Added budget [REDACTED] during pre-launch period for Implementer development of required IP and Program Manual, not included in original proposal. Added annual budget [REDACTED] for Employee Dishonesty Insurance premium.
- KPIs (Data Tab H) – Improved proposed KPIs to better support forecasting and analysis of progress toward goals. KPIs originally proposed were identical to Quantifiable Outcomes and did not include any leading indicators of progress towards those outcomes.
- Payment Structure (Data Tab F1) – Clarified and improved definitions and triggers for milestone payments. As originally proposed, triggers for milestone payment were not well-defined enough to enable PG&E due diligence in reviewing and paying invoices.

#### **d. Uniformity of Contract Changes**

[REDACTED] bidder in contract negotiations for the statewide CWR program. Contract changes made, described above, were uniformly aligned with what had been discussed and agreed to in negotiations.

The two statewide WE&T solicitations shared the same contract template. During negotiations, in a few cases, changes made in one due to finding typos or omissions in the template were also updated in the other contract. But specific bidder-requested changes to a contract term that PG&E had accepted for one program were not typically applied to the contract for the other solicitation.

#### **e. Conformance with CPUC Policies and Objectives**

The solicitation was designed to effectively source a statewide third-party CWR program that will meet the needs laid out in PG&E's approved Business Plan and contribute to meeting WE&T overarching goals and metrics.

As planned and executed, the solicitation process was in accordance with the CPUC-adopted IOU Solicitation Plan, including using a two-stage RFA/RFP process and allowing IE/PRG monitoring and feedback on all aspects of the solicitation.

**Evaluability:** For some non-resource programs, evaluation of outcomes can be a challenge, and this concern was raised by PRG members for these WE&T program solicitations. Program evaluability was a scored criterion in the RFP and also a major PG&E focus in negotiations. PG&E informed [REDACTED] CPUC evaluation contractor would be reviewing the evaluability of the program before or soon after program launch. Through discussion and mutual agreement, edits were made during contract negotiations to refine and better define the program's quantifiable outcomes and KPIs. The final language better supports reporting and administration of milestone-based compensation and will also provide a stronger basis for [REDACTED] with training partners, who will be the source of most program data.

**Disadvantaged Workers:** Decisions 18-05-041 and 18-10-008 define Disadvantaged Workers and lay out requirements for including and tracking jobs for Disadvantaged Workers in third-party EE resource programs. While these requirements do not apply to the non-resource CWR program, its primary purpose is to increase awareness, knowledge and employment of Disadvantaged Workers in EE career pathways. As was required in the solicitation, the entire program design is based on serving participants who meet the CPUC definition of Disadvantaged Workers.

**Innovation:** The PRG adopted definition of innovation is grounded in advancing a technology, marketing strategy or delivery approach in a manner different from previous efforts. While WE&T programs in general have been running for many years, the statewide CWR program defined in the PG&E Business Plan is a new concept which is inherently innovative. The program strategy and [REDACTED] translates the objectives of the solicitation into a fully designed, actionable, innovative program with elements including:

- Collaborative delivery model of working with key stakeholders at all stages of the workforce pipeline develops and leverages partnerships for comprehensive strategy.
- Engagement with nine existing, local EE training partners as subcontractors provides continuous feedback between stakeholders to introduce, improve and expand training content, so that innovative technologies are able to be deployed by a highly skilled, well-prepared workforce.
- Energize Careers reaches beyond traditional hubs for EE training and education. Through community-based organizations (CBOs), Workforce Investment Boards, (WIBs) and labor unions, the program helps Disadvantaged Workers access critical support such as social services and job placement resources.
- While the design represents a single, cohesive statewide program, there will be tailored support in each region to meet the varying local needs across the state. For example:

- Providing support to identify and recruit Disadvantaged Workers in some regions, while others have applicant pools that exceed both their capacity to train and the regional labor market.
- Developing new relationships with local WIBs and CBOs to provide personalized case management, soft skills education and job placement support in some regions, while others have existing social service ecosystems developed over years of successful partnership.
- Providing curriculum and instructor technical training in order to enhance the quality of preparation for EE careers, while recognizing that some local training partners are already national leaders in EE workforce education and training.

**Solicitation Schedule Management:** To reduce schedule delays in administration of third-party solicitations, in November 2019, CPUC recommended maximum timelines for the two-stage solicitation process<sup>44</sup>. PG&E’s performance against these timelines is represented in the table below.

Regarding the timeliness of the solicitation schedule reported below, GWE would like to emphasize that the overall two-stage solicitation timeline for both WE&T solicitations will be just over a year, which is an improvement when compared to PG&E’s first set of third-party solicitations. PG&E’s efficiency and speed in the RFP stage offset the delays in Contracting phase and resulted in a reasonably timely solicitation.

PG&E’s perspective on the recommended 12-week timeline for the contracting stage is that it is not realistic, as it does not appear to include time for internal contract approval processes that come after IE and PRG review of the final contract, and before contract execution. GWE agrees with this assessment and would recommend that CPUC ED update the recommended maximum timeline for the Contracting stage of solicitations to 16 weeks to provide a more achievable but still accelerated target to IOUs. .

Solicitation Stage	CPUC Recommended Maximum Timeline	Actual Timeline of CWR Solicitation	IE Assessment of Delays or Discrepancies
<b>RFA</b>	Up to 12 weeks from RFA release to notification of bidder notification of selection for RFP	12.5 weeks	No actual delays observed, very close to meeting CPUC recommendation.

<sup>44</sup> CPUC Executive Director letter to the IOUs regarding the “Request of Time to Comply with Ordering Paragraph 4 of Decision 18-05-041,” November 25, 2019.



Table 4.1: Timeliness of Solicitation Schedule			
Solicitation Stage	CPUC Recommended Maximum Timeline	Actual Timeline of CWR Solicitation	IE Assessment of Delays or Discrepancies
<b>RFP</b>	Up to 15 weeks from RFP release to bidder notification of invitation to contract negotiation	9.5 weeks	A faster RFP process was possible because the CWR program sought is small, well-defined and budget-limited. It is also non-resource, so there was no CET or incentive design to assess, and no portfolio balancing aspect to selection. PG&E's decision to invite only the three top-scoring abstracts into the RFP also reduced time and effort in proposal evaluation processes.
<b>Contracting</b>	Execute contract by 12 weeks after invitation to contract negotiation (unless there are specific complexities or challenges)	Expected: 24 weeks	<p>Bidders were notified of contract selection on November 11<sup>th</sup>. PG&amp;E also began developing the contract template in November, a critical path activity involving IE and PRG review that needed to be completed before contract negotiations would begin. Not developing the contract template earlier created a 3 week delay in beginning negotiations.</p> <p>Beginning negotiations on December 8 did not allow much progress before the new year. While the holiday break in negotiations was planned and preferred by both SEI and PG&amp;E staff, it did slow down the timeline by about two weeks.</p> <p>[Redacted text block]</p>

## 4.2 Final Selection

Throughout the solicitation, PG&E focused on requesting useful information from bidders and designing a scoring rubric for bid evaluation that would provide a high degree of clarity about which were the best proposals. At the conclusion of the RFP, PG&E moved into active negotiations with the highest-ranking [REDACTED] which clearly scored well above the other two proposals. The thoughtful approach taken in solicitation design was effective, and negotiations between [REDACTED] and PG&E successfully reached the conclusion of negotiations on March 10, 2021.

## 4.3 Contract Execution

Following PRG review of the contract in late March and receiving confirmation that there were no further PRG or IE questions or concerns, PG&E initiated their internal review and processing of the contract. Contract execution is expected in April, prior to PG&E submitting the Advice Letter to CPUC for approval.

**Table 4.2: Bids Selected for Contract Execution**

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

## 4.4 PRG and IE Feedback to Contracting

Negotiations and contracting efforts by PG&E comported with PRG guidance<sup>45</sup> related to negotiations, contracting, and final contract review, including the following:

- PG&E had presented the planned contract negotiation process to the IE and PRG for feedback in October and November. The process executed was in line with what was planned.
- GWE monitored all electronic communication and document exchange via PowerAdvocate and attended all negotiation meetings, both those with the bidders and the internal PG&E negotiations team planning and debrief meetings.
- PG&E explained the steps in the negotiation process and provided a timeline in the first two negotiation meetings with the bidder.
- **Effective Practice:** PG&E developed and shared a matrix laying out the proposed schedule for review, revision, and completion of each contract document by bidders and PG&E staff. This improved transparency and provided a good basis for project management of the negotiation process. The schedule for turn-around of deliverables by

<sup>45</sup> PRG Guidelines sections 3.6, 6.2, 6.3 and Appendix L

either party was reviewed and updated as needed in each weekly negotiation meeting. Bidders repeatedly expressed appreciation for having this information, and actively used it to manage their own rounds of review and feedback to PG&E. This appeared to decrease stress about the overall negotiations process, alleviated concerns about version control and supported all parties in proceeding effectively toward final agreements.

GWE monitored all negotiation meetings and communications [REDACTED] PG&E via PowerAdvocate throughout the negotiations period, from early December through mid-March. There were no gaps in IE monitoring of negotiations and potential, emerging issues were reported in a timely fashion to PRG in the IE monthly report. There were no outstanding issues as of the conclusion of negotiations.

- Throughout the negotiations phase, GWE tracked proposed modifications to the contract template, by either party. GWE also monitored dialogue about the program design, outcomes and commercial terms that were proposed at the RFP stage.
- Detailed review was performed on all final contract documents (PIA, Attachment 1, Attachment 2 (Scope of Work) Narrative and Attachment 2 Data Form) for the solicitation between March 11<sup>th</sup> – March 18<sup>th</sup>. GWE compared the final contracts to the WE&T contract template (reviewed by PRG in November 2020) and associated matrix of CPUC terms and conditions, IE negotiation meeting notes, files, and communications exchanged through PowerAdvocate during negotiations, and the original proposal that bidders had submitted.
- GWE did not uncover any issues that would prevent contract execution or indicate that a revision was needed to any contract documents prior to contract execution.

## 5. Assessment of Final Contract

**The final contract provides a good basis for administration and performance management,** for [REDACTED]. Emphasis in negotiations was on clarifying, improving, and consistently defining KPIs, Quantifiable Outcomes, and associated milestones proposed as the basis for performance compensation. Changes agreed to in negotiations were all included in the final Attachment 2 Data Form and Narrative.

The final program scope, objectives, and outcomes are consistent with what was sought in the solicitations, and with the approved business plans and metrics that the RFA/RFP was based on.

The program scope, cost, and metrics in the contract scope of work are entirely consistent with what was discussed and agreed to between Parties in the negotiation process.

**The final program scope retains all aspects** [REDACTED] **program design.** In negotiations, PG&E staff emphasized gaining a shared understanding of what was planned. PG&E

asking clarifying questions and requested changes in language as needed to better support progress tracking and reporting, paying milestone-based compensation and evaluating outcomes for the program that SEI designed.

**CPUC standard terms are unmodified in the final contracts.** They are identical to the Statewide WE&T contract templates provided to PRG for review in November 2020, and other IOU terms in the PIA and Attachment 1 do not supersede them.

**Few CPUC modifiable terms were revised in final contracts.** The only material change in the [REDACTED] is in the Intellectual Property terms (as described in this report in Section 4.1 Changes to Contract Ts&Cs), plus a minor, clarifying change related to duration of contract. All other CPUC modifiable terms were identical to the contract templates.

## 5.1 Bid Selections Respond to Portfolio Needs

The solicitation was designed to effectively source a statewide third-party CWR program that will best meet the needs laid out in PG&E's approved Business Plan and contribute to meeting WE&T overarching goals and metrics.

- RFA and RFP documents clearly communicated what was being sought in a statewide CWR program. Scoring rubrics developed for the RFA and RFP appropriately valued the most essential program attributes. Information requested from bidders was precisely aligned with the scoring criteria.
- The evaluation structure and process worked exactly as designed, and the three bids selected at the RFA stage and single bid selected at the RFP stage were those whose programs and proposals clearly were higher ranking and best aligned with the solicitation's objectives.
- PG&E maintained full transparency at all times with the IE and PRG. PG&E invited input at every step of the process and consistently accepted recommendations and other feedback. Final selection [REDACTED] conforms to all PRG requirements regarding selection.

In the Final Contract scope of work, [REDACTED] the purpose and strategies of the Energize Careers program as follows, directly addressing all objectives of the solicitation:

“Energize Careers aims to create a diverse and representational energy workforce through the economic empowerment of people who experience systemic barriers to employment by helping them to access high-wage, high-growth energy career opportunities. The Energize Careers Program provides holistic services to support disadvantaged workers through technical training, job placement, and employment support. Energize Careers partners with pre-apprenticeship programs, apprenticeship programs, community-based training organizations, and community colleges to provide technical energy job training to underserved individuals and collaborates with wrap around

service providers and industry partners to provide people with services and support to access career pathways into stable, living wage energy efficiency jobs.

The Energize Careers statewide collaborative will generate a diversity of pathways for disadvantaged workers into energy careers. [REDACTED] of this program, forming regional ecosystems that provide energy job training and wrap-around services to provide disadvantaged workers skills training, as well as job placement and persistence support.

The Energize Careers implementation team [REDACTED] training partners, which include a mix of pre-apprenticeship programs, apprenticeship programs, community-based training organizations, and community colleges throughout California's four investor-owned utility service territories. Energize Careers will support 18 collaborations between technical training organizations and wrap-around service providers or industry partners.

The selected training partners will provide access to training and job placement support for hard-to-reach populations in a diversity of geographic zones that have disproportionately high populations of disadvantaged workers, as defined by The CPUC Decision #18-10-008.

Energize Careers will develop a coordinated workforce pipeline by creating regional collaboration from recruitment to training to wrap-around support to placement and retention, ensuring that supportive, tailored services are accessible for qualifying disadvantaged workers. In addition to the partners providing technical training to disadvantaged worker participants, Energize Careers will also collaborate with non-funded partners to support participants with wrap-around services. [REDACTED] [REDACTED] these partners to leverage support for soft and professional skills training, case management, and job placement services.”

## **5.2 Bid Selections Provide the Best Overall Value to Ratepayers**

Because CWR is a non-resource program, many of the assessments that would be performed to compare simple acquisition cost, program cost-effectiveness or amount of energy savings are not applicable for this solicitation. GWE's assessment is that the [REDACTED] bid provided the best overall value to ratepayers out of the field of bidders.

The budget and types of outcomes sought from a CWR program were well-defined in the RFP, and the task for bidders was to design a program and put together an implementation team that could effectively deliver the best outcomes. The available budget for the statewide CWR program was set by PG&E at \$2 million/program year for three years, plus costs for pre-launch activities, a one-year period of post-monitoring of participant employment, and ramp down costs. Four Quantifiable Outcomes were defined by PG&E in the RFP Data Form, where bidders were asked to estimate their program's annual outcomes for each of the 3 program years.

- Disadvantaged workers participating in training

- Participants placed in jobs using EE skills
- Number of participants still in EE job after one year
- Partnerships established
- Other

[REDACTED]

GWE’s review and shadow-scoring of the proposals generally agreed with the PG&E scoring team’s assessment, and found the following [REDACTED]

- The budget was slightly lower than the annual budget available (\$2 million/program year), and lower than the other bidders’ budgets. The budget provided was broken down into relevant categories and was more detailed and informative than the budgets provided by the other bidders. The budget proposed was well aligned with the proposed scope of work, it seemed realistic and made sense.
- The metrics [REDACTED] were perfectly aligned with the outcomes sought in the solicitation, and the plan to accomplish these outcomes was well laid out in the proposal. The quantity of outcomes proposed [REDACTED] well justified and realistic. Strongest emphasis was on job placement and retention.

[REDACTED]

Comparing the [REDACTED] final contract that was negotiated, changes were minimal, and the positive characteristics of the bid were maintained and improved.

Table 5.1: Program Data: Comparison of Proposed to Final Contract		
Budget	Proposal	Contract
Administration	10%	[REDACTED]
Marketing	6%	[REDACTED]
Direct Implementation - Non-Incentive	84%	[REDACTED]
Total Program Budget	\$5,980,057	[REDACTED]
Quantifiable Outcomes	Proposal	Contract
Partnerships established	18	18

Table 5.1: Program Data: Comparison of Proposed to Final Contract		
Disadvantaged workers participating in training	1000	1000
Participants placed in jobs using EE skills	700	700
Number of participants still in EE jobs after 1 year	490	
Number of participants in EE jobs for 12 months		490
<b>Compensation %</b>	<b>Proposal</b>	<b>Contract</b>
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Clarifying and improving outcomes, milestones and KPIs was a primary focus of discussion during negotiations. Parties began and made progress in understanding and documenting how and what data will be collected to support Implementer reporting, PG&E’s fiscal due diligence and eventual evaluation of these metrics.

[REDACTED] proposed a set of KPIs that was identical to the Quantifiable Outcomes but did not include any leading indicators of progress or problems. KPIs will be reported and discussed with PG&E quarterly to help assess progress towards goals and identify and adjust to challenges. Following dialogue in negotiations, the final adopted set of KPIs in the contract are:

- Training partners
- Training projects
- Individuals applied for participation in training program
- Individuals participating in training
- Participant knowledge and awareness
- Program cost per disadvantaged worker participating in training.

## 6. Overall Assessment of Solicitation

As planned and executed, the solicitation process was in accordance with the CPUC-adopted IOU Solicitation Plan, including using a two-stage RFA/RFP process and allowing IE/PRG monitoring and feedback on all aspects of the solicitation.

As has been detailed throughout this report, PG&E was fair and consistent with all bidders in their administration of the statewide CWR solicitation. GWE saw no indication of conflict of interest or positive or negative bias from PG&E staff at any time in the process. PG&E consistently maintained strict communication protocols with bidders and did not stray from planned evaluation methodologies that had been presented to PRG.

The solicitation process resulted in the best bid being selected. Negotiations produced a fair contract that reasonably shares performance risk, supports program evaluability and retains all [REDACTED]

[REDACTED] did not uncover any outstanding issues and there are no concerns that should be addressed prior to approving the contract.

## 7. Implementation Plan Assessment

GWE will review the draft IP to confirm that what is being planned is aligned with the third-party program that was selected and contracted through this fair and transparent solicitation process. The IP is due to be submitted in CEDARS within 60 days following CPUC approval of the PG&E Advice letter, likely in the summer of 2021. Findings will be reported directly to PRG and in the next semi-annual report.



Energy Efficiency Independent Evaluators' Semi-Annual Report on the  
**Statewide California Partnership Solicitation**

Reporting Period: October 2020 through March 2021

*Prepared by:*  
Don Arambula Consulting



**Disclaimer: This report includes sensitive and confidential information.**

# Statewide California Partnership

## 1. Solicitation Overview

### 1.1 Overview

#### a. Scope

PG&E, on behalf of the funding California IOUs, is soliciting for innovative EE resource program(s) that achieve immediate and long-term, persistent, and comprehensive energy savings for California State Agencies, supporting the state's goals to deliver significant decarbonization in its operations and facilities. These sustainability goals are outlined in California's Executive Order B-18-12, including a target of achieving zero-net energy in 50 percent of the square footage area of the existing state-owned buildings by 2025.<sup>46, 47</sup>

The proposed program outcomes should also be considered in the broader context of California's decarbonization and building-sector goals, as defined in Senate Bill (SB) 350, SB 100, SB 1477, and Assembly Bill (AB) 3232. Proposed programs may target multiple or individual state agencies (e.g., California Department of Corrections and Rehabilitation or Department of General Services) but should address the wide variety of facility types owned and operated by state agencies.

Historically, programs involving California State Agencies have fallen under two categories:

- California Department of Corrections and Rehabilitation (CDCR): These projects are typically larger, multi-year engagements, bid to and implemented by Energy Services Companies (ESCOs).
- Department of General Services (DGS) and other State Agencies: These projects tend to range in size and type depending on the size of the facility, and have been a mix of ESCO implemented projects, bundled programs, turnkey on-bill financing, and direct install.

The IOUs wish to build on existing relationships with state agencies and departments to deliver cost-effective energy savings to state-owned and operated facilities and to help State Agency facility managers increase their capacity to act on energy efficiency projects.

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<sup>46</sup> Governor Brown's Executive Order B-18-12: <https://green.ca.gov/Buildings/resources/executiveOrder/>

<sup>47</sup> California Department of Corrections and Rehabilitation Sustainability Roadmap 2018-2019: [h 9\\_Consolidated\\_CDCR\\_SustainabilityRoadmap.pdf](#)

## b. Objectives

Proposals are expected to reflect the urgency of meeting the state’s decarbonization goals through EE projects at its own facilities and include solutions for known market and industry barriers to State Agency customer participation. The bidder should demonstrate the flexibility needed to address climate zones, varying agency procurement and budgeting constraints, and a variety of facility types within the scope of the proposal. The bidder’s proposals may be enhanced by noting benefits such as grid reliability, greenhouse gas reduction, IDSM, energy storage, and/or water efficiency, and reflect the policy principles described in CPUC’s Decision 18-05-041<sup>48</sup> on including EE/DR integration opportunities. Bidders may also consider the CPUC’s Decision 19-08-009 Modifying the Energy Efficiency Three-Prong Test Related to Fuel Substitution, as it relates to the ability to meet the objectives of this solicitation.

### 1.2 Timing

The program solicitation schedule is consistent with the joint IOU program solicitation schedule presented on the CAEECC website. The RFA was released in May 2020 and the RFP was released in September 2020. Contract negotiations and contract execution were planned for Q1 of 2021. Due to complexities in delivering a statewide downstream program, the IOU and the selected bidder agreed to extend contract negotiations into Q2 of 2021. With this exception, the timing of these major milestones is consistent with the current joint IOU dynamic schedule presented on the CAEECC website.<sup>49</sup> The program is still expected to launch in Q3 of 2021. A list of key solicitation milestones and expected completion dates are presented in the table below. Unless otherwise noted, all milestone dates as of this Report were met or on schedule.

Table 1.1: Key Milestones	
Milestones	Completion Date
<b>RFA Stage</b>	
RFA distributed to Bidders	May 13, 2020
Bidders Conference (webinar only)	May 21, 2020
Deadline to submit written questions to PG&E *	May 27, 2020
PG&E Response to Bidder Questions *	June 1, 2020
Abstract submissions due in PowerAdvocate	June 24, 2020
RFA selection and notification to Bidder advancing to RFP stage	July 31, 2020
<b>RFP Stage</b>	
RFP distributed to Bidders	September 6, 2020
Bidders Conference (optional, via webinar)	September 21, 2020

<sup>48</sup> FOF 3 and 9 and COL 9, pp. 29-37.

<sup>49</sup> Third-Party Solicitation Information, <https://www.caeccc.org/third-party-solicitation-process>

Table 1.1: Key Milestones	
Milestones	Completion Date
Deadline to submit written questions to PG&E	September 25, 2020
PG&E Response to Bidder Questions	September 30, 2020
Proposal submissions due in PowerAdvocate	October 21, 2020
Selections & Contracting Stage	
PG&E shortlist selections and notification to respondents**	November 30, 2020
Contract negotiations**	December - January 2021
PG&E final selections**	January 2021
Program Launch	Q3 2021
* - PG&E extended deadline due technical issues accessing PowerAdvocate.	
** - PG&E adjusted the deadline to accommodate an extended evaluation period.	

### 1.3 Key Observations

Table 1.2 presents key observations made by the IE during the solicitation during this reporting period (October 2020 through March 2021). The IE shared these key recommendations and others with the IOU and PRG throughout the reporting period. The IOU was provided an opportunity to review, consider, and accept, or reject these recommendations.

Table 1.2: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
<b>RFP</b>			
<b>Evaluation Team Check-in Meetings</b>	PG&E's evaluation team met on a weekly basis to check on the evaluators progress with their reviews. These check-in meetings also provided an opportunity for evaluators to ask clarifying questions on how to properly apply the scorecard in their evaluations.	The IE considers such regular check-in meetings among evaluators an effective practice by all IOU solicitations.	PG&E continues to hold the evaluation check-in meetings for each of its solicitations.
<b>Allow Bidders to Cure Cost-effectiveness Showings</b>	PG&E allowed bidders to cure any issues identified in their cost-effectiveness test (CET) showings. PG&E's engineering staff identified any incorrect application of the CPUC-adopted measure	The IE considers the CET curing process an effective practice that should be adopted by all IOU resource-focused solicitations.	PG&E includes a CET curing process in each of its resource-focused solicitations.

Table 1.2: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
	assumptions and methodologies. PG&E provided this feedback to the bidders. Bidders addressed any identified deficiencies and returned their CET showings to PG&E for final evaluation.		
<b>Provide Bidders a List of CPUC-approved EE Measures</b>	PG&E provided bidders with a list of CPUC-approved deemed measures and corresponding assumptions (aka, Measure Picklist) to bidders.	The IE considers the Measure Picklist an effective practice as it can help bidders quickly identify the latest CPUC-approved deemed measures.  This should be considered an effective practice adopted by all IOU solicitations.	PG&E provides the Measure Picklist in each of its resource-focused solicitations.
<b>Calibration Meetings Should Discuss Significant Differences in Scores</b>	PG&E had proposed to discuss only scores with differences that [REDACTED]	The IE recommended that this threshold be reset to [REDACTED]	PG&E agreed to apply this threshold to the Statewide California Partnership solicitation.
<b>Contract Negotiations</b>			
<b>Consistent Customer Account Representative Support</b>	Larger utility customers who are located in multiple service territories may experience different levels of basic EE customer service support from the IOUs which may cause inconsistent delivery of statewide downstream programs.  Typically, such customers are directly supported by utility account representatives who provide	The collective IOUs should offer statewide Program Implementers a common set of basic and enhanced customer support services.  The IOU should develop effective ways that assigned customer account representatives can effectively promote EE program awareness and proactively encourage customer participation.	The lead IOU is currently engaged with non-lead IOUs to create a common set of basic and enhanced customer support services that can support statewide program delivery. The outcome is pending.

Table 1.2: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
	various utility customer services.		
<b>Treatment of Existing Customer Projects and Project Leads</b>	Existing IOU programs may have future customer projects with estimated installation that extend into the new program implementation period. These future projects can be supported by the new third-party program.	Any potential customer project (i.e., project lead) that has not been approved for installation from a prior IOU program should be transferred to the new third-party program implementer. Any existing funds earmarked for these project leads should be transferred to the new third-party program.	The IOUs have agreed to transition any existing project leads that have <u>not</u> been approved for installation <u>prior</u> to contract execution. The IOUs did not agree to transfer the corresponding funding as it was perceived by the IOUs there was adequate budget in the new third-party program.

## 2. RFA Bidder Response and Selection

This solicitation activity was reported in the April 2020 through September 2020 Semi-Annual Report.

## 3. RFP Bidder Response and Selection

### 3.1 RFP Bidders' Conference

This solicitation activity was reported in the April 2020 through September 2020 Semi-Annual Report.

### 3.2 RFP Bidders Response

This solicitation activity was reported in the April 2020 through September 2020 Semi-Annual Report.

### 3.3 Proposal Selection Process

#### a. Bid Screening Process and Management of Deficient Bids

PG&E screened all bids prior to scoring. The IE confirmed the IOU's process. PG&E screened proposals for completeness, responsiveness, and potential conflicts of interest. All bids passed the screening process and there were no deficient bids.

#### b. Scoring Rubric Design

PG&E scoring rubric design was similar to previous PG&E solicitations. The weighting generally followed the PRG and the IE guidance. The following is the scoring rubric PG&E applied in the evaluation of the proposals received in the RFP stage:

Category	Weighting
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

#### c. Evaluation Team Profile

This solicitation activity was reported in the April 2020 through September 2020 Semi-Annual Report.

#### d. Evaluation Processes and Scoring Calibration

[REDACTED]

[REDACTED]

[REDACTED]

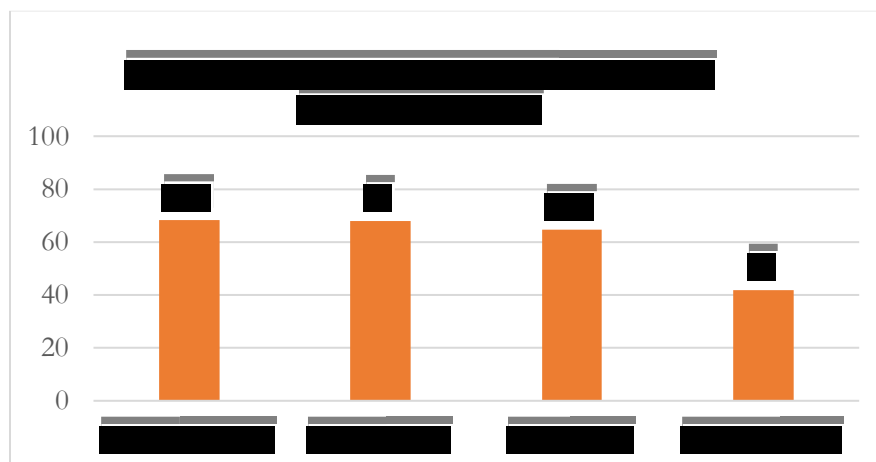
On October 26, 2020, PG&E initiated its evaluation of the proposals. PG&E’s evaluation team met on a weekly basis to provide updates on the progress of their individual reviews. These check-in meetings also provided an opportunity for evaluators to ask clarifying questions on how to properly apply the scorecard and other process-related items (e.g., timing). The IE attended these check-in meetings. The IE considers such regular check-in meetings among evaluators an effective practice by all IOU solicitations as it reduces misunderstandings regarding the scorecard and it also encourages evaluators to thoroughly review proposals on a steady cadence during the evaluation period.

On November 18, 2020, the evaluation team completed proposal evaluations, with the exception of the bidders’ CET showings. PG&E’s engineering staff identified any inconsistent application of the CPUC-adopted measure assumptions and methodologies. PG&E provided this feedback to the bidders and allowed them to cure identified issues. PG&E did not provide feedback on other CET elements (e.g., quantity forecasts, measure mix, implementer costs, etc.). Bidders returned their cured CET showings to PG&E for final evaluation. As part of the RFP, PG&E also provided bidders with a list of CPUC-approved deemed measures and corresponding assumptions (aka, Measure Picklist) to bidders. The IE considers both the CET curing and the Measure Picklist effective practices, which should be adopted by all IOU solicitations.

On November 20, 2020, PG&E held its calibration meeting with the evaluation team. The purpose of the calibration meeting is to identify and correct any consistent application of the scorecard. The most efficient way to identify potential issues is to identify significant differences among individual evaluator scores assigned across individual bidder responses. [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED] PG&E agreed. The IE considers this an effective practice that should be adopted by all IOU solicitations.

[REDACTED]





**e. Shortlist and Final Selections**

On December 9, 2020, the IOU held a shortlist meeting attended by its program management team and senior managers. There was general agreement [REDACTED] based on its lower overall score. There was much discussion as to whether [REDACTED] met the customer’s preferences for a program. Specifically, did either bid provide adequate coverage across all stage agencies as requested by the customer. [REDACTED]

PG&E opted to advance [REDACTED] using a new contract negotiations approach. Similar to conducting bidder interviews, the IOU asked for additional information regarding [REDACTED] program-related topics (e.g., targeted customer outreach, etc.). [REDACTED] were given the same amount of time to respond and present their responses. Bidders were allowed to provide written responses and make a virtual one-hour presentation to the PG&E evaluation team. The IE attended all interviews. [REDACTED]

After the initial negotiation meetings and bidder responses, PG&E ultimately decided to continue contract negotiations [REDACTED] the two highest scores (Figure 1). The additional information provided during the bidder interviews gave PG&E a better understanding of the program design and greater confidence that the program would be successful in meeting the customer preferences (e.g., agency coverage).

[REDACTED]

**Table 3.2: Bids Received and Selected for Contract Negotiations**

Bidder	Bid#	Negotiations	Selection	Program	Target
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Table 3.2: Bids Received and Selected for Contract Negotiations					
Bidder	Bid#	Negotiations	Selection	Program	Target
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

#### 4. Contracting Process

This solicitation activity has not yet completed due to the size and complexity of the Statewide offering. Future Semi-Annual Reports will address this topic.

#### 5. Assessment of Final Contract

This solicitation activity has not yet completed due to the size and complexity of the Statewide offering. Future Semi-Annual Reports will address this topic.

#### 6. Overall Assessment of Solicitation

This solicitation activity has not yet completed due to the size and complexity of the Statewide offering. Future Semi-Annual Reports will address this topic.

#### 7. Implementation Plan Assessment

This solicitation activity has not yet completed due to the size and complexity of the Statewide offering. Future Semi-Annual Reports will address this topic.