

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



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

Rulemaking 13-11-005

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

PUBLIC VERSION

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July 13, 2020

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

SDG&E hereby files this Semi-Annual Independent Evaluators' Report (Report) on behalf of the Independent Evaluators' for the reporting period November 2019 through March 2020. This Report was not prepared by SDG&E. SDG&E was provided the opportunity to review the Report, but provided limited input into the drafting of the Report. SDG&E reserves the right to object to the content of the Report elsewhere in this Rulemaking. The Report is attached hereto as Attachment A.

DATED this 13th day of July 2020, at San Diego, California.

Respectfully submitted,

By: /s/ Erica L. Martin
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¹ D.18-01-004 at Ordering Paragraph 5c.

ATTACHMENT A

SEMI-ANNUAL INDEPENDENT EVALUATORS' REPORT

Semi-Annual Report

San Diego Gas & Electric Company

Third Party Energy Efficiency Program Solicitations

Reporting Period: November 2019 through March 2020

Prepared by Independent Evaluators:

Barakat Consulting, Inc.
Don Arambula Consulting
MCR Corporate Services
The Mendota Group, LLC

June 30, 2020

Disclaimer: This report includes highly sensitive and confidential information.

SEMI-ANNUAL INDEPENDENT EVALUATORS' REPORT
SAN DIEGO GAS & ELECTRIC COMPANY

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I. Overview

A. Purpose

The Independent Evaluators' Semi-Annual Report (Report) provides an assessment of the Program Administrator's (PA), in this case, San Diego Gas & Electric Company's (SDG&E or the IOU), third-party energy efficiency (EE) program solicitation process and progress by SDG&E's assigned Independent Evaluators (IEs). The Report is intended to provide feedback to SDG&E and other stakeholders on the progress of the PA's energy efficiency program solicitations in compliance with the California Public Utilities Commission (CPUC) direction.¹

In compliance with Decision 18-01-004, the EE IEs are ordered to provide assessments of the overall third-party EE program solicitation process and progress, on at least a semi-annual basis, to the CPUC via reports filed in the relevant energy efficiency rulemaking (currently Rulemaking 13-11-005).² This Report is provided in response to this requirement and represents an assessment of the program solicitation activities conducted during the period from November 2019 through March 2020. These Reports will be filed periodically throughout SDG&E's entire third-party solicitation process. This Report identifies areas for improvement and highlights best practices as noted by the IEs based on SDG&E's current program solicitations. The Report is not intended to replace the required Final Solicitation Reports (Final Report(s)), which will be provided to SDG&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. In January 2018, the CPUC adopted Decision 18-01-004 directing the four California Investor Owned Utilities (IOUs)—SDG&E, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and Southern California Gas Company (SoCalGas)—to ensure that their EE portfolios contain a minimum percentage of third-party designed and implemented programs by predetermined dates over the next three years. Further directions were included in Decision 18-05-041, which states:

*"The third-party requirements of Decision (D.) 16-08-019 and D.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."*³

¹ Decision 18-01-004, OPN 5.c.

² Id.

³ OP 4, p. 182.

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 energy efficiency portfolio. All IOUs are required to conduct a Request for Abstract (RFA) solicitation, followed by a full Request for Proposal (RFP) stage.⁴

The CPUC also requires each IOU to assemble an EE Procurement Review Group (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, and contract negotiations.

Each IOU is required to select and utilize a pool of IEs to serve as consultants to the PRG. The IEs are directed to observe and report on the IOU's entire solicitation, evaluation, selection, and contracting process. The IEs review and monitor the IOU solicitation process, valuation methodologies, selection processes, and contracting to confirm that an unbiased, fair, and transparent competitive process is conducted that is devoid of market collusion or manipulation. The IEs are privy to viewing all submissions. The IEs are invited to participate in the IOU's solicitation-related discussions and are bound by confidentiality obligations.

Extension Request

In a letter dated October 11, 2019, SDG&E requested an extension to June 30, 2020, to have contracts signed for its Small Commercial Programs, Large Commercial Programs, and Multifamily Programs. In November 2019, the CPUC granted SDG&E's request for extension of time to meet the 25 percent threshold by June 30, 2020.⁵

The CPUC further stated that, consistent with D.18-05-041, the IOUs must meet at least 40 percent of their energy efficiency 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 D.18-05-041.

C. Overview of Solicitations

The Report represents a collection of individual IE assessments for each of SDG&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 following provides a summary of each program solicitation.

⁴ Decision 18-01-004, p. 31.

⁵ 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.

1. Local Small Commercial

Summary

The Company's first set of solicitations focused on the commercial sector, which, according to the SDG&E Business Plan, accounts for approximately 43 percent of total electricity and 22 percent of total natural gas consumption among the Company's customer classes. Also, according to the Business Plan, the commercial sector is dominated by small commercial accounts (20kW and lower). SDG&E's desired outcomes for its commercial EE programs are to help customers achieve Zero Net Energy (ZNE) by providing them greatly enhanced self-help tools, program options, and expert assistance.

Timeline

Table 1 below includes key milestones for this program solicitation.

Table 1: Key Milestones	
Milestones	Completion Date
RFA Stage	
RFA Release	November 5, 2018
Abstracts Due	December 7, 2018
Abstract Scoring	December 2018–January, 2019
Bidders Notified to Proceed to RFP Stage	February 22, 2019
RFP Stage	
RFP Release	June 18, 2019
Proposals Due	August 27, 2019
Proposal Scoring	October 10-11, 2019
Bidders Notified	January 6, 2020
Selections & Contracting Stage	
Bidders Notified	February 27, 2020
Contract Negotiations	March 2020

2. Local Large Commercial

Summary

SDG&E is seeking proposals from non-utility companies for energy efficiency programs to serve the Large Commercial Sector (non-residential customers above 20 kW, excluding those in the Public Sector) for the 2020-2022 program years.

Timing

Table 2 below includes key milestones for this program solicitation.

Table 2: Key Milestones	
Milestones	Completion Date
RFA Stage	
RFA Release	November 5, 2018
Abstracts Due	December 7, 2018
Abstract Scoring	December 2018–January, 2019
Bidders Notified to Proceed to RFP Stage	February 22, 2019
RFP Stage	
RFP Release	June 18, 2019
Proposals Due	August 27, 2019
Proposal Scoring	October 10-11, 2019
Bidders Notified	January 6, 2020
Contracting Stage	
Bidders Notified	February 27, 2020
Contract Negotiations	March 20, 2020

3. Local Multi-Family Residential

Summary

SDG&E's Residential Multi-Family solicitation is focused on contracting with third parties to propose, design, implement, and deliver new EE programs that service the residential multi-family sector. SDG&E identified this sector as a major focus for its residential energy efficiency efforts. SDG&E's Business Plan identified several barriers to increasing energy efficiency participation in the multi-family sector and provided specific residential sector metrics.

SDG&E is conducting this solicitation using the two-stage process, as recommended. The RFA and RFP stages of the solicitation are now complete, and the solicitation is moving into the contract negotiation stage as of the writing of this report.

Timing

Table 3 below includes key milestones for this solicitation.

Table 3: Key Milestones	
Milestones	Completion Date
RFA Stage⁶	
RFA Released	December 4, 2018
Bidder Conference	December 13, 2018
Abstracts Due	January 3, 2019
Calibration Meeting	February 7, 12, and 20, 2019
RFP Stage⁷	
RFP Released	June 18, 2019
Optional Bidder Conference	June 28, 2019
Proposals Due	August 28, 2019
Bidder Interviews	February 14 & 19, 2020
Proposal Review Period Ends	March 13, 2020
Contracting Stage	
Notification of Selection	March 18, 2020
Contract Development	In progress
Advice Letter Filing to CPUC	Pending

4. Statewide Upstream and Midstream Heating Ventilation and Cooling

Summary

SDG&E's first Statewide solicitation is the Statewide Upstream and Midstream Heating, Ventilation and Cooling (HVAC) Program. During the period covered by this report, SDG&E conducted scoring of the RFP stage of the Statewide HVAC solicitation.

Timing

Table 4 below includes key milestones for this program solicitation.

Table 4: Key Milestones	
Milestones	Completion Date
RFA Stage	
RFA Release	January 7, 2019

⁶ Id., at. p. 9.

⁷ Id., at. p. 9.

Table 4: Key Milestones	
Milestones	Completion Date
Abstracts Due	February 7, 2019
Abstract Scoring	February–March, 2019
Bidders Notified (RFP)	April 24, 2019
RFP Stage	
RFP Release	September 4, 2019
Proposals Due	October 14, 2019
Proposal Scoring	October–December 2019
Bidders Notified	January 31, 2020
Selections & Contracting Stage	
Bidders Notified (Contract)	March 26, 2020
Contract Negotiations	Pending
Contract Signed	Pending

5. Statewide Plug and Load Appliance

Summary

SDG&E is seeking abstracts from third-party program implementers who wish to offer a comprehensive, innovative, and cost-effective turn-key Statewide Plug Load and Appliance (Statewide PLA) energy efficiency resource program for residential applications.

Timing

Table 5 below includes key milestones for this program solicitation.

Table 5: Key Milestones	
Milestones	Completion Date
RFA Stage	
1. RFA Released by Company	May 10, 2019
2. Bidder Conference	May 20, 2019
3. Bidder Questions Due	May 31, 2019
4. Responses to Bidder Questions	June 7, 2019
5. Bidder Submittal Due Date	June 21, 2019
6. Evaluation of Submittals	June 24–September 20, 2019

Table 5: Key Milestones	
Milestones	Completion Date
7. Calibration Meeting Held	July 20–July 21, 2019
8. Shortlist Meeting Held	August 22, 2019
9. Shortlist Presented to PRG	September 9, 2019
10. Selected Bidders are notified of advancement to RFP, Stage 2	September 20, 2019
RFP Stage	
1. RFA Released by Company	May 10, 2019
2. Bidder Conference	May 20, 2019
3. Bidder Questions Due	May 31, 2019
4. Responses to Bidder Questions	June 7, 2019
5. Bidder Submittal Due Date	June 21, 2019
6. Evaluation of Submittals	June 24 - September 20, 2019
7. Calibration Meeting Held	July 20 - July 21, 2019
8. Shortlist Meeting Held	August 22, 2019
9. Shortlist Presented to PRG	September 9, 2019
10. Selected Bidders are notified of advancement to RFP, Stage 2	September 20, 2019
Selections & Contracting Stage	
1. Notification of Proposal Selection (Subject to Negotiations)	August 21, 2020
2. Contract Development, Contract Negotiation	August 24–November 30, 2020
3. Company’s Advice Letter Filing to CPUC	December 2020
4. Contract Issued (subject to CPUC approval, if applicable)	February 2021–April 2021
5. Implementation Plan Development	February 2021–May 2021
6. Program Launch	Quarter 2 2021

6. Local Residential Single-Family Sector

Summary

The Local Residential Single-Family Sector program (Residential Single-Family) solicitation is seeking comprehensive and innovative energy efficiency programs targeted at SDG&E’s Residential Single-Family customers. The SDG&E residential single-family market segment is defined as residential customers who own or rent a single-family detached home or a residential building with two to four units.

Timing

The Residential Single-Family program solicitation was initially scheduled for release in the first

Quarter of 2019 as shown in the IOU Joint Solicitation Schedule presented to the bidder community on the [California Energy Efficiency Coordinating Committee \(CAEECC\) website](#) in December 2018. The solicitation schedule was later revised, and the RFA was released in October 2019. The Joint IOU Solicitation Schedule has been subsequently updated to reflect the revised solicitation schedule.

As a result of schedule delays by the IOUs, on March 11, 2020, the CPUC’s Energy Division (ED) provided additional guidelines on timing for the RFA, RFP and contracting stages within a typical program solicitation. In response, SDG&E revised its RFP schedule as presented below.

Table 6: Key Milestones	
Milestones	Completion Date
RFA Stage	
1. RFA Released	October 18, 2019
2. Optional Bidder Conference	November 4, 2019
3. Bidder Questions Due	November 19, 2019
4. Responses to Bidder Questions Due	November 26, 2019
5. Bidder Abstract Submission Due	December 5, 2019
6. Submittal Review	December 6, 2019–February 7, 2020
7. Bidders Notified - Advancement to RFP Stage	February 27, 2020
RFP Stage	
1. RFP Released	April 27, 2020
2. Optional Bidder Conference (Skype)	May 12, 2020
3. Bidder Questions Due Round 1	May 15, 2020
4. Responses to Bidder Questions	May 20, 2020
5. Bidder Questions Due Round 2	May 26, 2020
6. Responses to Bidder Questions	May 29, 2020
7. Bidder's Proposal Due	June 9, 2020
8. Proposal Review, Bid Clarification Discussions	June 10, 2020–July 14, 2020
9. Selected Bidder Interviews	August 20, 2020–August 24, 2020
10. Proposal Review Period Ends, Bidders Notified	September 14, 2020
Selections & Contracting Stage	
1. Notification Selection (Subject to Negotiations)	October 19, 2020
2. Contract Development and Negotiation	October 27, 2020–November 9, 2020
3. Program Ramp-Up Begins	Q1 2021
4. Full Program Roll Out	Q1 2021
5. Notification Selection (Subject to Negotiations)	October 19, 2020

Table 6: Key Milestones	
Milestones	Completion Date
6. Contract Development and Negotiation	October 27, 2020–November 9, 2020

7. Local Public Sector Federal

Summary

SDG&E’s Local Public Sector Federal solicitation is focused on contracting with third parties to propose, design, implement and deliver new EE programs that service public sector federal customers.

The public sector is defined as a group of customers that are taxpayer funded, have political mandates, and that must go through a public budgeting and decision-making process. This sector makes up 12 percent of total electric consumption, with 70 percent of accounts under 20kW within SDG&E’s service territory.⁸ The Federal sub-sector consists of Federal Buildings, US Postal Service, Hospitals (only those owned and/or operated by the Federal Government), Military Bases and Tribal Nations. The public sector has high visibility and the potential for energy savings is great in this market.

This sector has the following unique existing challenges:

- Long approval processes including Division of the State Architect and board approvals
- Complex funding mechanisms and budgetary constraints

Timing

Table 7 includes key milestones this solicitation⁹.

Table 7: Key Milestones	
Milestones	Completion Date
RFA Stage	
1. RFA Released	October 16, 2019
2. Optional Bidder Conference	October 29, 2019
3. Bidder Questions Due	November 13, 2019
4. Responses to Bidder Questions Due	November 20, 2019
5. Bidder Abstract Submission Due	November 27, 2019

⁸ SDG&E Public Sector–Federal Request for Abstract, October 16, 2019, at p. 4.

⁹ Id., at p.15.

Table 7: Key Milestones	
Milestones	Completion Date
6. Submittal Review	December 2, 2019–February 21, 2020
7. Bidders Notified - Advancement to RFP Stage	February 21, 2020
RFP Stage¹⁰	
1. RFP Released	May 22, 2020
2. Optional Bidder Conference (Skype)	June 1, 2020
3. Bidder Questions Due Round 1	June 4, 2020
4. Responses to Bidder Questions	June 9, 2020
3. Bidder Questions Due Round 2	June 12, 2020
4. Responses to Bidder Questions	June 17, 2020
5. Bidder's Proposal Due	July 16, 2020
6. Proposal Review, Bid Clarification Discussions	June 17, 2020–September 16, 2020
7. Selected Bidder Interviews	October 23, 2020—October 29, 2020
8. Proposal Review Period Ends, Bidders Notified	November 14, 2020
Selections & Contracting Stage	
1. Notification Selection (Subject to Negotiations)	November 18, 2020
2. Contract Development and Negotiation	November 19-December 29, 2020
3. EE PRG/IE Review of Contract	December 30, 2020—January 18, 2020
4. SDG&E's Advice Letter Filing to CPUC, if applicable	Q1 2020
5. Purchase Order/Contract Signed	Q1 2021
6. Program Ramp-Up Begins	Q1 2020
7. Full Program Roll Out	Q1 2021

8. Local Public Sector K-12

Summary

SDG&E's Local Public Sector K-12 solicitation is focused on contracting with third parties to propose, design, implement and deliver new energy efficiency (EE) programs that service public schools throughout the SDG&E service territory.

¹⁰ This schedule is the schedule posted by SDG&E in PowerAdvocate.

The public sector is defined as a group of customers that are taxpayer funded, have political mandates, and that must go through a public budgeting and decision-making process. The public sector makes up 12 percent of SDG&E’s total electric consumption, with 70 percent of accounts under 20 kW within SDG&E’s service territory.¹¹ This sector includes the K-12 Public Schools sub-sector consisting of 46 school districts across the SDG&E territory, which represents 12 percent of the public sector billed electric consumption and four percent of its therm consumption. The public sector has high visibility and the potential for energy savings is great for this market. ¹²

This sector has the following unique existing challenges:

- Long approval processes including Division of the State Architect and board approvals
- Complex funding mechanisms and budgetary constraints
- Timing interventions with school breaks
- Security within school campuses
- Peak hour usage within K-12 facilities

Timing

Table 8 includes key milestones this solicitation¹³.

Table 8: Key Milestones	
Milestones	Completion Date
RFA Stage	
1. RFA Released	October 16, 2019
2. Optional Bidder Conference	October 29, 2019
3. Bidder Questions Due	November 13, 2019
4. Responses to Bidder Questions Due	November 20, 2019
5. Bidder Abstract Submission Due	November 27, 2019
6. Submittal Review	December 2, 2019–February 21, 2020
7. Bidders Notified - Advancement to RFP Stage	February 21, 2020
RFP Stage¹⁴	
1. RFP Released	May 22, 2020
2. Optional Bidder Conference (Skype)	June 1, 2020
3. Bidder Questions Due Round 1	June 4, 2020

¹¹ SDG&E Public Sector–K-12 Request for Abstract, October 16, 2019, at p. 4.

¹² Id., at p.5.

¹³ Id., at p. 15.

¹⁴ This schedule is the schedule posted by SDG&E in PowerAdvocate.

Table 8: Key Milestones	
Milestones	Completion Date
4. Responses to Bidder Questions	June 9, 2020
3. Bidder Questions Due Round 2	June 12, 2020
4. Responses to Bidder Questions	June 17, 2020
5. Bidder's Proposal Due	July 16, 2020
6. Proposal Review, Bid Clarification Discussions	June 17, 2020–September 16, 2020
7. Selected Bidder Interviews	October 23, 2020—October 29, 2020
8. Proposal Review Period Ends, Bidders Notified	November 14, 2020
Selections & Contracting Stage	
1. Notification Selection (Subject to Negotiations)	November 18, 2020
2. Contract Development and Negotiation	November 19-December 29, 2020
3. EE PRG/IE Review of Contract	December 30, 2020—January 18, 2020
4. SDG&E's Advice Letter Filing to CPUC, if applicable	Q1 2020
5. Purchase Order/Contract Signed	Q1 2021
6. Program Ramp-Up Begins	Q1 2020
7. Full Program Roll Out	Q1 2021

9. Solicitation Summary

Each of SDG&E's active program solicitations is listed below. Table 9 shows a breakdown of each solicitation, assigned IE, and status. The Report does not address program solicitations for which SDG&E has yet to release an RFA.

Table 9: Solicitations Overview (November 2019 through March 2020)			
	Solicitations	Assigned IEs	Solicitation Status
1	Local Small Commercial	The Mendota Group	Contracting
2	Local Large Commercial	The Mendota Group	Contracting
3	Local Multi-family Residential	MCR Corporate Services	Contracting
4	Statewide Plug Load and Appliance	Don Arambula Consulting	RFP
5	Statewide Upstream/Midstream HVAC	The Mendota Group	Contracting
6	Local Public Sector Federal	MCR Corporate Services	Pre-RFP
7	Local Public Sector K-12	MCR Corporate Services	Pre-RFP
8	Local Residential Single Family	Don Arambula Consulting	Pre-RFP
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 Contracted: Contract executed with implementer Suspended: Solicitation held until a later date Cancelled: Solicitation withdrawn; scope may be included as part of a future solicitation.			

D. IE Assessment of Solicitations

The following are some of the key observations gleaned from the individual IE reports on specific solicitations, as further detailed in Attachment II. Corresponding details are also provided in Table 10, including a summary of IE recommendations and outcomes.

- **Shorten solicitation schedule.** The IOU should reduce solicitation timelines. The PRG should support and facilitate more aggressive timelines, recommend reduced RFA bidder requirements, and encourage coordination among IOUs on multiple solicitation schedules.
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- **Report on solicitation process.** SDG&E has been preparing a report following each stage of the solicitation process. The IE recommends that this type of final report for each stage of the solicitation should be considered best practice. Consider incorporating continuous improvement steps described above.
- [REDACTED]
- [REDACTED]

Table 10: IE Observations and Outcomes

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
Reduce Solicitation Timelines	The IOU should revisit its solicitation schedule and reduce the timelines associated with various schedule milestones. For example, the IOU allowed 13 weeks to evaluate and select abstracts. This could have been shortened by four weeks if the Shortlist selections were made immediately following the conclusion of the evaluation period. The extended timeline is especially perplexing given the IOU’s decision to advance all Bidders.	The IOU should strive to reduce the solicitation timeline. The PRG should also provide timely review and input that supports more aggressive timelines.	The IOU is currently reviewing solicitation schedules to identify improvements to the overall timing and completion of the solicitations.

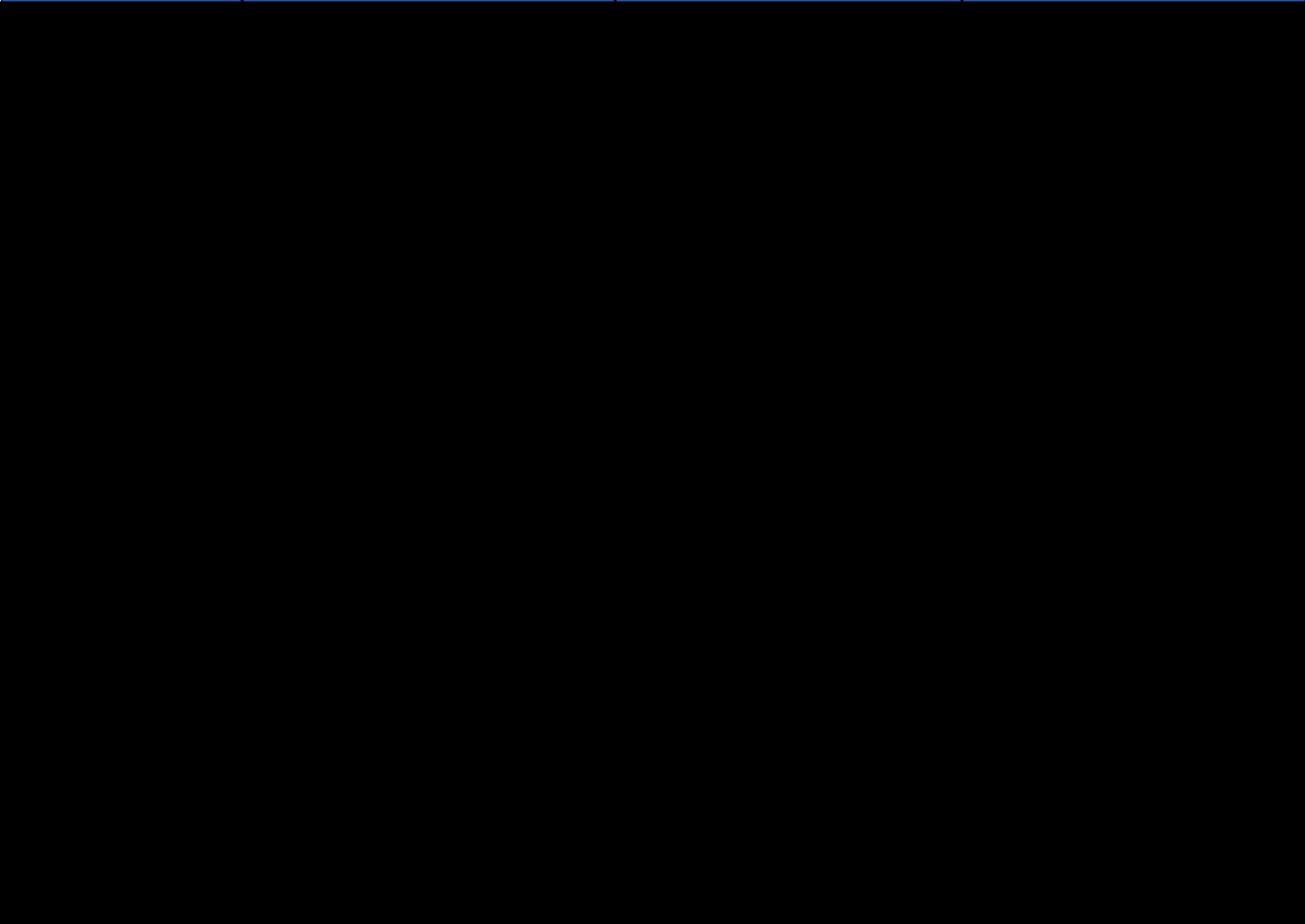
Table 10: IE Observations and Outcomes			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)

Table 10: IE Observations and Outcomes

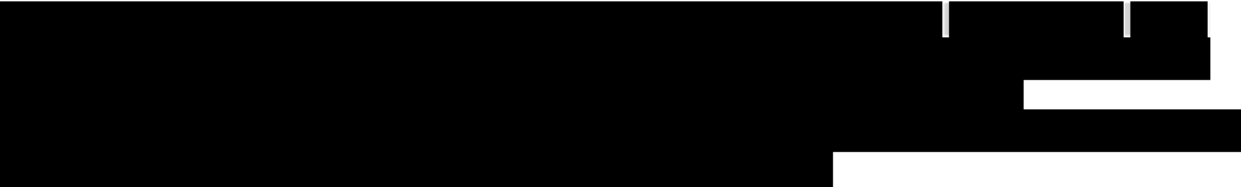
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
Final RFA Report	SDG&E’s Final RFA Scoring and Selection Report contains an overview of the RFA, introduces the bidders and the scoring methodology, describes the RFA to RFP selection process and provides details for each abstract that is advancing to the RFP stage	The IE recommends that this type of final report for each stage of the solicitation should be considered best practice. Consider incorporating Continuous Improvement steps described above	SDG&E should continue this process and incorporate continuous improvement. The IEs will track this effort.

Table 10: IE Observations and Outcomes

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
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E. PRG Feedback on Solicitations



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

F. Stakeholder Feedback from CPUC Workshops

February 2020 Public Workshop

A public workshop was held by the CPUC's Energy Division (ED) on February 7, 2020, to discuss feedback on all the IOUs' energy efficiency program solicitation activities from the bidder community and various other stakeholders.

The main topics that were raised during the public workshop by stakeholders included the following:

- **Scheduling:** As a follow up from the July 2019 workshop, the scheduling team responded to a request from bidders for updated schedules. In early March 2020, the IOUs implemented a Third Party Dynamic Schedule on PEPMA and are updating on a monthly basis.
- **Bidder Communication:** As a follow up from the July 2019 workshop, all IOUs committed to providing 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.
- **Stakeholder Engagement:** Stakeholders were clear that they wanted more engagement (not just feedback) in the solicitation process to better understand the process and to promote continuous learning for all parties involved. **A Stakeholder Engagement Team led by the IOUs was established to follow up on this matter.**

- **Communication:** Communication with stakeholders needs to be more consistent and proactive. The dissemination of materials is very complicated, and bidders would like more simplification and an easier screening process for bidders. **Communication follow up has been addressed by the Stakeholder Engagement Team.**
- **Cost Effectiveness Tool (CET):** The IOUs discussed employing some improvement to the CET planning tool (e.g., CET-Lite) that would do a better job of compiling the numbers while assisting with training and more user-friendly systems (Mac/PC), etc. **A team led by the IOUs was established to follow up on CET approaches/issues/solutions.**
- **RFA/RFP Challenges:** The bidders felt there was a lack of transparency from RFA to RFP. Bidders were not clear how abstracts were selected to move to the RFP stage. Stakeholders would like more information and more openness on this process.
- **Transition Plans:** There is the potential for a gap when transitioning from one program to the next. Thus, careful attention and management of the effects on customers and the EE market in general during such transition is appropriate. Lags in service due to possible reduction of goals and budgets during program transitions should be avoided. **The PRG is interested in seeing detailed transition plans to ensure a smooth process and expect the transition plans will be addressed in Advice Letters filed by the IOUs associated with new programs.**

Responses to these issues should be addressed through the California Energy Efficiency Coordinating Committee (CAEECC), and/or the next public workshop scheduled for July 2020. Initial responses to many issues raised at the meeting were posted on April 14, 2020 to the CAEECC website.

March 11, 2020 Letter from Energy Division

On March 11, 2020, the ED provided additional guidance to the IOUs, in response to specific challenges experienced in the market, as raised through the semi-annual CPUC-hosted public workshops to identify process improvements directed at the following issues:

1) Delays in Schedules Guidance

- 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 their next quarterly update.

2) 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.

3) Bidder Communication

- Notify bidders of the status of the solicitation throughout the entire process.
- Provide better feedback to bidders by delivering on their commitments made in response to stakeholder requests.
- Provide non-advancing bidders notification if their abstracts/proposals didn't advance due to incomplete or non-conforming, a violation, or an unmitigated conflict of interest.

After the June 30 and September 30, 2020 deadlines are met, ED encourages 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.

II. Attachments: Individual IE Semi-Annual Solicitation Reports

Energy Efficiency Independent Evaluators' Semi-Annual
Report on the

Local Small Commercial Solicitation

Reporting Period: November 2019 through March 2020

Prepared by:
The Mendota Group, LLC

June 30, 2020

Disclaimer: This report includes highly sensitive and confidential information.

LOCAL SMALL COMMERCIAL

1. Solicitation Overview

1.1 Overview

The Company's first set of solicitations focused on the commercial sector, which, according to the SDG&E Business Plan, accounts for approximately 43 percent of total electricity and 22 percent of total natural gas consumption among the Company's customer classes. Also, according to the Business Plan, the commercial sector is dominated by small commercial accounts. SDG&E's desired outcomes for its commercial EE programs are to help customers achieve Zero Net Energy (ZNE) by providing them greatly enhanced self-help tools, program options, and expert assistance.

During the period covered by this report, SDG&E was implementing the Interview stage of the Local Small Commercial solicitation. Therefore, unless specifically mentioned, all solicitation references in this report relate to RFP scoring and the Interview stage. The bulk of the RFP stage of the solicitation was covered in the November 2019 Semi-Annual Report. It should be noted that SDG&E is running its Small and Large Commercial solicitations in parallel, used similar template documents, and followed similar processes. Therefore, many of the items discussed in this report are like those discussed in the Large Commercial report.

Scope

SDG&E is seeking proposals from non-utility companies for energy efficiency programs to serve the Small Commercial Sector (commercial customers under 20 kW, excluding those in the Public Sector) for the 2020-2022 program years.

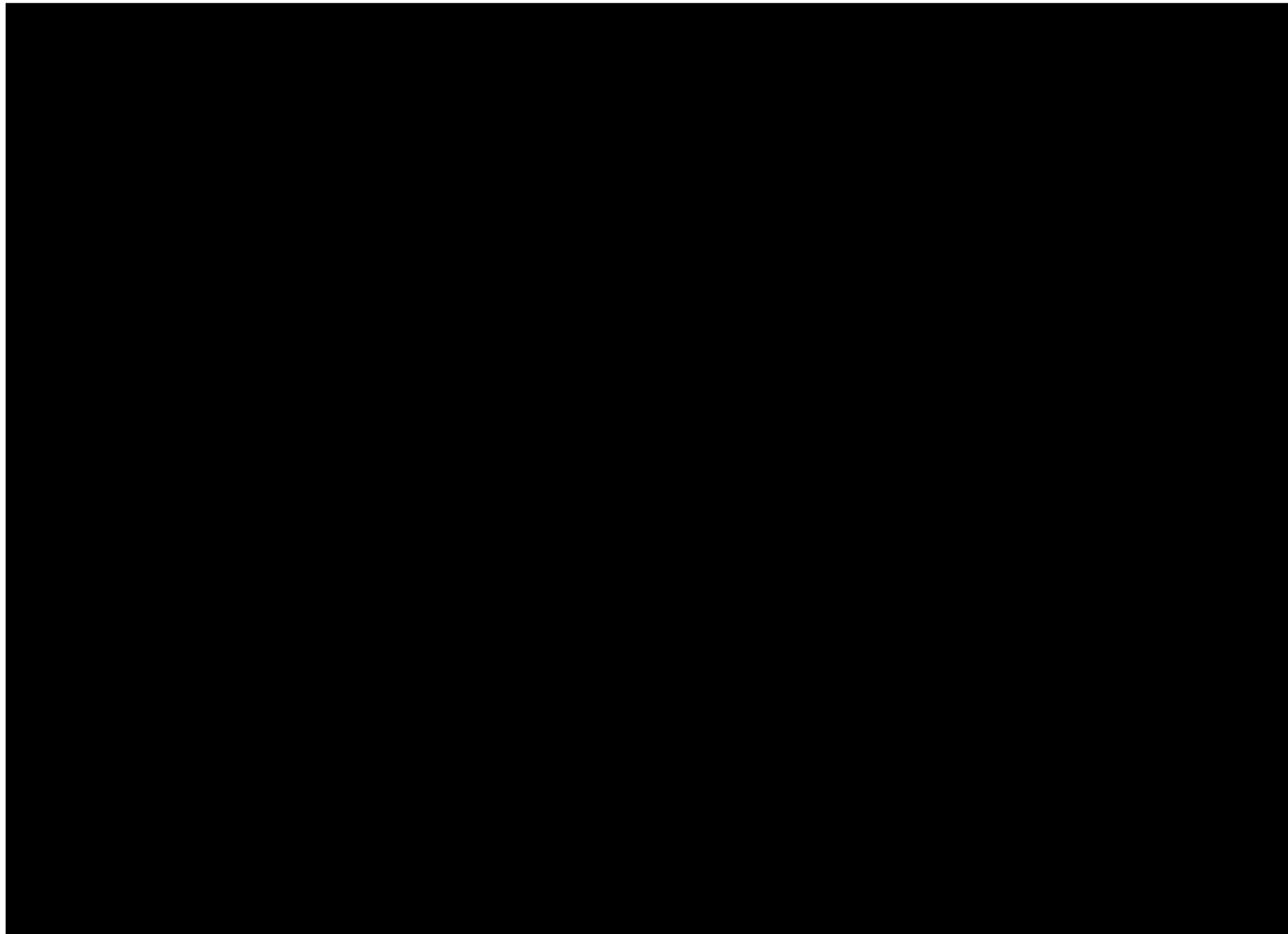
Objectives

The objective of the Solicitation is to implement third-party energy efficiency programs that reliably capture, and document cost effective energy (kWh, kW and/or therm) savings applicable to the Small Commercial Sector.

1.2 Timing

Table 12 below includes key milestones for this program solicitation.

Table 12: Key Milestones	
Milestones	Completion Date
RFA Stage	
RFA Release	November 5, 2018
Abstracts Due	December 7, 2018
Abstract Scoring	December 2018 – January, 2019
Bidders Notified (RFP)	February 22, 2019



2. Solicitation Outreach and Bidder Response

2.1 Bidder Response to Solicitation

No outreach was conducted since the Small Commercial solicitation was in the Interview stage. The solicitation outreach activities, communications, and solicitation design were addressed in previous Reports. Given the small number of bidders advanced to the RFP stage and, ultimately, the interview stage, it would be a good idea to seek to enhance outreach efforts for solicitations for which SDG&E does not expect a very large response. Table 14 describes the solicitation response at each stage.

Table 14: Solicitation Response	
	No.
Abstracts Expected	
Abstracts Received	
Proposals Expected	

Table 14: Solicitation Response	
	No.
Proposals Received	
Interviews Conducted	

2.2 Bidder's Conference and Q&A

There were no bidder conferences or Q&A opportunities provided during the RFP scoring portion of the RFP/Interview stage covered by this Report.

2.3 Solicitation Design Assessment

SDG&E's solicitation design—to offer both Large and Small Commercial solicitations—is consistent with that proposed in its CPUC-approved Business Plan, Solicitation Plan, and ABAL.¹⁵ The Small Commercial solicitation has been conducted as a two-stage process, consistent with the Decision 18-01-004.

3. RFA and RFP Design and Materials Assessment

3.1 RFA Design Requirements and Materials

The RFA stage of the Small Commercial solicitation was addressed in the June 2019 Semi-Annual Report.

3.2 RFP Design Requirements and Materials

Most of the RFP stage of the Small Commercial solicitation was addressed in the November 2019 Semi-Annual Report.

Interview Design Requirements and Materials

The Interview materials and overall process were well designed and provided fair treatment to Bidders who advanced to the Interview stage.

3.3 Response to PRG and IE Advice

The RFA stage of the Small Commercial solicitation was addressed in the June 2019 Semi-Annual Report and the RFP stage was addressed in the November 2019 Semi-Annual Report.



¹⁵ D.18-05-041 adopted the IOU Business Plans.

4. Bid Evaluation Methodology Assessment

The Interview materials and overall process were well designed and provided fair treatment to Bidders who advanced to the Interview stage.

4.1 Bid Screening Process

The RFA stage of the Small Commercial solicitation was addressed in the June 2019 Semi-Annual Report and the RFP stage was addressed in the November 2019 Semi-Annual Report. [REDACTED]

[REDACTED] Bidders selected from the RFP stage were invited to the Interview stage. The approach and methodology for evaluating bids worked well.

4.2 Evaluation Team Profile

RFA

The RFA Evaluation Team profile was provided in a previous Semi-Annual Report.

RFP

The Small Commercial solicitation RFP evaluation team profile was discussed in the November 2019 Semi-Annual Report.

Interviews

The same individuals who participated in RFP reviews also participated in the interviews.

5. Response to PRG and IE Advice

Not applicable to this reporting period.

6. Final Bid Selection Assessment

6.1 Conformance with Established Evaluation Processes

The RFA stage of the Small Commercial solicitation was addressed in the June 2019 Semi-Annual Report. The RFP stage was addressed in the November 2019 Semi-Annual Report. The selection of which Bidder to advance to the contracting stage was consistent with the established Interview evaluation process.

6.2 Management of Deficient Bids

The RFA stage of the Large Commercial solicitation was addressed in the June 2019 Semi-Annual Report. The RFP stage was addressed in the November 2019 Semi-Annual Report.

6.3 Shortlist and Final Selections

a. Conformance with Established Evaluation Processes

The RFA stage of the Small Commercial solicitation was addressed in the June 2019 Semi-Annual Report. The RFP stage was addressed in the November 2019 Semi-Annual Report. The final selection from the Interview stage was consistent with SDG&E established evaluation process.

b. Portfolio Fit

The Small Commercial solicitation was consistent with SDG&E's Business Plan and the selected contractor met the objectives outlined in the Business Plan. Therefore, the selected program and contractor were good fits SDG&E's portfolio.

c. Response to PRG and IE Advice

The IE participated in Interview consensus scoring meetings with the evaluation team and found the discussions to be fair and thorough in determining which Bidder to advance to contracting. The IE supported the decision to advance the Bidder to contracting. The selected bid was discussed during the February 11, 2020, PRG meeting. The PRG did not object to SDG&E's decision to advance the Bidder to contract negotiations.

6.4 Affiliate Bids and Conflict of Interest

The IOU did not receive a bid from an affiliate.

7. Assessment of Selected Bids

7.1 Bid Selections Respond to Portfolio Needs

The final selection is consistent with SDG&E's solicitation needs as identified in its Business Plan. SDG&E sought a comprehensive program that would serve the needs of its Small Commercial customer segment and the selected program meets this need.

7.2 Bid Selections Provide the Best Overall Value to Ratepayers

This will be addressed in the final solicitation report.

8. Reasonableness of Contracting Process

The contracting process is ongoing.

Energy Efficiency Independent Evaluators' Semi-Annual
Report on the

Local Large Commercial Solicitation

Reporting Period: November 2019 through March 2020

Prepared by:
The Mendota Group, LLC

June 30, 2020

Disclaimer: This report includes highly sensitive and confidential information.

LOCAL LARGE COMMERCIAL

1. Solicitation Overview

1.1 Overview

The Company's first set of solicitations focused on the commercial sector, which, according to the SDG&E Business Plan, accounts for approximately 43 percent of total electricity and 22 percent of total natural gas consumption among the Company's customer classes. Also, according to the Business Plan, the commercial sector is dominated by small commercial accounts. SDG&E's desired outcomes for its commercial EE programs are to help customers achieve Zero Net Energy (ZNE) by providing them greatly enhanced self-help tools, program options, and expert assistance.

During the period covered by this report, SDG&E was implementing the Interview stage of the Local Large Commercial solicitation. Therefore, unless specifically mentioned, all solicitation references in this report relate to the RFP scoring and Interview stage. The bulk of the RFP stage of the solicitation was covered in the November 2019 Semi-Annual Report. It should be noted that SDG&E is running its Small and Large Commercial solicitations in parallel, used similar template documents, and followed similar processes. Therefore, many of the items discussed in this report are like those discussed in the Small Commercial report.

Scope

SDG&E is seeking proposals from non-utility companies for energy efficiency programs to serve the Large Commercial Sector (non-residential customers above 20 kW, excluding those in the Public Sector) for the 2020-2022 program years.

Objectives

The objective of the Solicitation is to implement third-party energy efficiency programs that reliably capture, and document cost effective energy (kWh, kW and/or therm) savings applicable to the Large Commercial Sector.

1.2 Timing

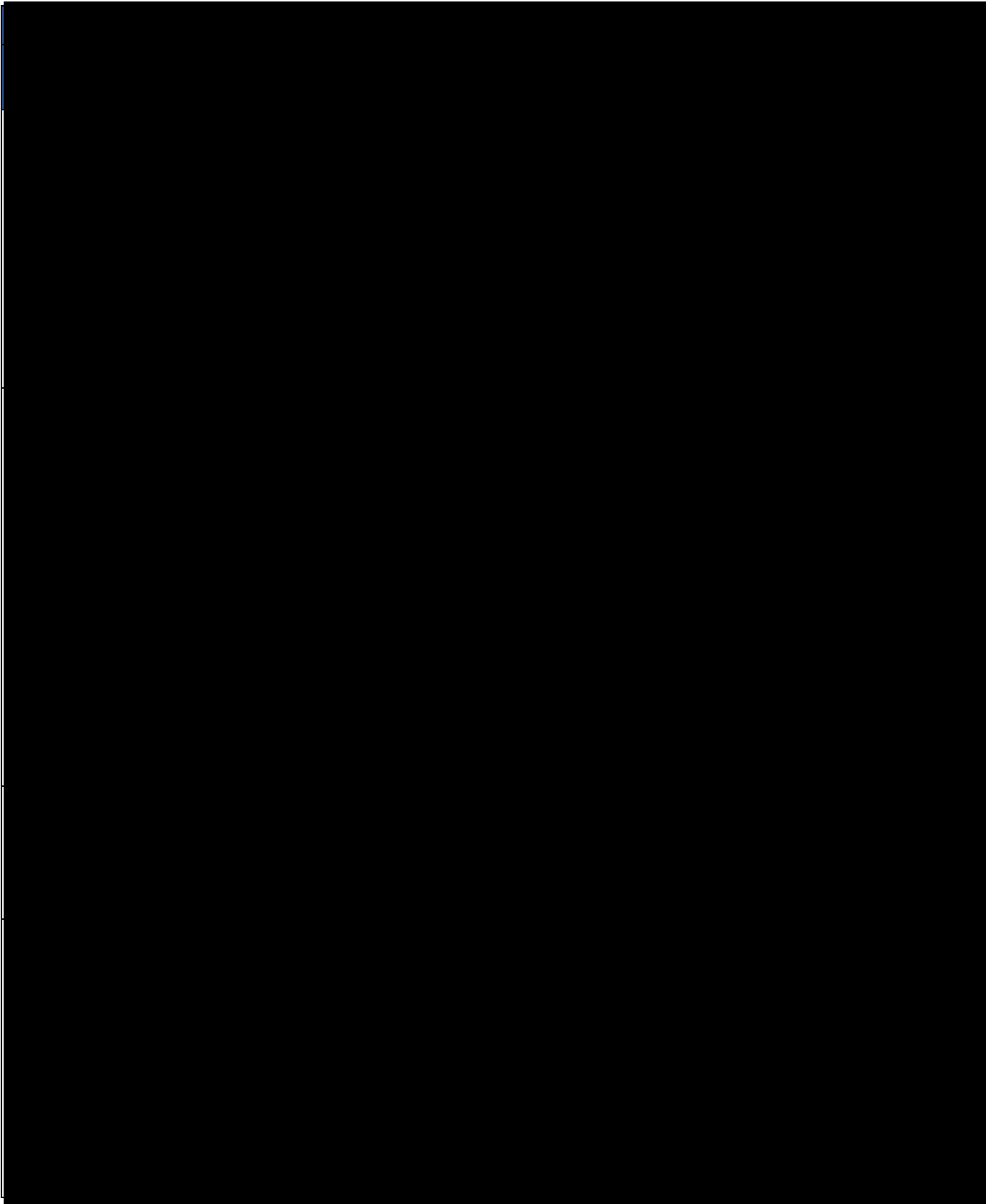
Table 15 below includes key milestones for this program solicitation.

Table 15: Key Milestones	
Milestones	Completion Date
RFA Stage	
RFA Release	November 5, 2018
Abstracts Due	December 7, 2018
Abstract Scoring	December 2018 – January, 2019
Bidders Notified (RFP)	February 22, 2019

Table 15: Key Milestones	
Milestones	Completion Date
RFP Stage	
RFP Release	June 18, 2019
Proposals Due	August 27, 2019
Proposal Scoring	October 10-11, 2019
Bidders Notified (Interview)	January 6, 2020
Interviews	January 24, 2020
Selections & Contracting Stage	
Bidders Notified (Moving into Negotiations Stage)	February 27, 2020
Contract Negotiations	March 20, 2020

1.3 Key Observations

[Redacted]			
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]			



2. Solicitation Outreach and Bidder Response

2.1 Bidder Response to Solicitation

No outreach was conducted since the Large Commercial solicitation was in the RFP stage. The solicitation outreach activities, communications, and solicitation design were originally addressed as part of the previous Report and the IE continues to believe that they have resulted in a robust, competitive solicitation. Table 17 describes the solicitation response at each stage:

Table 17: Solicitation Response	
	No.
Abstracts Expected	
Abstracts Received	
Proposals Expected	
Proposals Received	
Interviews Conducted	

2.2 Bidder's Conference and Q&A

There were no bidder conferences or Q&A opportunities provided during the RFP scoring portion and Interview stage covered by this Semi-Annual Report.

2.3 Solicitation Design Assessment

SDG&E's solicitation design—to offer both Large and Small Commercial solicitations—is consistent with that proposed in its CPUC-approved Business Plan, Solicitation Plan, and ABAL.¹⁶ The Large Commercial solicitation has been conducted as a two-stage process, consistent with the Decision 18-01-004.

3. RFA and RFP Design and Materials Assessment

3.1 RFA Design Requirements and Materials

The RFA stage of the Large Commercial solicitation was addressed in the June 2019 Semi-Annual Report.

3.2 RFP Design Requirements and Materials

Most of the RFP stage of the Large Commercial solicitation was addressed in the November 2019 Semi-Annual Report.

¹⁶ D.18-05-041 adopted the IOU Business Plans.

Interview Design Requirements and Materials

The Interview materials and overall process were well designed and provided fair treatment to Bidders who advanced to the Interview stage.

3.3. Response to PRG and IE Advice

The RFA stage of the Large Commercial solicitation was addressed in the June 2019 Semi-Annual Report and the RFP stage was addressed in the November 2019 Semi-Annual Report. [REDACTED]

4. Bid Evaluation Methodology Assessment

4.1 Bid Screening Process

The RFA bid evaluation methodology was described in the June 2019 Semi-Annual Report. The RFP bid evaluation methodology was described in the November 2019 Semi-Annual Report. [REDACTED] Bidders selected from the RFP stage were invited to the Interview stage. The approach and methodology for evaluating bids worked well.

4.2 Scoring Rubric Design

The RFA scoring rubric for the Large Commercial solicitation was discussed in the June 2019 Semi-Annual Report and the RFP scoring rubric was discussed in the November 2019 Semi-Annual Report.

Interviews

[REDACTED]

4.3 Evaluation Team Profile

RFA

The RFA Evaluation Team profile was addressed in the June 2019 Semi-Annual Report.

RFP

The Large Commercial solicitation RFP evaluation team profile was described in the November 2019 Semi-Annual Report.

Interviews

The same individuals who participated in RFP reviews also participated in the interviews.

5. Response to PRG and IE Advice

Not applicable to this reporting period.

6. Final Bid Selection Assessment

6.1 Conformance with Established Evaluation Processes

The RFA stage of the Large Commercial solicitation was addressed in the June 2019 Semi-Annual Report. The RFP stage was addressed in the November 2019 Semi-Annual Report. [REDACTED]

6.2 Management of Deficient Bids

The RFA stage of the Large Commercial solicitation was addressed in the June 2019 Semi-Annual Report. The RFP stage was addressed in the November 2019 Semi-Annual Report.

6.3 Shortlist and Final Selections

a. Conformance with Established Evaluation Processes

The RFA stage of the Large Commercial solicitation was addressed in the June 2019 Semi-Annual Report. The RFP stage was addressed in the November 2019 Semi-Annual Report. The final selection from the Interview stage was consistent with SDG&E established evaluation process.

b. Portfolio Fit

The Large Commercial solicitation was consistent with SDG&E's Business Plan and the selected contractor met the objectives outlined in the Business Plan. Therefore, the selected program and contractor complement SDG&E's portfolio.

c. Response to PRG and IE Advice

6.4 Affiliate Bids and Conflict of Interest

The IOU did not receive a bid from an affiliate.

7. Assessment of Selected Bids

7.1 Bid Selections Respond to Portfolio Needs

The final selection is consistent with SDG&E's solicitation needs as identified in its Business Plan. SDG&E sought a comprehensive program that would serve the needs of its Large Commercial customer segment and the selected program meets this need.

7.2 Bid Selections Provide the Best Overall Value to Ratepayers

This will be addressed in the final solicitation report.

8. Reasonableness of Contracting Process

The contracting process is ongoing.

Energy Efficiency Independent Evaluators' Semi-Annual
Report on the

Local Multi Family Residential Solicitation

Reporting Period: November 2019 through March 2020

Prepared by:
MCR Corporate Services

June 30, 2020

Disclaimer: This report includes highly sensitive and confidential information.

LOCAL MULTI FAMILY RESIDENTIAL

1. Solicitation Overview

1.1 Overview

SDG&E’s Residential Multi Family solicitation is focused on contracting with third parties to propose, design, implement and deliver new energy EE programs that service the residential multi-family sector. SDG&E identified this sector as a major focus for its residential energy efficiency efforts. SDG&E’s Business Plan identified several barriers to increasing energy efficiency participation in the multi-family sector and provided specific residential sector metrics.

SDG&E is conducting this solicitation using the two-stage process, as recommended. The RFA and RFP stages of the solicitation are now complete, and the solicitation is moving into the contract negotiation stage as of the writing of this report.

Scope

As presented in SDG&E’s Residential Multi Family Request for Abstract (RFA), “Company is seeking comprehensive and innovative EE Program abstracts from non-utility companies for the Residential Sector serving Residential Multi Family customers. The Residential Multi Family segment is defined as residential customers in apartment and condominium complexes with two or more dwelling units, manufactured-mobile homes as well as the common areas of both.”¹⁷

Objectives

As presented in SDG&E’s Request for Proposal (RFP), “SDG&E is offering this solicitation to implement third-party energy efficiency programs (Programs) that reliably capture and document deep, durable, comprehensive, and cost effective energy (kWh, kW and/or therm) savings applicable to the Residential Multi Family Sector (Solicitation).”¹⁸

1.2 Timing

Table 18 below includes key milestones for the RFP and Contracting stages of this solicitation. The RFA stage was addressed in previous Semi-Annual Reports.

Table 18: Key Milestones	
Milestones	Completion Date
RFA Stage	
RFA Released	December 4, 2018

¹⁷ SDG&E Residential Multi Family Request for Abstract, December 4, 2018, at p. 5.

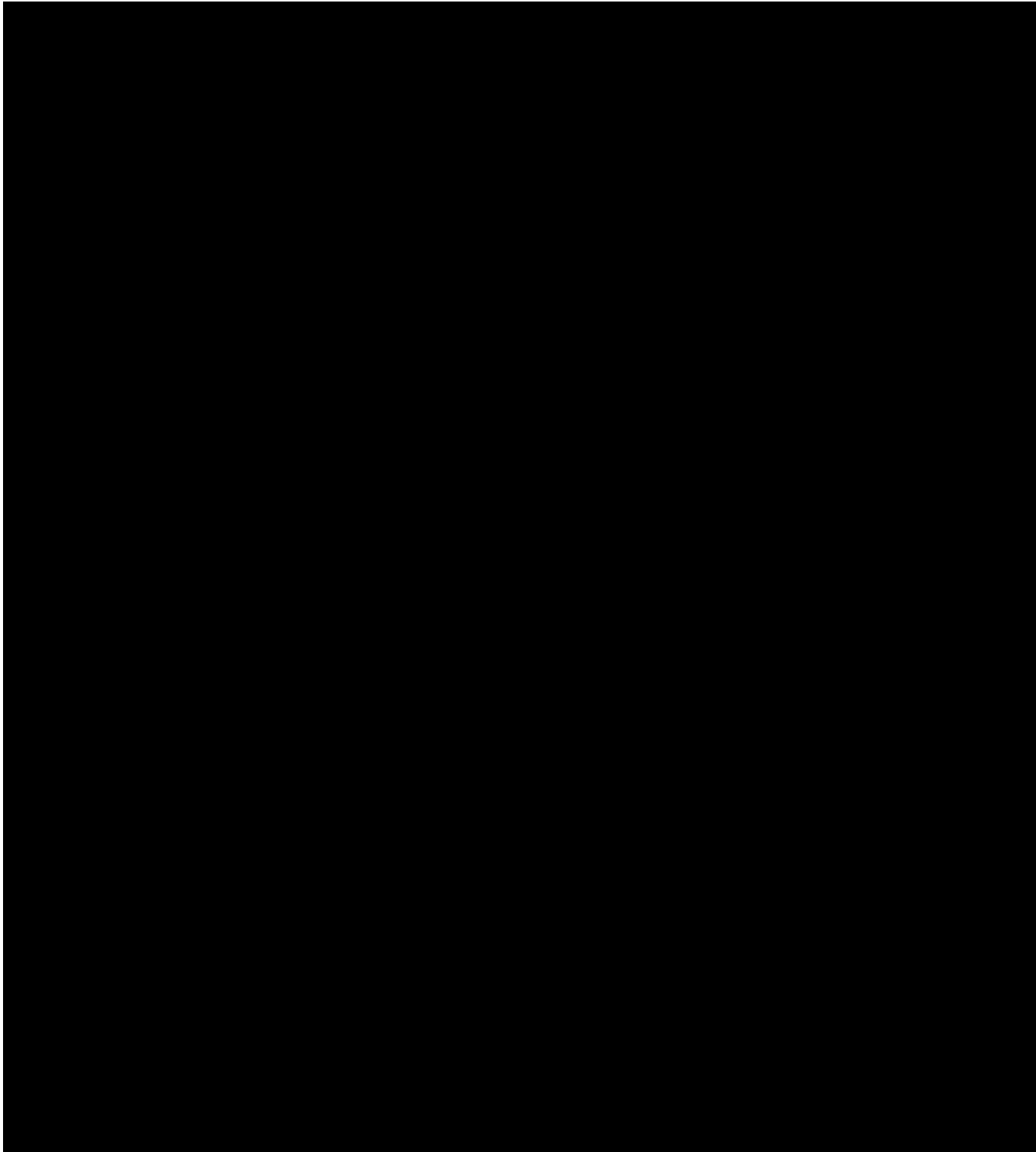
¹⁸ SDG&E Residential Multi Family Request for Proposal, July 26, 2019, at p. 6.

Table 18: Key Milestones	
Milestones	Completion Date
Bidder Conference	December 13, 2018
Abstracts Due	January 3, 2019
Calibration Meeting	February 7, 12, and 20, 2019
RFP Stage¹⁹	
RFP Release	June 18, 2019
Optional Bidder Conference	June 28, 2019
Proposals Due	August 28, 2019
Bidder Interviews	February 14 and 19, 2020
Proposal Review Period Ends	March 13, 2020
Contracting Stage	
Notification of Selection	March 18, 2020
Contract Development	In progress
Advice Letter Filing to CPUC	Pending

1.3 Key Observations

¹⁹ Id., at. p. 9.

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



2. Solicitation Outreach and Bidder Response

2.1 Bidder Response to Solicitation

As indicated in previous Semi-Annual Reports, SDG&E's outreach to potential bidders was

successful

[Redacted]

Table 20: Solicitation Response	
	No.
Abstracts Expected	[Redacted]
Abstracts Received	[Redacted]
Proposals Expected	[Redacted]
Proposals Received	[Redacted]

2.2 Bidder's Conference and Q&A

RFA

Previous Semi-Annual Reports provide information regarding the RFA Bidder's Conference

RFP

Previous Semi-Annual Reports provide information regarding the RFP Bidder's Conference.

2.3 Solicitation Design Assessment

SDG&E specifically identified the multi-family residential sector as a major focus for its residential energy efficiency efforts. SDG&E's Energy Efficiency Business Plan 2018-2025 (January 2017) identifies on page 52, Residential Goal #2 as "increase energy efficiency participation multi-family sector." Further, SDG&E identified several barriers to this goal in its Business Plan, which the bidders were asked to address as part of their RFA and RFP responses. SDG&E's Business Plan also specified residential sector metrics that the bidders were encouraged to use in their submittals.

SDG&E is conducting this solicitation using the two-stage process, as recommended. The RFA and RFP stages of the solicitation are now complete, and the solicitation is moving into the contract negotiation stage as of the writing of this report.

3. RFA and RFP Design and Materials Assessment

3.1 RFA Design Requirements and Materials

Previous Semi-Annual Reports provide information regarding the RFA Design Requirements.

3.2 RFP Design Requirements and Materials

Previous Semi-Annual Reports describe the RFP Design Requirements.

3.3 Response to PRG and IE Advice

RFA

Previous Semi-Annual Reports describe the IE, PRG and IOU discussions regarding RFA design.

RFP

Previous Semi-Annual Reports describe the IE, PRG and IOU discussions regarding RFP design.

4. Bid Evaluation Methodology Assessment

4.1 Bid Screening Process

RFA

Previous Semi-Annual Reports provide information regarding the Bid Screening Process.

RFP

SDG&E used the same pass/fail criteria in the proposal phase as in the abstract phase. SDG&E disseminates and receives all bid-specific information through PowerAdvocate. With PowerAdvocate, SDG&E can determine whether the bidder has met its pass/fail criteria:

Did the bidder submit materials on-time via PowerAdvocate?

Did the bidder follow RFP instructions?

- Complying with page limits
- Submitting mandatory attachments
- Completing key tables
- Providing a proposal that could be reasonably scored
- Submitting no password-protected documents

All proposals submitted met the pass/fail criteria above and were then evaluated by SDG&E program staff.

4.2 Scoring Rubric Design

RFA

Previous Semi-Annual Reports provide information regarding the Scoring Rubric Design in the RFA



4.3 Evaluation Team Profile

RFA

Previous Semi-Annual Reports provide information regarding the Evaluation Team Profile in the RFA Stage.

RFP

Training for SDG&E’s Multi-Family proposal evaluators was held on August 26, 2019, which falls outside the range of this report. A detailed description of the training is contained in the previous Semi-Annual Report.



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

[Redacted]

[Redacted]

[Redacted]

5. Response to PRG and IE Advice

RFA

Previous Semi-Annual Reports describe the IE, PRG and IOU discussions regarding the RFA bid evaluation methodology.

RFP

SDG&E has been generally receptive to IE and PRG advice throughout.

[Redacted]

[REDACTED]

6. Final Bid Selection Assessment

6.1 Conformance with Established Evaluation Processes

RFA

Previous Semi-Annual Reports provide information regarding the Conformance with Established Evaluation Process in the RFA Stage.

RFP

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6.2 Management of Deficient Bids

Not applicable for this reporting period.

6.3 Shortlist and Final Selections

IE Observations on the Interview and Selection Process

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- IE observed that at no time during the interview—particularly during Phase 3—did SDG&E’s evaluators provide any inaccurate, misleading, or biased responses when answering bidder questions. Evaluators that responded to the bidders’ questions followed the advice given during training to think and develop a complete response before speaking, and then not be in a rush to respond.

The IE is satisfied with how SDG&E conducted the Multifamily bidder interviews and affirms that

SDG&E conformed to each item detailed in Section 3.4 (Bidder Interview Review Process) of the Contracting Guidelines. ²¹

Final Selection Discussion

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The IE participated in SDG&E's MF final selection discussion as required in Section 3.4.8 of the Contracting Guidelines and is satisfied with how SDG&E conducted the final selection discussion and made its final selection. Ultimately, the IE is satisfied with how the interview and selection process was conducted by SDG&E [REDACTED]

IE's Scoring of Bidder Interviews

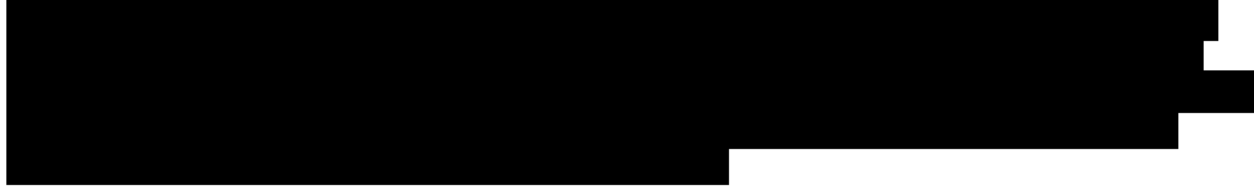
[REDACTED]

Final Selection Presentation to Management

[REDACTED]

[REDACTED]

Finalist Notification



6.4 Affiliate Bids and Conflict of Interest

SDG&E specifically asks bidders in both the abstract and proposal phases to declare if they are an affiliate. Using bidder-provided information, SDG&E also researches the bidder's corporate connections. SDG&E's evaluators are also screened to ensure that they have no potential conflicts of interest with any of the known bidders.

For the Multi-Family solicitation SDG&E neither received any bids either during the abstract or proposal phases from affiliated bidders nor identified any conflicts of interest with any employees associated with the solicitation.

7. Assessment of Selected Bids

7.1 Bid Selections Respond to Portfolio Needs



- Increase energy efficiency savings in the residential sector through improved customer experience by providing engaging self-service tools and data-driven insights
- Increase energy efficiency participation in the multifamily sector through an approach targeting both tenants and property owners
- Continue to innovate by executing new approaches to the market



7.2 Bid Selections Provide the Best Overall Value to Ratepayers

Not applicable for this reporting period.

8. Reasonableness of Contracting Process

Not applicable for this reporting period.

Energy Efficiency Independent Evaluators' Semi-Annual
Report on the

**Statewide Upstream and Midstream Heating Ventilation and
Cooling (HVAC) Solicitation**

Reporting Period: November 2019 through March 2020

Prepared by:
The Mendota Group, LLC

June 30, 2020

Disclaimer: This report includes highly sensitive and confidential information.

STATEWIDE UPSTREAM AND MIDSTREAM HEATING VENTILATION AND COOLING

1. Solicitation Overview

1.1 Overview

SDG&E’s first Statewide solicitation is the Statewide Upstream and Midstream Heating, Ventilation and Cooling (HVAC) Program. During the period covered by this report, SDG&E conducted scoring and interviewing portions of the RFP stage of the Statewide HVAC solicitation. Therefore, unless specifically mentioned, all solicitation references in this report relate to the RFP stage. The RFA stage of the solicitation was covered in the June 2019 Semi-Annual Report and the RFP stage was covered in the November 2019 Semi-Annual Report.

Scope

Pursuant to Decision 18-05-041, SDG&E, on behalf of the Statewide IOUs, is seeking bids from Third-Party EE Implementers to design, propose, and implement Statewide upstream HVAC program(s). The scope of the Statewide HVAC program includes one or more programs that primarily use upstream and midstream delivery channels (a limited amount of downstream is permitted) to deliver reliable, cost effective heating, ventilation and air conditioning energy (kWh, kW, and therm) savings in the residential and commercial sectors. The program does not include designs that address HVAC needs of the Industrial and Agricultural sectors for process heating or cooling.

Objectives

The solicitation’s objective is to select one or more bidders to implement Statewide third-party energy efficiency programs that, on behalf of the Statewide IOUs, reliably capture and document cost effective energy (kWh, kW and/or therm) savings for heating, ventilation, and air conditioning end uses in residential and commercial applications.

1.2 Timing

Table 24 below includes key milestones for this program solicitation

Table 24: Key Milestones	
Milestones	Completion Date
RFA Stage	
RFA Release	January 7, 2019
Abstracts Due	February 7, 2019
Abstract Scoring	February–March, 2019
Bidders Notified (RFP)	April 24, 2019

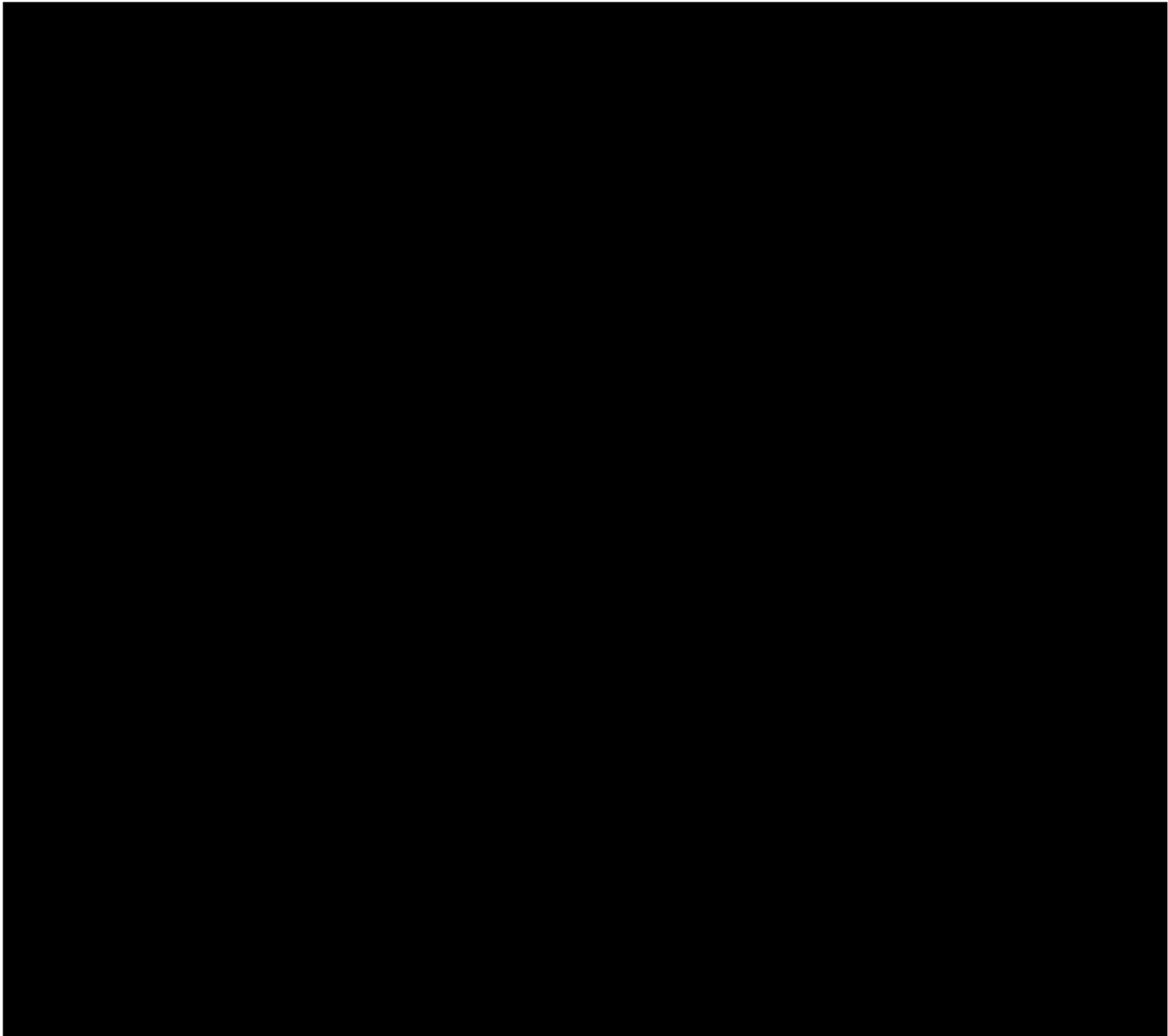
Table 24: Key Milestones	
Milestones	Completion Date
RFP Stage	
RFP Release	September 4, 2019
Proposals Due	October 14, 2019
Proposal Scoring	October–December 2019
Bidders Notified (Interview)	January 31, 2020
Interviews	February 20-24, 2020
Selections & Contracting Stage	
Bidders Notified (Contract)	March 26, 2020
Contract Negotiations	Pending
Contract Signed	Pending

1.3 Key Observations

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted]



2. Solicitation Outreach and Bidder Response

2.1 Bidder Response to Solicitation

No outreach was conducted as the Statewide HVAC solicitation is in the RFP stage. The solicitation outreach activities, communications, and solicitation design were originally addressed as part of the previous Report and [REDACTED] resulted in a robust, competitive solicitation. Table 26 describes the solicitation response at each stage:

Table 26: Solicitation Response	
	No.
Abstracts Expected	[REDACTED]

Table 26: Solicitation Response	
	No.
Abstracts Received	
Proposals Expected	
Proposals Received	

2.2 Bidder's Conference and Q&A

There were no bidder conferences or Q&A opportunities provided during the RFP scoring and Interview stage of the solicitation covered by this Semi-Annual Report.

2.3 Solicitation Design Assessment

SDG&E's solicitation design met the program portfolio need as identified in the company's Business Plan and Solicitation Plan. The solicitation requested that bidders incorporate elements of the Business Plan,

[REDACTED]

The Statewide HVAC has been conducted as a two-stage process, consistent with the CPUC's Decision 18-01-004 and has consistently and actively involved the PRG and IE in all aspects.

3. RFA and RFP Design and Materials Assessment

3.1 RFA Design Requirements and Materials

The RFA stage of the Statewide HVAC solicitation was addressed in the June 2019 Semi-Annual Report.

3.2 RFP Design Requirements and Materials

The RFP stage of the Statewide HVAC solicitation was addressed in the December 2019 Semi-Annual Report.

3.3 Response to PRG and IE Advice

[REDACTED]

4. Bid Evaluation Methodology Assessment

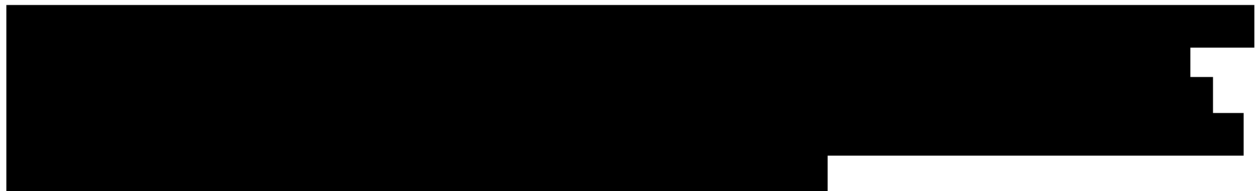
4.1 Bid Screening Process

The RFA stage of the Statewide HVAC solicitation was addressed in the June 2019 Semi-Annual Report and the RFP stage was addressed in the December 2019 Semi-Annual Report. Bidders selected from the RFP stage were invited to the Interview stage. The approach and methodology for evaluating bids worked well.

4.2 Scoring Rubric Design

The RFA scoring rubric for the Statewide HVAC solicitation was discussed in the June 2019 Semi-Annual Report and the RFP scoring rubric was discussed in the November 2019 Semi-Annual Report.

Interviews



4.3 Evaluation Team Profile

RFA and RFP

The Statewide HVAC solicitation RFA evaluation team profile was described in the June 2019 Semi-Annual Report. The Statewide HVAC solicitation RFP evaluation team profile was described in the December 2019 Semi-Annual Report.

Interviews

The same individuals who participated in RFP reviews also participated in the interviews.

5. Response to PRG and IE Advice

Not applicable to this reporting period.

6. Final Bid Selection Assessment

6.1 Conformance with Established Evaluation Processes

The RFA stage of the Statewide HVAC solicitation was addressed in the June 2019 Semi-Annual Report. The RFP stage was addressed in the December 2019 Semi-Annual Report.

6.2 Management of Deficient Bids

The RFA stage of the Statewide HVAC solicitation was addressed in the June 2019 Semi-Annual Report. The RFP stage was addressed in the December 2019 Semi-Annual Report.

6.3 Shortlist and Final Selections

a. Conformance with Established Evaluation Processes

The RFA stage of the Statewide HVAC solicitation was addressed in the June 2019 Semi-Annual Report. The RFP stage was addressed in the November 2019 Semi-Annual Report. [REDACTED]

b. Portfolio Fit

[REDACTED]

c. Response to PRG and IE Advice

[REDACTED]

6.4 Affiliate Bids and Conflict of Interest

The IOU did not receive a bid from an affiliate.

7. Assessment of Selected Bids

7.1 Bid Selections Respond to Portfolio Needs

This will be covered in the final solicitation report.

7.2 Bid Selections Provide the Best Overall Value to Ratepayers

This will be covered in the final solicitation report.

8. Reasonableness of Contracting Process

The contracting process is ongoing.

Energy Efficiency Independent Evaluators' Semi-Annual
Report on the

Statewide Plug Load and Appliance Solicitation

Reporting Period: November 2019 through March 2020

Prepared by:
Don Arambula Consulting

June 30, 2020

Disclaimer: This report includes highly sensitive and confidential information.

STATEWIDE PLUG AND LOAD APPLIANCE

1. Solicitation Overview

1.1 Overview

Scope

SDG&E is seeking proposals from third-party program implementers who wish to offer a comprehensive, innovative, and cost-effective turn-key Statewide Plug Load and Appliance (PLA) energy efficiency resource program for residential applications.

Objectives

Cost effectiveness is an important element of all programs in the California IOU's EE program portfolios. The proposed program should help the IOUs achieve related portfolio goals and metrics. The proposed program should provide energy savings for electric and/or natural gas for Program Years 2021 through 2023.

1.2 Timing

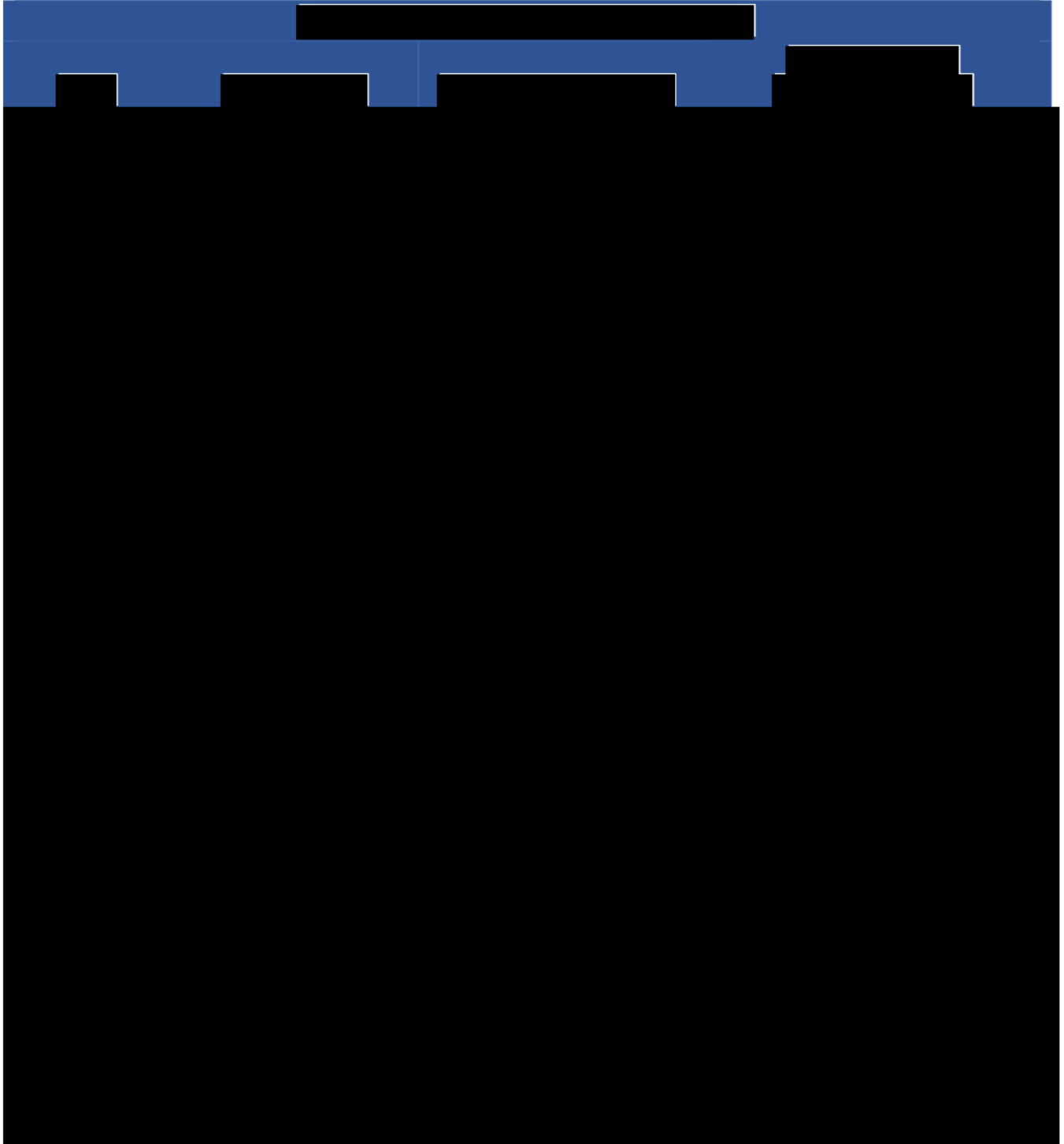
The Statewide PLA program solicitation was initially scheduled for release in Quarter 1 of 2019 as shown in the IOU Joint Solicitation Schedule presented to the bidder community on the [CAEECC site](#) in December 2018. The solicitation schedule was later revised by SDG&E in 2019. The RFA was released in May 2019.

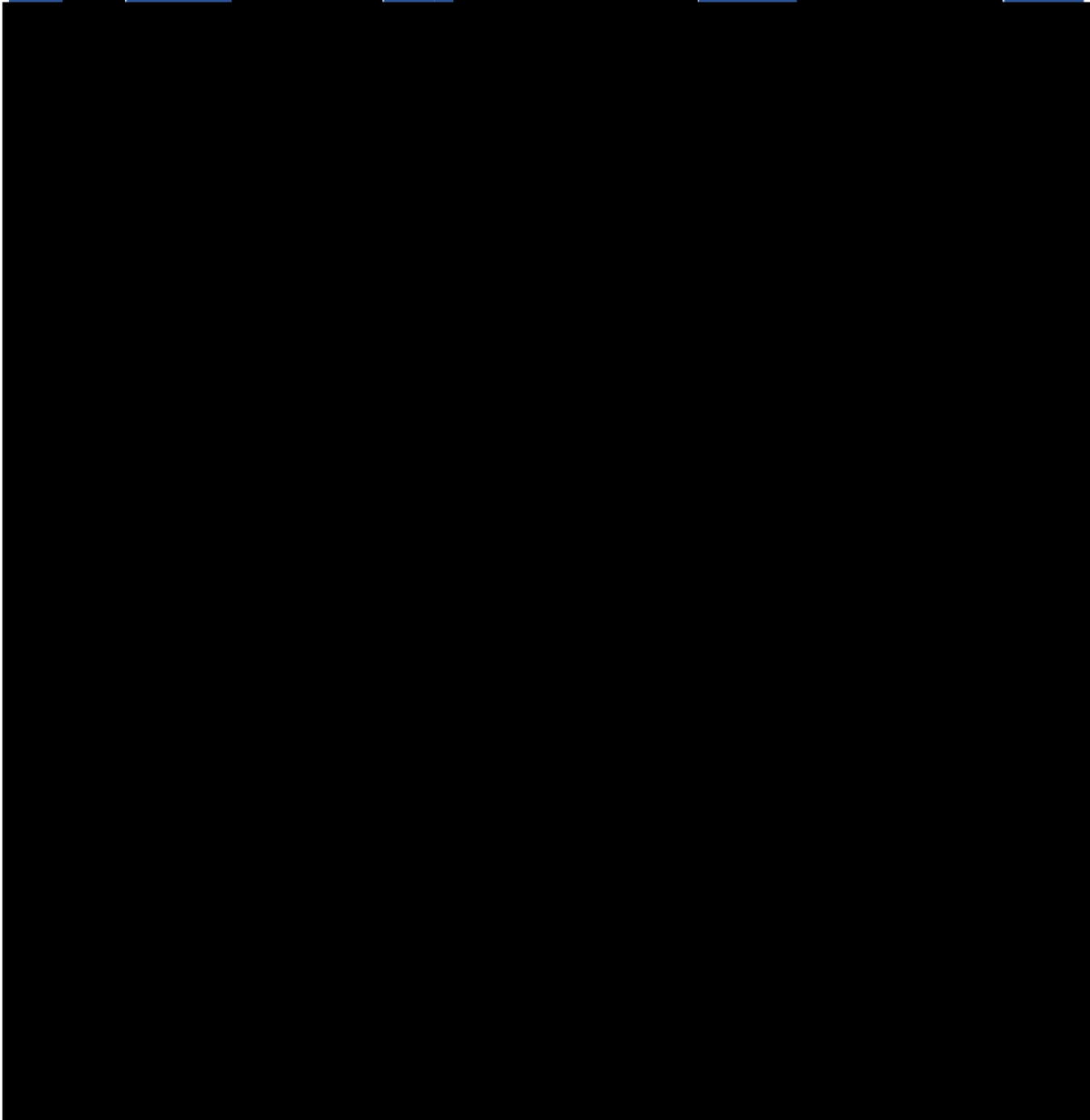
Also, the RFP release date was delayed by one month to address administrative issues. The Joint IOU Solicitation Schedule has been subsequently updated to reflect both the revised RFA and RFP release dates. The solicitation timing of other major milestones is consistent with the revised Joint IOU Solicitation Schedule. Below is a list of key solicitation milestones. All revised milestone dates as of this reporting period were met or on schedule.

Table 27: Key Milestones	
Milestones	Completion Date
RFA Stage	
1. RFA Released by Company	May 10, 2019
2. Bidder Conference	May 20, 2019
3. Bidder Questions Due	May 31, 2019
4. Responses to Bidder Questions	June 7, 2019
5. Bidder Submittal Due Date	June 21, 2019
6. Evaluation of Submittals	June 24 - September 20, 2019

Table 27: Key Milestones	
Milestones	Completion Date
7. Calibration Meeting Held	July 20 - July 21, 2019
8. Shortlist Meeting Held	August 22, 2019
9. Shortlist Presented to PRG	September 9, 2019
10. Selected Bidders are notified of advancement to RFP, Stage 2	September 20, 2019
RFP Stage	
1. RFP Released	January 27, 2020
2. Bidder Conference (Skype)	January 31, 2020
3. Bidder Questions Due Round 1	February 6, 2020
4. Responses to Bidder Questions Provided by Company Round 1	February 13, 2020
5. Bidder Questions Due Round 2	February 21, 2020
5. Responses to Bidder Questions Provided by Company Round 2	February 28, 2020
6. Bidder's Proposal Due in PowerAdvocate	March 9, 2020
7. Proposal Review and Bid Clarification Discussions	March 9, 2020–June 12, 2020
8. Selected Bidder Interviews	June 23, 2020 – July 6, 2020
9. Proposal Review Period Ends	July 24, 2020
Selections & Contracting Stage (Tentative)	
1. Notification of Proposal Selection (Subject to Negotiations)	August 21, 2020
2. Contract Development, Contract Negotiation	August 24– November 30, 2020
3. Company's Advice Letter Filing to CPUC	December 2020
4. Contract Issued (subject to CPUC approval, if applicable)	February 2021 – April 2021
5. Implementation Plan Development	February 2021 – May 2021
6. Program Launch	Quarter 2 2021

1.3 Key Observations







2. Solicitation Outreach and Bidder Response

2.1 Bidder Response to Solicitation

The solicitation outreach relied on general awareness of SDG&E's program solicitations to the bidder community through several announcements and IOU-specific workshops regarding SDG&E's upcoming energy efficiency program solicitations. SDG&E also posted information onto its [EE Third Party Solicitations site](#) and the [CAEECC site](#).

Bidder response to both the RFA and RFP were consistent with SDG&E's expected response rate. The following are the results of SDG&E's program solicitation thus far:

	No.
Abstracts Expected	
Abstracts Received	
Proposals Expected	
Proposals Received	

2.2 Bidder's Conference and Q&A

RFA

This solicitation activity was reported in the previous Semi-Annual report.

RFP

On January 31, 2020, SDG&E held a Bidders' Conference [REDACTED] Bidders had ample time during the conference to ask questions. Bidders were also provided two opportunities after the Bidders' Conference to submit questions. SDG&E provided response to all questions in a timely manner consistent with the solicitation schedule.



Table 30: RFP Bidder Conference	
Bidder Conference Date	January 31, 2020
No. of Attendees	[REDACTED]
No. of Q&A Received	12

2.3 Solicitation Design Assessment

The solicitation design met SDG&E's intended need to procure a resource-based program(s) targeted at the plug load and appliance energy efficiency end-users across all California investor-owned utilities. SDG&E's vision is to select comprehensive and innovative initiatives that reduce energy usage across technologies with high savings potential to meet this growing demand. The proposed Program must target residential plug load and appliance end-use technologies and should be generally offered uniformly Statewide. Consistent with Decision 16-08-019, "Local or regional variations in incentive levels, measure eligibility or program interface are not generally permissible (except for measures that are weather dependent or when the program administrator has provided evidence that the default Statewide customer interface is not successful in a particular location)."



SDG&E's program solicitation conforms to the CPUC requirements for a competitive, two-stage solicitation with oversight from its PRG and active monitoring of all solicitation activities by the IE.

3. RFA and RFP Design and Materials Assessment

This solicitation activity was reported in the previous Semi-Annual report.

3.1 RFP Design Requirements and Materials

[REDACTED]

- 1 [REDACTED]

[REDACTED]

- 1 [REDACTED]

[REDACTED]

- 1 [REDACTED]

[REDACTED]

[REDACTED]

- 1 [REDACTED]

[REDACTED]

- 1 [REDACTED]

[REDACTED]

²³ OP 7.

[REDACTED]

- [REDACTED]

[REDACTED]

- [REDACTED]

[REDACTED]

3.2 Response to PRG and IE Advice

RFA

This solicitation activity was reported in the previous Semi-Annual report.

RFP

[REDACTED]


4. Bid Evaluation Methodology Assessment

Describe the IOU's bid evaluation methodology (or alternatively include IOU's own description) including:

4.1 Bid Screening Process

RFP

For the RFP stage, SDG&E conducted a prescreening of all proposals received. The screening process included a review of proposal completeness, business requirements, file access, timeliness, and certification requirements. The process was conducted by the IOU's Supply Management lead and completed before the scoring team evaluated the proposals. In the RFP stage, all proposals passed the screening process.



4.2 Scoring Rubric Design

RFA

This solicitation activity was reported in the previous Semi-Annual report.

RFP

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

4.3 Evaluation Team Profile

RFA

This solicitation activity was reported in the previous Semi-Annual report.

RFP

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

5. Response to PRG and IE Advice

RFA

This solicitation activity was reported in the previous Semi-Annual report.

RFP

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

6. Final Bid Selection Assessment

6.1 Conformance with Established Evaluation Processes

RFA

This solicitation activity was reported in the previous Semi-Annual report.

RFP

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

6.2 Management of Deficient Bids

RFA

This solicitation activity was reported in the previous Semi-Annual report.

RFP



6.3 Shortlist and Final Selections

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

6.4 Affiliate Bids and Conflict of Interest

RFP

The IOU did not receive a bid from an affiliate nor identify a conflict of interest (COI) with a member of the evaluation team as part of either the RFA or RFP stages. The IOU conducts a review as part of its bid screening process to confirm there are no COI occurrences nor affiliate submissions. SDG&E properly conducted this screening process.

7. Assessment of Selected Bids

7.1 Bid Selections Respond to Portfolio Needs

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

7.2 Bid Selections Provide the Best Overall Value to Ratepayers

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

8. Reasonableness of Contracting Process

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

Energy Efficiency Independent Evaluators' Semi-Annual
Report on the

Local Residential Single-Family Sector Solicitation

Reporting Period: November 2019 through March 2020

Prepared by:
Don Arambula Consulting

June 30, 2020

Disclaimer: This report includes highly sensitive and confidential information.

LOCAL RESIDENTIAL SINGLE-FAMILY SECTOR

1. Solicitation Overview

1.1 Overview

Scope

The Local Residential Single-Family Sector program (Residential Single-Family) solicitation is seeking comprehensive and innovative energy efficiency programs targeted at SDG&E's Residential Single-Family customers. The SDG&E residential single-family market segment is defined as residential customers who own or rent a single-family detached home or a residential building with two to four units.

Objectives

The objective of the Residential Single-Family solicitation is to fund a third-party energy efficiency program(s) that can reliably capture energy savings from SDG&E's residential single-family customers. The bidder's proposed program should provide electric and/or natural gas energy savings. The contract will be a three-year agreement with the opportunity for two one-year extensions, not to exceed a five-year agreement.

1.2 Timing

The Residential Single-Family program solicitation was initially scheduled for release in the first Quarter of 2019 as shown in the IOU Joint Solicitation Schedule presented to the Bidder community on the [CAEECC site](#) in December 2018. The solicitation schedule was later revised, and the RFA was released in October 2019. The Joint IOU Solicitation Schedule has been subsequently updated to reflect the revised solicitation schedule.

As a result of schedule delays by the IOUs, on March 11, 2020, the CPUC's ED provided additional guidelines on timing for the RFA, RFP and contracting stages within a typical a program solicitation. In response, SDG&E revised its RFP schedule as presented below. Unless otherwise indicated, all milestones were met on schedule.

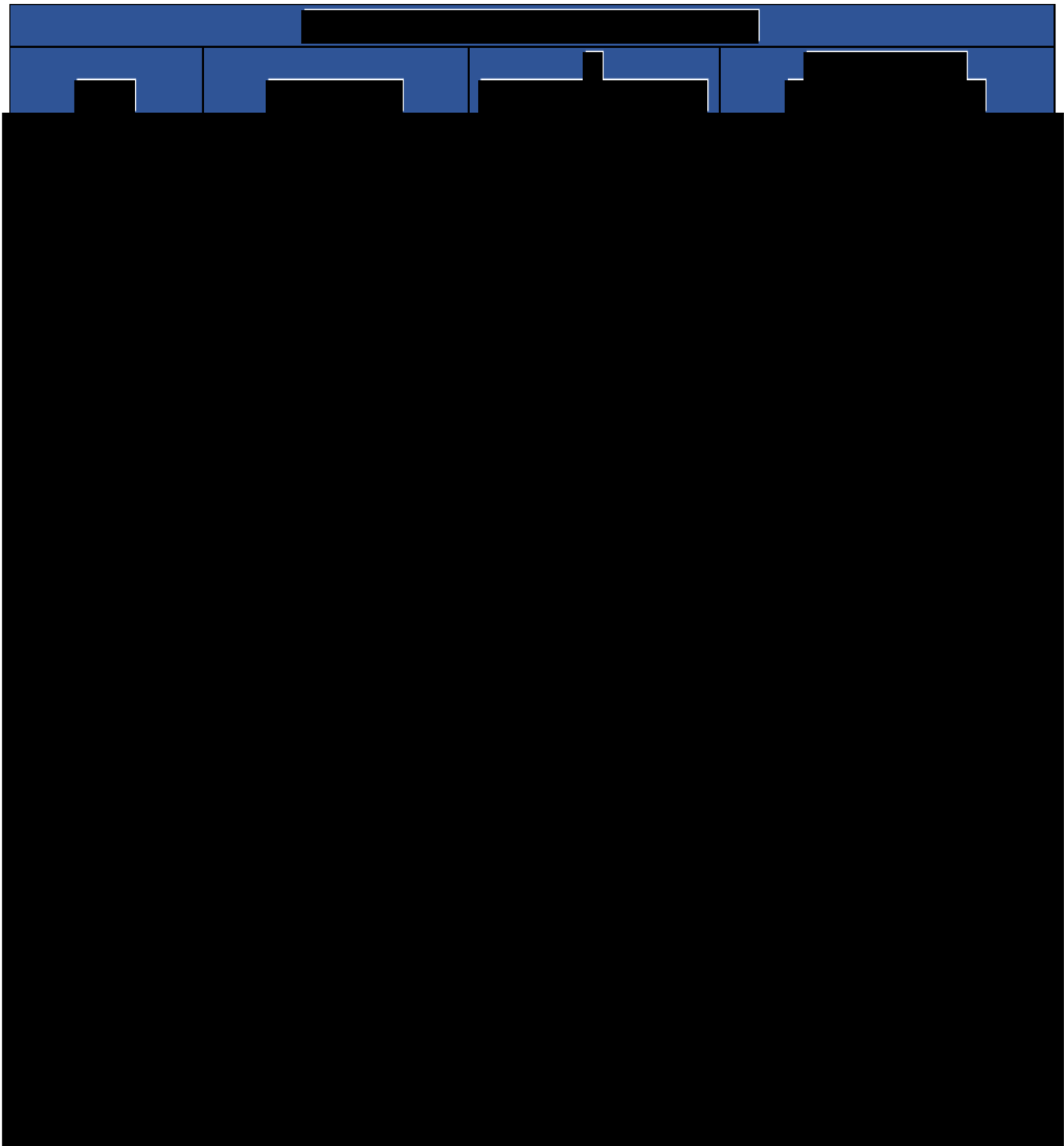
Table 31 below includes key milestones for this program solicitation

Table 31: Key Milestones	
Milestones	Completion Date
RFA Stage	
1. RFA Released	October 18, 2019
2. Optional Bidder Conference	November 4, 2019
3. Bidder Questions Due	November 19, 2019
4. Responses to Bidder Questions Due	November 26, 2019

Table 31: Key Milestones	
Milestones	Completion Date
5. Bidder Abstract Submission Due	December 5, 2019
6. Submittal Review	December 6, 2019–February 7, 2020
7. Bidders Notified - Advancement to RFP Stage	February 27, 2020
RFP Stage	
1. RFP Released	April 27, 2020
2. Optional Bidder Conference (Skype)	May 12, 2020
3. Bidder Questions Due Round 1	May 15, 2020
4. Responses to Bidder Questions	May 20, 2020
5. Bidder Questions Due Round 2	May 26, 2020
6. Responses to Bidder Questions	May 29, 2020
7. Bidder's Proposal Due	June 9, 2020
8. Proposal Review, Bid Clarification Discussions	June 10, 2020–July 14, 2020
9. Selected Bidder Interviews	August 20, 2020–August 24, 2020
10. Proposal Review Period Ends, Bidders Notified	September 14, 2020
Selections & Contracting Stage	
1. Notification Selection (Subject to Negotiations)	October 19, 2020
2. Contract Development and Negotiation	October 27, 2020–November 9, 2020
3. Program Ramp-Up Begins	Q1 2021
4. Full Program Roll Out	Q1 2021
5. Notification Selection (Subject to Negotiations)	October 19, 2020
6. Contract Development and Negotiation	October 27, 2020–November 9, 2020

1.3 Key Observations

The table is mostly obscured by a large black redaction box. Only the header row is visible, which is divided into several columns with blue backgrounds. The text within these columns is illegible due to the redaction.



2. Solicitation Outreach and Bidder Response

2.1 Bidder Response to Solicitation

The solicitation outreach relied on general awareness of SDG&E’s program solicitations to the bidder community through several announcements and IOU-specific workshops regarding

SDG&E’s upcoming energy efficiency program solicitations. SDG&E also posted information onto its [EE Third Party Solicitations site](#) and the [CAEECC site](#).

The following is SDG&E’s expected response to the local program solicitation:

Table 33: Solicitation Response	
	No.
Abstracts Expected	
Abstracts Received	
Proposals Expected	
Proposals Received	

2.2 Bidder’s Conference and Q&A

RFA

The Bidders’ Conference was held on November 11, 2019. Potential bidders had ample time during the conference to ask questions. Bidders were also provided an opportunity after the Bidders’ Conference to provide written questions. These written questions were due to SDG&E by November 19, 2019. SDG&E received 13 questions covering an array of topics including: energy savings expectations, pay-for-performance, integrated demand side management opportunities, technology platform eligibility, and contractor license requirements. Also, there were several inquiries as to whether there was a word count limit in the RFA bidder’s response workbook. (There is no word or page limit.) SDG&E provided responses to all bidder questions by November 26, 2019, which is within the timeframe recommended by the PRG.

2.3 Solicitation Design Assessment

RFA

The solicitation design met SDG&E’s need to procure a resource-based program(s) targeted at the residential single-family customer sector within SDG&E’s service territory. As presented in SDG&E’s Energy Efficiency Business Plan²⁴ and reflected in the solicitation RFA²⁵, SDG&E’s Residential Single-Family market segment (owners & renters) accounts make up 65 percent of the 1.3 million accounts within SDG&E’s service territory, represents 76 percent of residential electric consumption and 77 percent of residential gas consumption. Within the single-family sector, approximately 20 percent are rental properties. Based on these percentages, along with associated

²⁴ SDG&E’s Energy Efficiency Business Plan (2018-2025), January 2017, pp. 41-42.

²⁵ Residential Single Family – Request for Abstract, issued October 18, 2019, Section 2, Introduction, pp. 4-5.

data showing that the single-family owners participate at a higher rate in programs, it is critical to continue to engage this segment with highly targeted offerings; specifically, when considering being ZNE-ready within the Residential Sector. SDG&E's RFA also provided several reference documents to the Bidders to help inform them of the existing market, legislative drivers, and regulatory policies and compliance requirements.²⁶

SDG&E's program solicitation conforms to the CPUC requirements for a competitive, two-stage solicitation with oversight from its PRG and active monitoring of all solicitation activities by the IE.

RFP

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

3. RFA and RFP Design and Materials Assessment

3.1 RFA Design Requirements and Materials

The RFA requires the necessary information from the Bidders to evaluate Abstracts. [REDACTED]

[REDACTED]

[REDACTED]

Provide a Complete List of Program Key Performance Indicators

[REDACTED]

3.2 RFP Design Requirements and Materials

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

²⁶ Id, Appendices – Resources & References.
[REDACTED]

3.3 Response to PRG and IE Advice

RFA

[REDACTED]

- [REDACTED]

- [REDACTED]

[REDACTED]

RFP

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

4. Bid Evaluation Methodology Assessment

4.1 Bid Screening Process

RFA

For the RFA stage, SDG&E conducted a prescreening of all abstracts and proposals received. The screening process included a review of abstract completeness, business requirements, file access, timeliness, and certification requirements. The process was conducted by the IOU's Contract Management Office (CMO) lead and completed before the scoring team evaluated the abstracts. All abstracts passed the screening process and were evaluated by the IOU evaluation team.

RFP

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

4.2 Scoring Rubric Design

RFA

The scoring rubric and corresponding scorecard directly supports SDG&E's need to serve the single-family market segment. [REDACTED]

[REDACTED]

The following is the scoring rubric SDG&E proposes to apply when evaluating Abstracts received in the RFA stage:

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

RFP

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

4.3 Evaluation Team Profile

RFA

SDG&E held a group training session for its evaluation team prior to scoring the Abstracts. The training included an overview of the RFA schedule, review of the Company’s code of conduct including antitrust guidelines, and general guidance on how to use the scorecard. There were no conflicts of interest identified among the score team.

[REDACTED]

[REDACTED]

[REDACTED]

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted]

RFP

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

5. Response to PRG and IE Advice

RFA

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

RFP

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

6. Final Bid Selection Assessment

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

7. Assessment of Selected Bids

This solicitation activity has not yet occurred; future Semi-Annual reports will address this topic Bid Selections Respond to Portfolio Needs

8. Reasonableness of Contracting Process

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

Energy Efficiency Independent Evaluators' Semi-Annual
Report on the

Local Public Sector Federal Solicitation

Reporting Period: November 2019 through March 2020

Prepared by:
MCR Corporate Services

June 30, 2020

Disclaimer: This report includes highly sensitive and confidential information.

LOCAL PUBLIC SECTOR FEDERAL

1. Solicitation Overview

1.1 Overview

SDG&E's Public – Federal (Federal) solicitation is focused on contracting with third parties to propose, design, implement and deliver new EE programs that service Public Sector Federal customers.

The public sector is defined as a group of customers that are taxpayer funded, have political mandates, and that must go through a public budgeting and decision-making process. This sector makes up 12 percent of total electric consumption, with 70 percent of accounts under 20kW within SDG&E's service territory. The public sector has high visibility and the potential for energy savings is great for this market.²⁹

This sector has the following unique existing challenges:

- Long approval processes including Division of the State Architect and board approvals
- Complex funding mechanisms and budgetary constraints
- Timing interventions with school breaks
- Security within school campuses
- Peak hour usage within K-12 facilities

Scope

SDG&E is seeking comprehensive and innovative EE Program Abstracts from non-utility companies for the Public Sector serving Federal customers.³⁰ The Federal sub-sector consists of Federal Buildings, US Postal Service, Hospitals (only those owned and/or operated by the Federal Government), Military Bases and Tribal Nations.

Objectives

The objective of the solicitation is to solicit innovative approaches to augment the Federal Government's own energy and sustainability programs and to implement third-party EE programs that reliably capture, and document cost effective energy (kWh, kW and/or therm) savings applicable to the Public Sector- Federal customers. Cost effectiveness is an important element of all programs in the California IOU portfolios. The proposed Program should help SDG&E achieve related portfolio goals and metrics.

The proposed Program should provide energy savings for electric (kWh, kW) and/or natural gas (therm) for Program Years 2021 through 2025 (the last two years are potential contract extension

²⁹ Id., at p. 5.

³⁰ Id., at p. 6.

years).

Status: This solicitation is currently transitioning from the Request for Abstract (RFA) stage (Stage 1), of the two-stage process approved by the CPUC in Decision 18-01-004, to the Request for Proposal (RFP) stage (Stage 2).

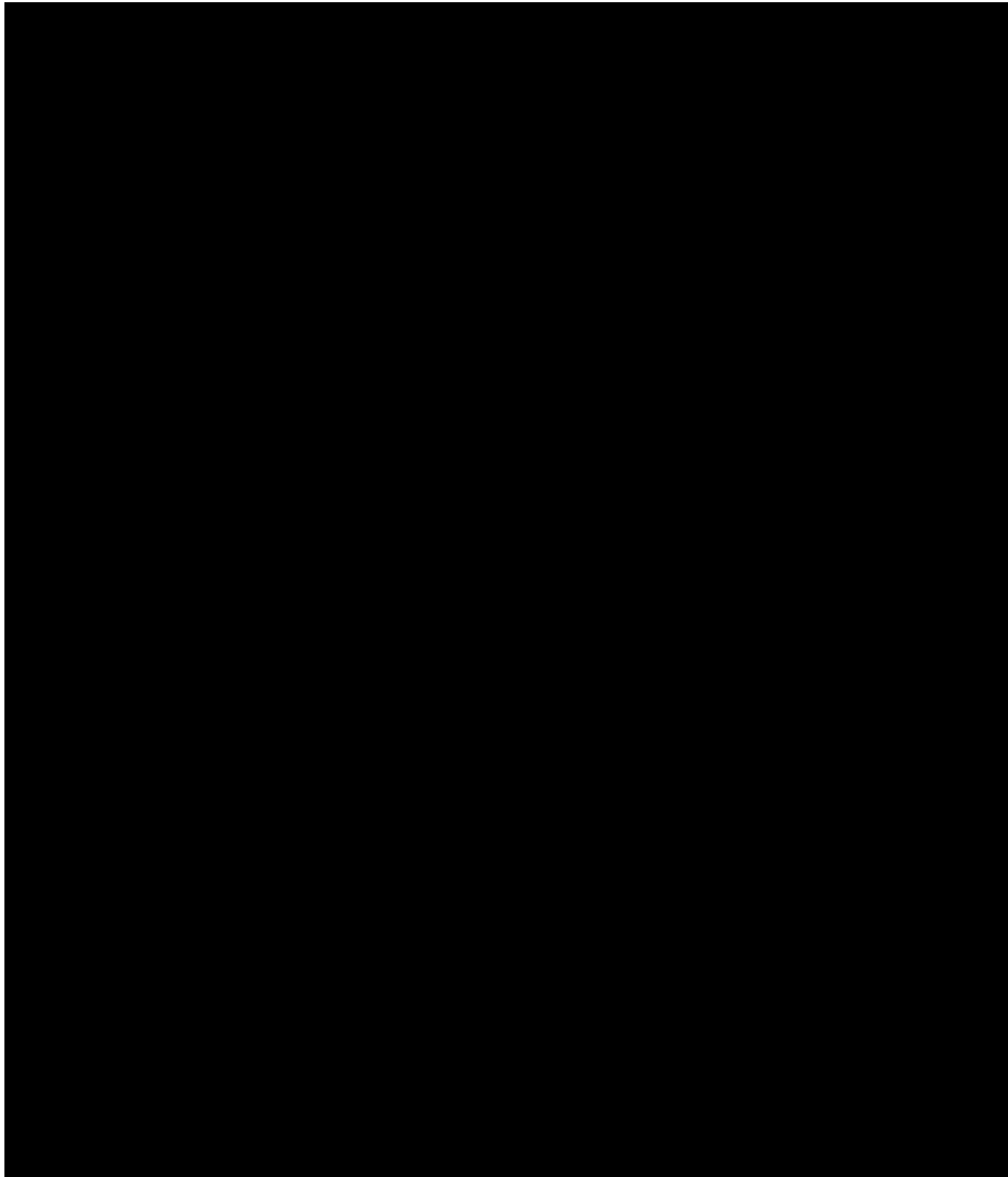
1.2 Timing

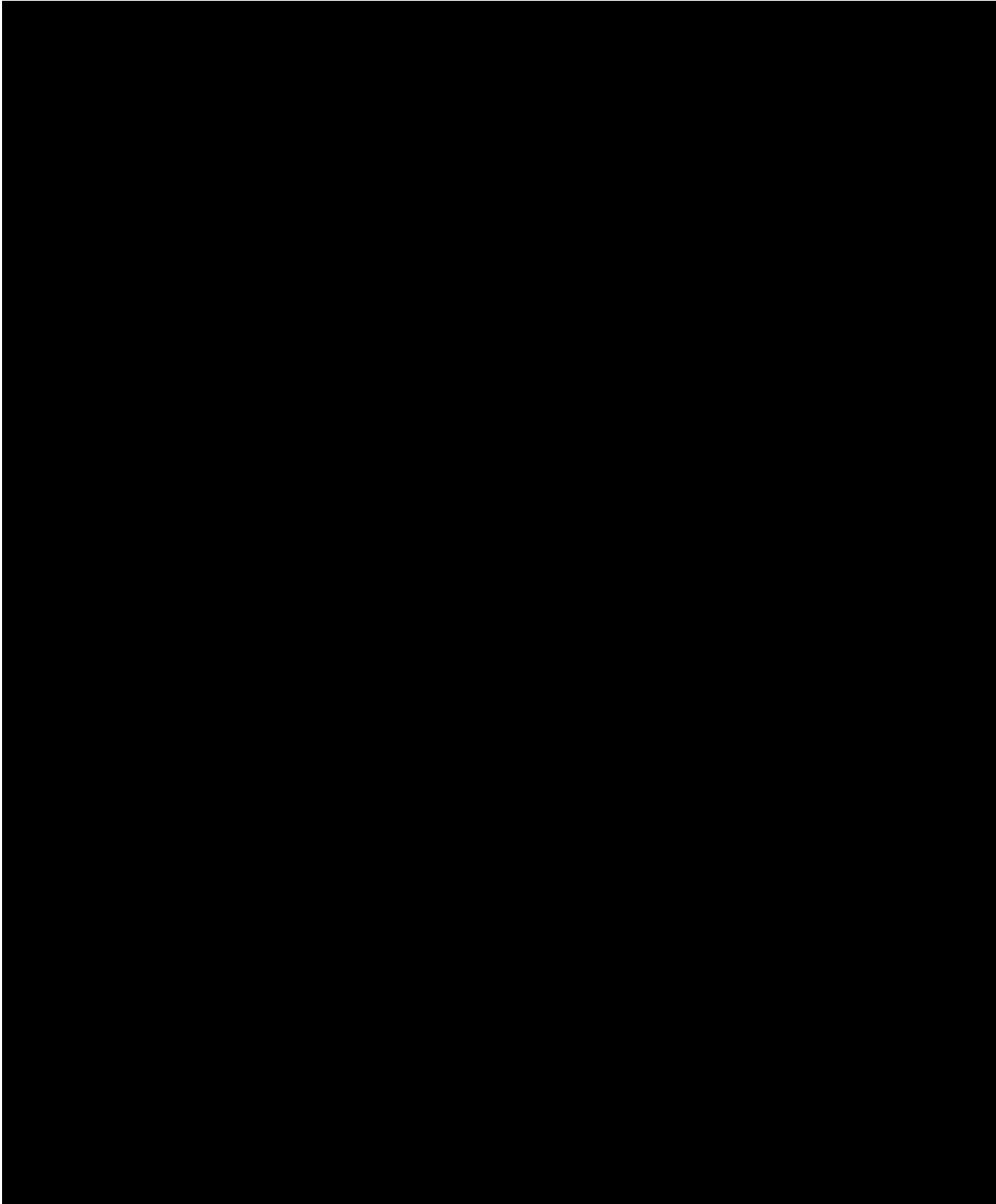
Table 36 includes key milestones for Stage 1 RFA.³¹

Table 36: Key Milestones	
Milestones	Completion Date
RFA Stage	
1. RFA Released	October 16, 2019
2. Optional Bidder Conference	October 29, 2019
3. Bidder Questions Due	November 13, 2019
4. Responses to Bidder Questions Due	November 20, 2019
5. Bidder Abstract Submission Due	November 27, 2019
6. Submittal Review	December 2, 2019–February 21, 2020
7. Bidders Notified - Advancement to RFP Stage	February 21, 2020
RFP Stage³²	
1. RFP Released	May 22, 2020
2. Optional Bidder Conference (Skype)	June 1, 2020
3. Bidder Questions Due Round 1	June 4, 2020
4. Responses to Bidder Questions	June 9, 2020
3. Bidder Questions Due Round 2	June 12, 2020
4. Responses to Bidder Questions	June 17, 2020
5. Bidder's Proposal Due	July 16, 2020
6. Proposal Review, Bid Clarification Discussions	June 17, 2020–September 16, 2020
7. Selected Bidder Interviews	October 23, 2020–October 29, 2020
8. Proposal Review Period Ends, Bidders Notified	November 14, 2020
Selections & Contracting Stage	
1. Notification Selection (Subject to Negotiations)	November 18, 2020

³¹ Id., at p. 15.

³² This schedule is the schedule posted by SDG&E in PowerAdvocate.





2. Solicitation Outreach and Bidder Response

2.1 Bidder Response to Solicitation

SDG&E launched its Federal RFA on October 16, 2019. Bidders were notified in PowerAdvocate.

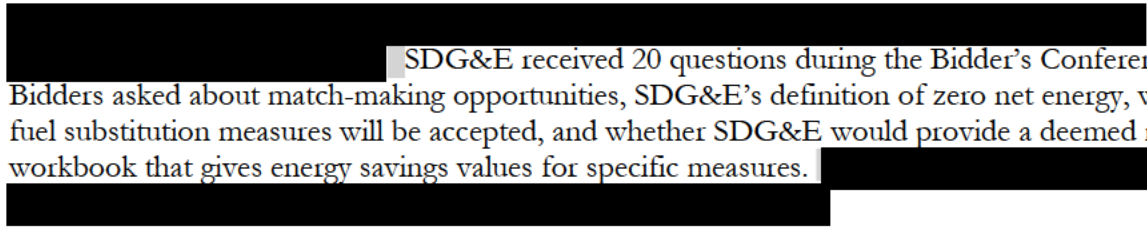


Table 38: Solicitation Response	
	No.
Abstracts Expected	5-8
Abstracts Received	7
[Redacted]	
Proposals Expected	4 ³³
Proposals Received	N/A
[Redacted]	

2.2 Bidder's Conference and Q&A

RFA

SDG&E held a Bidder's Conference for the Federal RFA³⁴ on October 29, 2019. Additional details are provided in the previous Semi-Annual Report.



SDG&E received 20 questions during the Bidder's Conference. Bidders asked about match-making opportunities, SDG&E's definition of zero net energy, whether fuel substitution measures will be accepted, and whether SDG&E would provide a deemed measure workbook that gives energy savings values for specific measures.

Table 39: Bidder Conferences	
RFA Bidder Conference Date	October 29, 2019
No. of Attendees	[Redacted]
No. of Q&A Received	20

³³ Four abstracts were invited to move forward to the RFP Stage of the Federal solicitation. See Section 6 for more information.

³⁴ The Bidder's Conference on October 29, 2019 was for both the Federal and K-12 Public sector solicitations.



RFP

RFP development is scheduled to begin in April 2020.

2.3 Solicitation Design Assessment

SDG&E devoted a chapter of its Energy Efficiency Business Plan 2018-2025 (January 2017) to defining the opportunities and challenges of the Public Sector. One of SDG&E's stated goals is to "eliminate barriers to public sector participation by developing tailored solutions and financing options."³⁶ The RFA asks bidders to address the barriers as part of their RFA responses.

The Business Plan's three goals for this sector are:

- Education—Empower Leaders by equipping them with knowledge and tools to make informed EE decisions.
- Penetration—Eliminate Barriers to Public Sector Participation by developing tailored solutions and financing options.
- Savings—Influence Private Sector EE Activities through reach codes and engagement.

As referenced in Section 1 of this Report, SDG&E is conducting this public sector solicitation using the two-stage process, consistent with the CPUC's Decision 18-05-041. Stage 2 is an RFA, which was issued on October 16, 2019. If the Bidder is successful in Stage 1 RFA, Bidder will be asked to submit and participate in Stage 2 RFP, where SDG&E will request additional and specific details regarding the information provided in Stage 1 RFA.³⁷

3. RFA and RFP Design and Materials Assessment

3.1 RFA Design Requirements and Materials

SDG&E developed the RFA based on previous solicitations and incorporated lessons learned from prior solicitations. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

³⁶ SDG&E Energy Efficiency Business Plan 2018-2025, January 2017, at pp. 6-7.

³⁷ SDG&E Public Sector Federal Request for Abstract, at p. 3.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3.2 RFP Design Requirements and Materials

RFP development is scheduled to begin in April 2020.

3.3 Response to PRG and IE Advice

RFA

[REDACTED]

SDG&E added language to advise bidders that the RFP proposal will need to be consistent with the RFA abstract. SDG&E also included helpful examples of allowable changes.

SDG&E added CalEnviroScreen link for a map of cities that include disadvantaged communities

[REDACTED]

[REDACTED]

RFP

RFP development is scheduled to begin in April 2020.

4. Bid Evaluation Methodology Assessment

4.1 Bid Screening Process

RFA



[Redacted Content]					

[Redacted] SDG&E evaluates the responsiveness criteria (Items A and B in Table 40 above) on a Pass/Fail basis. The Pass/Fail is based on the bidder completing the following:

- Submitted the proposal on time,
- Did not include any password protected documents,
- Did include:
 - Bidder Information
 - Contact Information
 - Employee Information
 - RFA Submission Checklist
 - Reasonable and Complete Abstract





[Redacted]

[Redacted]

[Redacted]

All abstracts passed the [Redacted] evaluation for this solicitation.

RFP

RFP development is scheduled to begin in April 2020.

4.2 Scoring Rubric Design

RFA

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted]

[Redacted]

Calculation Methodology

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

PRG Recommendations

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

RFP

RFP development is scheduled to begin in April 2020.

4.3 Evaluation Team Profile

RFA

[REDACTED]

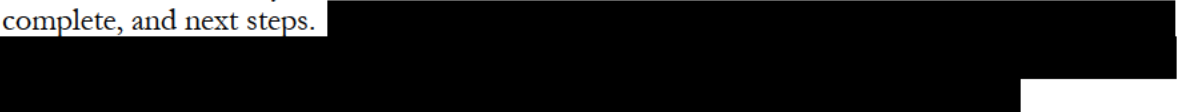
[REDACTED]

[REDACTED]



Program Solicitations Evaluator Training, December 2, 2019

SDG&E conducted a joint solicitations evaluator training for the Residential - Single Family and the Public – Federal and K-12 solicitations. The CMO team leads for each solicitation walked through the evaluator team introductions and roles, conflict of interest guidelines, evaluation timeline, where to access the necessary documents, evaluator score sheet directions, what to do when the scoring is complete, and next steps.



SDG&E determined that for the RFA, each member of the scoring team will evaluate the RFA in its entirety.



- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

RFP

RFP development is scheduled to begin in April 2020.

5. Response to PRG and IE Advice

RFA



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RFP

RFP development is scheduled to begin in April 2020.

6. Final Bid Selection Assessment

6.1 Conformance with Established Evaluation Processes

RFA

SDG&E conducted its RFA evaluation in conformance with its established scoring criteria and process.

Calibration

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RFP

RFP development is scheduled to begin in April 2020.

6.2 Management of Deficient Bids

All abstracts passed [REDACTED]
All bids were discussed as part of the calibration meetings, and SDG&E maintained a consistent process for calibrating all abstracts. The IE believes this process was fair to all bidders.

6.3 Shortlist and Final Selections

The overall scoring is based on the following scale:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The CPUC completed its review of SDG&E's RFA Shortlist on March 23, 2020. The following day, bidders selected to advance were notified via Power Advocate. Notification included a letter of invitation to participate in the upcoming RFP and a timeline for the RFP milestones.

6.4 Affiliate Bids and Conflict of Interest

SDG&E did not receive any abstracts from an affiliate or identify a conflict of interest with an employee.

7. Assessment of Selected Bids

This solicitation activity has not yet occurred for the RFP; future Semi-Annual Reports will address this topic

8. Reasonableness of Contracting Process

This solicitation activity has not yet occurred for the RFP; future Semi-Annual Reports will address this topic.

Energy Efficiency Independent Evaluators' Semi-Annual
Report on the

Local Public Sector K-12 Solicitation

Reporting Period: November 2019 through March 2020

Prepared by:
MCR Corporate Services

June 30, 2020

Disclaimer: This report includes highly sensitive and confidential information.

LOCAL PUBLIC SECTOR K-12

1. Solicitation Overview

1.1 Overview

SDG&E's Public–K-12 (K-12) solicitation is focused on contracting with third parties to propose, design, implement and deliver new EE programs that service Public Sector K-12.

The Public Sector is defined as a group of customers that are taxpayer funded, have political mandates, and that must go through a public budgeting and decision-making process. This sector makes up 12 percent of total electric consumption, with 70 percent of accounts under 20 kW within SDG&E's service territory.³⁹ This sector includes the K-12 Public Schools sub-sector consisting of 46 school districts across the SDG&E territory that represent 12 percent of billed electric consumption and four percent of billed therm consumption. The Public sector represents 12 percent of SDG&E's total electric consumption and four percent of Public Sector therm consumption. The public sector has high visibility and influence within the customer base, and the potential for savings is great for this market.⁴⁰

This sector has the following unique existing challenges:

- Long approval processes including Division of the State Architect and board approvals
- Complex funding mechanisms and budgetary constraints
- Timing interventions with school breaks
- Security within school campuses
- Peak hour usage within K-12 facilities

Scope

SDG&E is seeking comprehensive and innovative turn-key EE program abstracts from non-utility companies for the Public Sector serving K-12 customers.⁴¹ In addition to providing a path to Zero Net Energy for K-12 customers, a comprehensive Program approach may include but is not limited to the following elements:⁴²

- Benchmarking
- Audits
- Measure Implementation
- Marketing Education & Outreach (ME&O)

³⁹ SDG&E Public Sector – K-12 Request for Abstract, October 16, 2019, at p. 4.

⁴⁰ Id., at p. 5.

⁴¹ Id., at p. 6.

⁴² Id., at p. 5.

- Financing
- Workforce Education & Training
- Objectives

The objective of the solicitation is to implement third-party EE programs that reliably capture, and document cost effective energy (kWh, kW and/or them) savings applicable to the Public Sector K-12 customers. The proposed Program should provide energy savings for electric (kWh, kW) and/or natural gas (them) for Program Years 2021 through 2025 (the last two years are potential contract extension years).

Status: This solicitation is currently transitioning from the Request for Abstract (RFA) stage (Stage 1), of the two-stage process approved by the CPUC in Decision 18-01-004, to the Request for Proposal (RFP) stage (Stage 2).

1.2 Timing

Table 43 includes key milestones for Stage 1 RFA.⁴⁴

Table 43: Key Milestones ⁴⁵	
Milestones	Completion Date
RFA Stage	
1. RFA Released	October 16, 2019
2. Optional Bidder Conference	October 29, 2019
3. Bidder Questions Due	November 13, 2019
4. Responses to Bidder Questions Due	November 20, 2019
5. Bidder Abstract Submission Due	November 27, 2019
6. Submittal Review	December 2, 2019–February 21, 2020
7. Bidders Notified - Advancement to RFP Stage	February 21, 2020
RFP Stage	
1. RFP Released	May 22, 2020
2. Optional Bidder Conference (Skype)	June 1, 2020
3. Bidder Questions Due Round 1	June 4, 2020
4. Responses to Bidder Questions	June 9, 2020
3. Bidder Questions Due Round 2	June 12, 2020

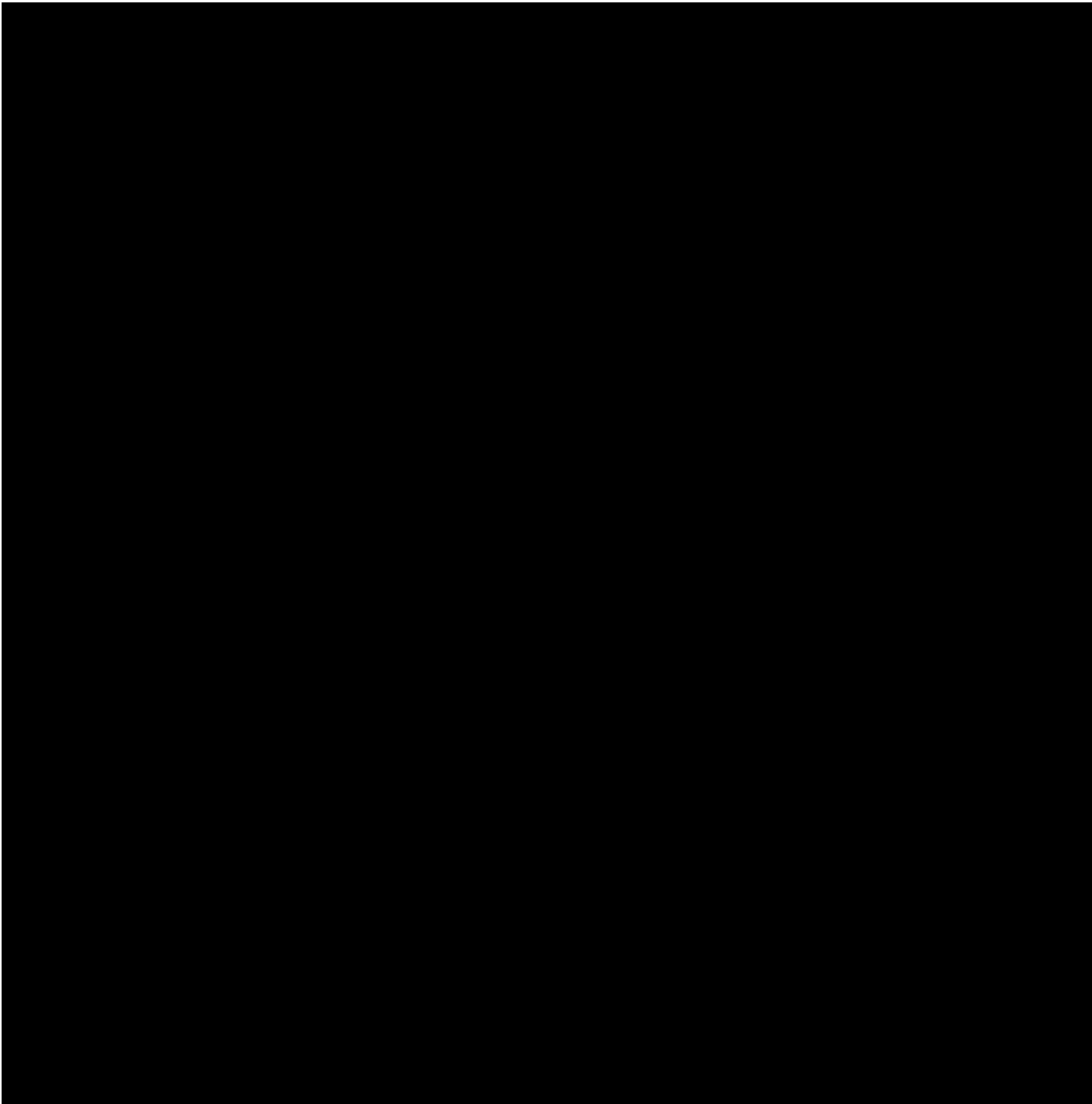
⁴⁴ Id., at p. 15.

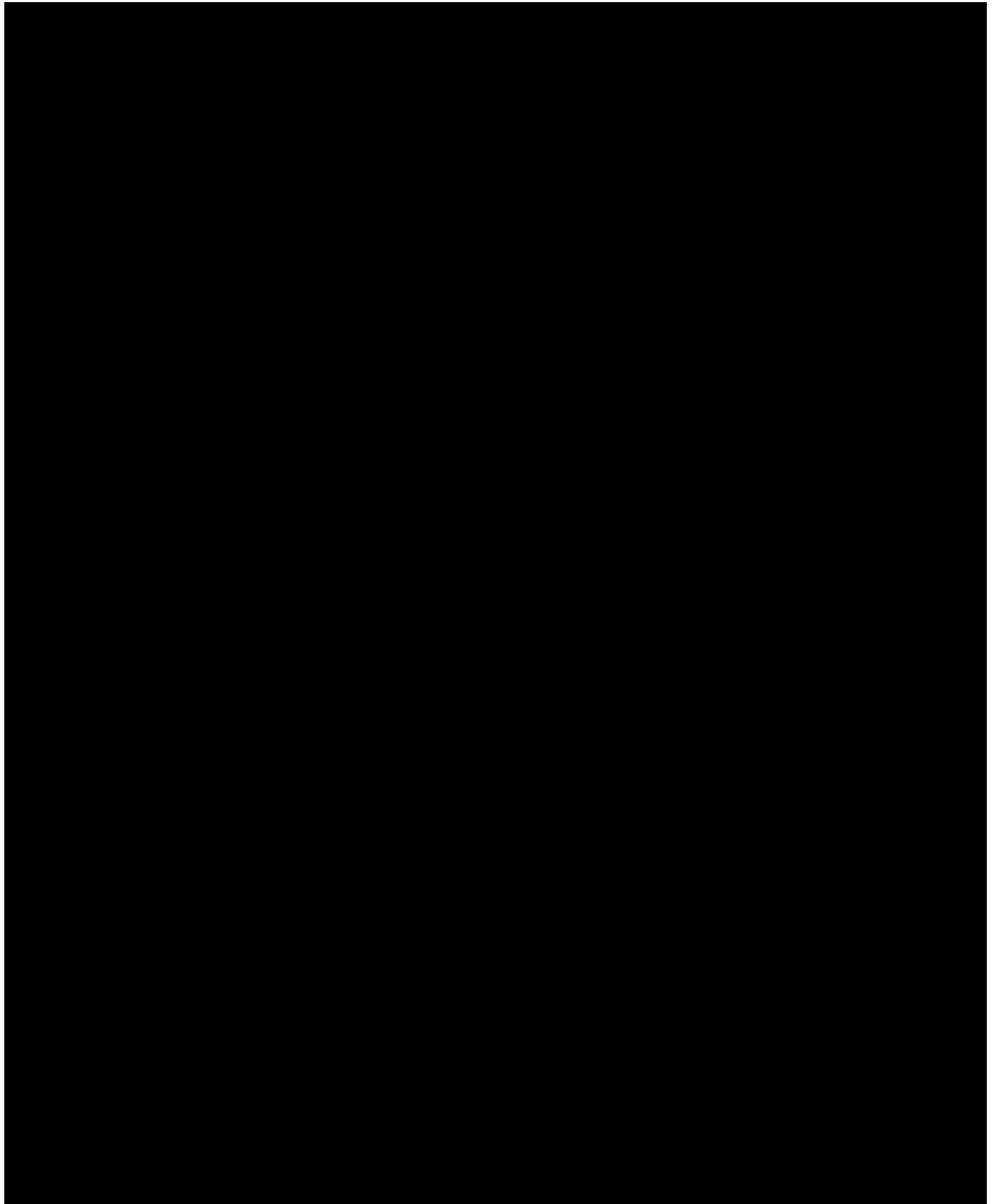
⁴⁵ This schedule is the schedule posted by SDG&E in PowerAdvocate.

Table 43: Key Milestones ⁴⁵	
Milestones	Completion Date
4. Responses to Bidder Questions	June 17, 2020
5. Bidder's Proposal Due	July 16, 2020
6. Proposal Review, Bid Clarification Discussions	June 17, 2020–September 16, 2020
7. Selected Bidder Interviews	October 23, 2020—October 29, 2020
8. Proposal Review Period Ends, Bidders Notified	November 14, 2020
Selections & Contracting Stage	
1. Notification Selection (Subject to Negotiations)	November 18, 2020
2. Contract Development and Negotiation	November 19-December 29, 2020
3. EE PRG/IE Review of Contract	December 30, 2020—January 18, 2020
4. SDG&E's Advice Letter Filing to CPUC, if applicable	Q1 2020
5. Purchase Order/Contract Signed	Q1 2021
6. Program Ramp-Up Begins	Q1 2020
7. Full Program Roll Out	Q1 2021

1.3 Key Observations









2. Solicitation Outreach and Bidder Response

2.1 Bidder Response to Solicitation

SDG&E launched its K-12 RFA on October 16, 2019. Bidders were notified in PowerAdvocate.



Table 45: Solicitation Response	
	No.
Abstracts Expected	
Abstracts Received	
Proposals Expected	
Proposals Received	



2.2 Bidder's Conference and Q&A

RFA

SDG&E held a Bidder's Conference for the K-12 RFA on October 29, 2019. Additional details are provided in the previous Semi-Annual Report.

[REDACTED] SDG&E received 20 questions during the Bidder's Conference. Bidders asked about match-making opportunities, SDG&E's definition of zero net energy, whether fuel substitution measures will be accepted, and whether SDG&E would provide a deemed measure workbook that gives energy savings values for specific measures. The IE reviewed SDG&E's responses to bidder questions for accuracy, clarity and impartiality.

Table 46: Bidder Conferences	
RFA Bidder Conference Date	October 29, 2019
No. of Q&A Received	20

RFP

RFP development is scheduled to begin in April 2020.

2.3 Solicitation Design Assessment

SDG&E devoted a chapter of its Energy Efficiency Business Plan 2018-2025 (January 2017) to defining the opportunities and challenges of the Public Sector. One of SDG&E's stated goals is to "eliminate barriers to public sector participation by developing tailored solutions and financing options."⁴⁹ The RFA asks bidders to address the barriers as part of their RFA responses.

The Business Plan's three goals for this sector are:

- Education—Empower Leaders by equipping them with knowledge and tools to make informed EE decisions.
- Penetration—Eliminate Barriers to Public Sector Participation by developing tailored solutions and financing options.
- Savings—Influence Private Sector EE Activities through reach codes and engagement.

⁴⁹ SDG&E Energy Efficiency Business Plan 2018-2025, January 2017, at pp. 6-7.

[REDACTED]

3. RFA and RFP Design and Materials Assessment

3.1 RFA Design Requirements and Materials

SDG&E developed the RFA based on previous solicitations and incorporated lessons learned from prior solicitations. The RFA aligns with PRG Guidelines for RFAs and provides good instructions and references for bidders to research and focus their responses without leading their responses.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3.2 RFP Design Requirements and Materials

RFP development is scheduled to begin in April 2020.

3.3 Response to PRG and IE Advice

RFA

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RFP

RFP development is scheduled to begin in April 2020.

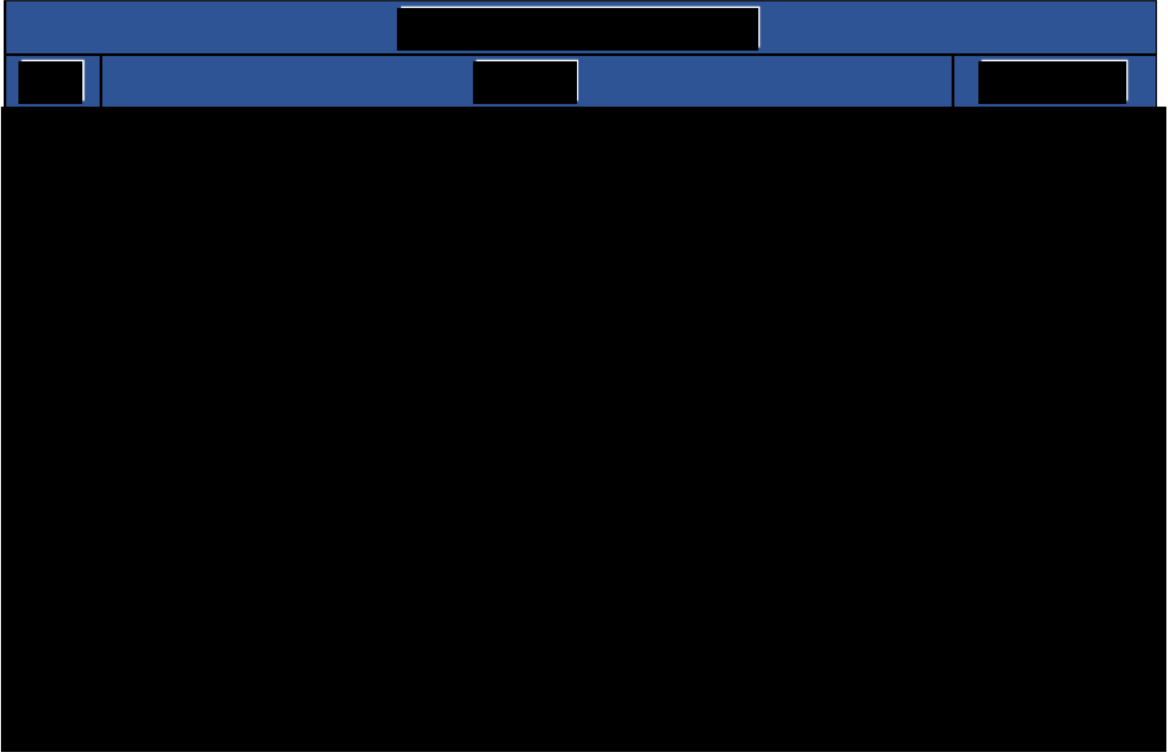
4. Bid Evaluation Methodology Assessment

4.1 Bid Screening Process

RFA

[REDACTED]

[REDACTED]



[Redacted] The Pass/Fail is based on the bidder completing the following:

- Submitted the proposal on time,
- Did not include any password protected documents.

Did include:

- Bidder Information
- Contact Information
- Employee Information
- RFA Submission Checklist
- Reasonable and Complete Abstract



- [Redacted]
- [Redacted]

[REDACTED]

[REDACTED]

PRG Recommendations

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

RFP

RFP development is scheduled to begin in April 2020.

4.3 Evaluation Team Profile

RFA

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

RFP

RFP development is scheduled to begin in April 2020

5. Response to PRG and IE Advice

RFA

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RFP

RFP development is scheduled to begin in April 2020.

6. Final Bid Selection Assessment

6.1 Conformance with Established Evaluation Processes

RFA

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RFP

RFP development is scheduled to begin in April 2020.

6.2 Management of Deficient Bids

SDG&E followed its process in screening bids and determined one bidder submitted a non-conforming bid, as outlined above. Per the established process, this abstract did not advance to the scoring phase [REDACTED]

6.3 Shortlist and Final Selections

The overall scoring is based on the following scale:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6.4 Affiliate Bids and Conflict of Interest

SDG&E did not receive any abstracts from an affiliate or identify a conflict of interest with an employee.

7. Assessment of Selected Bids

7.1 Bid Selections Respond to Portfolio Needs

This solicitation activity has not yet occurred for the RFP; future Semi-Annual Reports will address this topic.

7.2 Bid Selections Provide the Best Overall Value to Ratepayers

This solicitation activity has not yet occurred for the RCI RFP; future Semi-Annual Reports will address this topic.

8. Reasonableness of Contracting Process

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