

**ENERGY EFFICIENCY  
THIRD-PARTY PROGRAM SOLICITATION PROCESS**

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**Advice Letter  
Template**

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**Energy Efficiency Energy Division  
California Public Utilities Commission**

**Version 2.0  
January 2025**

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# OVERVIEW

## 1. Introduction

This updated Guidance document replaces the Advice Letter Template Version 1 (April 2020) to reflect subsequent California Public Utilities Commission (CPUC) directives. Beginning January 10, 2025, this Guidance applies to Tier 2 advice letters filed by the investor-owned utilities (IOUs) for each energy efficiency (EE) third-party contract that is valued at \$5 million or more and/or with a term longer than three years, for review per CPUC Decision (D.)18-01-004, OP 5. This document also reflects the requirements set forth in General Order (GO) 96-B, which governs all advice letter submittals.

This Advice Letter Template will be revised and updated at least every four years, in line with the EE application cycle or as deemed appropriate by the CPUC. If changes to relevant policy or CPUC guidance occur between updates, the IOU is responsible for incorporating these changes or new requirements into their advice letters.

The IOU must ensure that its advice letter includes the following confidential appendices:

- Appendix A: Third-Party Contract Summary
- Appendix B: Solicitation Process Overview
- Appendix C: Final IE Report
- Appendix D: Selection Spreadsheet(s)
- Appendix E: Third-Party Contract

## 2. Advice Letter Process for Third-Party Contracts

The steps leading up to the advice letter submission involve Procurement Review Group (PRG) and Independent Evaluator (IE) oversight. After completing contract negotiations, the IOU prepares a contract summary and presents it to the PRG for review. The IE prepares the Final IE Report for inclusion with the advice letter and submits it to the PRG and IOU. Upon CPUC approval of the advice letter, the IOU issues a Notice to Proceed to the Third-Party Implementer (Implementer) to begin work on the draft implementation plan. These steps are outlined in Figure 1 below.



Figure 1: Contracting and Advice Letter Process for EE Third-Party Contracts

## 3. Advice Letter Requirements

The Advice Letter consists of two parts:

- Part 1 is the public section of the advice letter, including two (2) public “attachments,” and
- Part 2 is the confidential section consisting of five (5) “appendices.”

The third-party advice letter submission requires specific documents for review and approval by the CPUC, including a signed executed contract between the IOU and the Implementer. Table 1 provides a list of the required content for advice letter submission and indicates where the content is to be provided, depending on whether content is public or confidential.

**Table 1: Required Content for Advice Letter Submission**

Contents, Attachments, and Appendices	Part 1 Public	Part 2 Confidential
1. Introduction: a. Advice Letter Purpose b. Summary of Contract	Section 1	Appendix A
2. Solicitation Process Overview	Section 2	Appendix B
3. Interaction with Energy Efficiency Portfolio	Section 3	
4. Transition Plan	Section 4	
5. Confidentiality	Section 5	
6. Final IE Report	Attachment A	Appendix C
7. NMEC Program-Level Measurement & Verification Plan	Attachment B	
Selection spreadsheet (in Excel)		Appendix D
Executed third-party contract		Appendix E

As much information as possible should be provided in Part 1; however, if a complete answer requires the disclosure of confidential information, then the IOU should follow the required process for sharing sensitive/confidential information. The IOU should redact information considered confidential from Part 1 (as required by D.06-06-066 and D.23-02-022, Attachment C:

Confidentiality Matrix) and indicate sensitive information is provided in the appropriate confidential appendix in Part 2 of the advice letter. A description of the information and rationale for confidential treatment of the information should be summarized in Part 1 Section 5 of the advice letter. A separate declaration made under penalty of perjury and seeking confidential treatment shall be filed concurrently with the advice letter consistent with D.06-06-066, and all other subsequent and relevant CPUC decisions regarding the treatment of confidential information.

The IOU shall use the Implementer’s contract to populate the content and tables in the template. Retain all sections/ headers and table formats/fields and replace template instructions (in *italics*) with the contract-specific content or indicate that it is not applicable and why. For advice letters addressing multiple contracts, a separate table shall be provided for each contract submitted and labeled in sequence.

Energy Division’s preference is one advice letter for each solicitation (i.e. the advice letter can be submitted for the batch of contracts resulting from a single solicitation). If the solicitation is multi-sector, then the IOU should group contracts in the advice letter by sector in Table A below (i.e. clearly identify which contracts are targeting which sectors and group the contracts targeting the same sector together.)

In addition to filing the advice letter, send an electronic copy of the advice letter in PDF, Microsoft Word, and Excel to the CPUC Energy Division Tariffs Unit and the assigned CPUC Energy Division Energy Efficiency lead(s) overseeing the solicitation process.

The following sections provide the template with instructions for Part 1 and Part 2.

# ADVICE LETTER TEMPLATE PART 1: PUBLIC SECTION

The title for each advice letter should include the name of the utility, the solicitation name, and if not already clear in the solicitation name, the sector(s) targeted by contracts, and if the solicitation is “statewide.”

## 1. Introduction

### A. Advice Letter Purpose

Identify the purpose of the advice letter consistent with D.16-08-019, D.18-01-004, D.18-05-041, D.19-01-003, D.21-05-031, D.23-02-002, D.23-06-055 and any other relevant Energy Efficiency decisions. Describe how the solicitation conforms with the strategies in the utility’s business plan and how the contracts will contribute to an energy efficiency portfolio, noting innovative and/or cost effective program design or delivery. Note, specifically, the following: (1) how the contract or suite of contracts will contribute to meeting the utility’s target for third-party programs; (2) whether or how the contract or suite of contracts will contribute to and advance the utility’s portfolio segment objectives (resource acquisition, equity, market support, codes & standards), and; (3) whether the contract or suite of contracts is within the budget established by the CPUC. This section should not exceed five pages.

### B. Summary of Contract

Identify the subject(s) of the advice letter through an overview list of contracts awarded from the solicitation in Table A. Group all contracts in the same sector together. List contracts that do not require approval via CPUC advice letter at the bottom with a grey cell background.

Table A: Contracts in [Name] Solicitation			
Contract		Budget	Duration
<b>[Sector]</b>			
1.1	[Contract Name]	[\$]	xx months
1.2	[Contract Name]	[\$]	xx months
1.3	[Contract Name]	[\$]	xx months
<b>[Sector]</b>			
2.1	[Contract Name]	[\$]	xx months
2.2	[Contract Name]	[\$]	xx months
2.3	[Contract Name]	[\$]	xx months
<b>[Sector]</b>			
3.1	[Contract Name]	[\$]	xx months
3.2	[Contract Name]	[\$]	xx months
3.3	[Contract Name]	[\$]	xx months

Using the table below, summarize each contract requiring approval via Advice Letter. A separate table shall be provided for each contract submitted and labeled in sequence as Table B-# (or B-#.# for multisector solicitations) to correspond with the number for contract in Table A.

Table B-#(.#): General Contract Summary – Contract Name		
1	Solicitation name	
2	Third-Party Implementer name	
3	Subcontractor(s) name	
4	Name of program	
5	Brief description of program (2-3 sentences)	
6	Type of program: local or statewide	
7	EE Portfolio Segment: Resource Acquisition, Market Support, Equity, or Codes and Standards <sup>1</sup>	
8	Market Sector(s) (residential, commercial, public, industrial, agricultural or cross-cutting) and % of budget for each sector	E.g., “residential 20%, commercial 80%”
9	Delivery Type: (i.e., Upstream-Manufacturer, Midstream-Distributor, Midstream-Retail, Downstream, Downstream Direct Install, or Codes & Standards) <sup>2</sup>	
10	Program Total System Benefit (TSB) <sup>3</sup>	
11	TSB by program year (PY) for each year contract in effect	
12	Total kWh Energy Savings (First year, net)	
13	Total kW Demand Reduction (net)	
14	Total therms Energy Savings (First year, net)	
15	Program TRC ratio (CET output)	
16	Program PAC ratio (CET output)	
17	Budget \$/\$ TSB	
18.1	For Market Support and Equity Segment Programs: Define the contractual goals or quantifiable outcomes of the program	E.g., DAC customers served; Customer bill savings; Premises fully electrified; Refrigeration operators certified; Collaborations established.

<sup>1</sup> D.21-05-031 Ordering Paragraph 2

<sup>2</sup> DEER 2026 Delivery Types, Resolution E-5350, Section F.2, pages 14-15, Attachment A, Section 1.6.2, Table A-1-13

<sup>3</sup> D.21-05-031 Ordering Paragraph 1

Table B-#(.#): General Contract Summary – Contract Name		
18.2	For Market Support and Equity Segment Programs: List the associated forecasted numeric values for the above contracted goals or outcomes of the program	E.g., DAC single family households electrified – 500; Average customer bill savings: \$200/ year. Refrigeration operators certified – 2025 – 80; 2026 – 170; 2027 - 200.
19	Forecasted Number of Customers Served by Program Year, by sector	
20	Hard to Reach (HTR) /Disadvantaged Communities (DAC) /Underserved. <sup>4</sup> Customers. Provide forecasted total number of HTR/DAC/Underserved customer accounts (by customer segment) with percentage of program savings from program over all years program in effect, by-sector	E.g. 2,010 residential HTR/DAC/underserved customers, 20,000 kWh, 100 KW, 2000 therms for PY 2021 and 2022
21	Area(s) Served (including service territory, climate zones, cities, and/or counties, as applicable)	E.g. “PG&E service territory, CZ 3 and 12” or “SCE service territory, all climate zones” or “Ventura County” or “City of Los Angeles”
22	Budget: Total Program Budget	
23	Budget: Total Program Budget by program year (PY) for each year contract in effect	E.g. \$500,000 (PY2020), \$1.2 million (PY2021), etc.
24	Budget: If there is an Integrated Demand Side Management (IDSM) <sup>5</sup> component to the program, provide dollar amount of non-EE budget dedicated to non-EE measures, if applicable	E.g. \$ IDSM project budget/\$Total Budget = xx%
25	Measure(s) (i.e., CET Measure field “UseCategory”)	E.g. HVAC, lighting, etc.
26	Savings Calculation Method (i.e. custom, deemed, Normalized Metered Energy Consumption (NMEC), Strategic Energy Management (SEM) M&V, Randomized Control Trial and/or Other). If Multiple or Other, please specify which calculation methods and % split of total budget.	E.g., “60% NMEC; 30% custom; 10% deemed”
27	Contract start date and end date	E.g. MM/DD/YYYY – MM/DD/YYYY
28	Program start date and end date. If program dates aren’t defined by the period the program is open for customer participation, explain, and also include customer participation period	E.g. MM/DD/YYYY – MM/DD/YYYY

<sup>4</sup> HTR, DAC and Underserved Customers are defined in D.23-06-055, Sections 7.2 – 7.3 and Conclusion of Law 30-33

<sup>5</sup> Resolution E-5327, D.18-05-041, pages 36-38 and D.23-06-055, pages 77-80



## 2. Solicitation Process Overview

Describe the IOU’s solicitation process in accordance with D.18-01-004, which established a two-stage solicitation process as the predominant process, or D.23-02-022, which removed the requirement for a predominant two-stage solicitation and allowed one-stage solicitations, as appropriate. Any information in this Section 2 that is confidential must be included in Appendix B.

### A. Solicitation Purpose

Summarize the purpose, scope and objectives of the solicitation.

### B. IOU Solicitation Process

Explain the IOU solicitation process, including:

- a) Access to solicitation documents and timelines used
- b) Communications with respondents, including overarching questions from bidders and responses provided

### C. Marketing and Outreach

Describe marketing and outreach efforts to increase awareness, including:

- a) Marketing and outreach to bidders to increase participation; including potential SBE/DBE prime and subcontracting outreach strategies
- b) Training, workshops or other events that were provided to interested bidders
- c) Efforts to increase bidder awareness of the process and the tools/platforms used to communicate this opportunity

### D. Solicitation Event Schedule

Document the event schedule for the solicitation in Table C. For single-stage solicitations, modify the table to remove the RFA Events section.

Table C: Solicitation Event Schedule		
Activities		Date
<b>Stage 1 RFA Events</b>		
1	RFA issued	
2	Pre-Bid Conference	
3	Bidder’s deadline to submit written questions	
4	IOU response due to bidder questions	
5	Bidder’s abstract submission due	
6	Shortlist notification	
<b>Stage 2 RFP Events</b>		
1	RFP issued	
2	Pre-Bid Conference	

Table C: Solicitation Event Schedule		
Activities		Date
3	Bidder's deadline to submit questions to IOU	
4	IOU responses due to bidder questions	
5	Bidder's proposal submission due	
6	Bidder interviews completed by IOU (as applicable)	
7	Bidder shortlist notification	
8	Contract execution	
9	Tier 2 Advice Letter submission	

### E. Independent Evaluator (IE)

*The use of a pool of IEs is required by D.18-01-004.*

- a) *Provide the name(s) of the IE.*
- b) *Describe the oversight provided by the IE(s) and a summary of their input / recommendations.*
- c) *List when the IE provided any findings to the PRG regarding the applicable solicitation(s), bid evaluations and selections, and contract negotiations.*
- d) *Insert the public version of the Final IE Report.*

### 3. Interaction with the Energy Efficiency (EE) Portfolio

*Describe existing and/or planned coordination between this third-party program with other EE programs, including IOU Core Programs, other third-party programs, and other programs administered by RENs and CCAs, in the same sector and/or segment.*

*For Market Access program (MAP) contracts, provide a description of the role of MAP within the Portfolio Administrator's EE portfolio<sup>6</sup> and how the Portfolio Administrator will make third-party program implementers operating downstream retrofit programs aware of the possible impacts of customers participating in market access programs.*

*For multi-DER IDSMS contracts, include details of the use of non-energy efficiency funding, measurement approaches including any methods that will be used to ensure that impacts on consumption are not double-counted, and references to applicable rules and approved budgets from non-energy efficiency resource areas that will govern the distribution of those funds.<sup>7</sup>*

### 4. Transition Plan from Pre-Existing Program to New Program

*Summarize for each contract the IOU proposal to transition from the current implementation of similar program(s) to the new third-party implemented program. Be sure to provide Program ID #(s) this contract/program replaces, extends or amends. If this contract is replacing an existing program only in part, describe which part of the existing program is being replaced, and what will remain.*

<sup>6</sup> D.23-06-055 OP 26

<sup>7</sup> D.23-06-055 OP 28, pages 77-80 and Resolution E-5327

## 5. Confidentiality

*Explain if confidential treatment of specific information is requested. Describe the information and reason(s) for confidential treatment consistent with the showing required by D.23-02-022, Attachment C: Confidentiality Matrix.*

## 6. Attachment A: Final IE Report (Public)

*Insert the public version of the Final IE report as Public Attachment A.*

## 7. Attachment B: NMEC Program-Level Measurement & Verification Plan

*This Attachment B is only required for contracted programs using Normalized Metered Energy Consumption (NMEC) that are calling for exception to NMEC rules: Describe detailed Program-level M&V plan, as called for in the most recently updated NMEC Rulebook. A separate Program-Level M&V plan shall be provided for each contract seeking an exception to the NMEC Rulebook and shall be labeled in sequence as Attachment B-# (or B-#. # for multisector solicitations) where the numbering corresponds with the number for each contract in Table A.*

## ADVICE LETTER TEMPLATE PART 2: CONFIDENTIAL APPENDICES

This section provides guidance for Part 2, the confidential appendices of the advice letter. Content in Appendices B, C, and D are Solicitation wide, in that a separate appendix for each contract is not expected, rather any content specific to a contract can be identified within the appendix ensuring the numbering corresponds to the number for the specific contract in Table A.

### Appendix A: Third-Party Contract Summary

A separate contract summary shall be provided for each contract submitted and shall be labeled in sequence as Appendix A-# (or A-#. # for multiple contracts) where the numbering corresponds with the number for the specific contract in Table A (see Section 1.B).

In Table 1, include confidential information relevant to summarizing the contract.

Table 1: Contract Summary – Confidential Portion	
<b>Compensation Type</b> (Time and Materials, Fixed Unit Pricing, Fixed Fee Deliverable Pricing, Pay-for-Performance, Custom Project Pricing, and/or Hybrid)	<i>If Hybrid, please specify percent of compensation in each type.</i>

In Tables 2 and 3, provide a table of contents of the contract, identifying contract provisions in each section (i.e., list the subsections), contract section number, and contract page number.

Table 2 – Major Contract Provisions – Standard <sup>8</sup>				
	Contract Terms and Conditions	Contract Provisions	Contract Section Number	Contract Page Number
A.	Eligibility (Type of Business, License Requirements, Insurance <sup>9</sup> , and Bonding Requirements, etc.)			
B.	Safety Requirement			
C.	Dispute Resolution Process			
D.	Termination Process			

<sup>8</sup> Refer to D.23-02-002, or most recent decision for standard terms and conditions at time of Advice Letter submittal.

<sup>9</sup> Per D.23-02-002, OP 4, indicate whether cybersecurity insurance was requested for this contract, and, if so, include the level requested.

Table 3 – Major Contract Provisions – Modifiable				
	Contract Terms and Conditions	Contract Provisions	Contract Section Number	Contract Page Number
A.	Workforce Standards and Quality Installation Procedures			
B.	Progress and Evaluation Metrics			
C.	Contract Term/Length			
D.	Diverse and Disadvantaged Business and Employee Terms, including Small Business, if applicable			
E.	Payment Schedule and Terms, including Pay-for-Performance Payment Provisions and Performance Assurances			
F.	Measurement and Verification Requirements, Including Guidelines about Normalized Metered Energy Consumption (NMEC) Design Requirements			
G.	Coordination with Other Program Administrators			
H.	Data Collection and Ownership Requirements			
I.	Add any modifiable Ts and Cs appended by utility or third-party in additional rows			

## Appendix B: Solicitation Process Overview

*Include the solicitation process overview information that is confidential but necessary to fully answer any items in Section 2 of the advice letter template in this Confidential Appendix B. To the extent such information is not confidential, it should be included in the public version of the Advice Letter and not included or duplicated here.*

## Appendix C: Final IE Report (Confidential)

*Insert the confidential version of the Final IE report as Confidential Appendix C.*

## Appendix D: Selection Spreadsheet(s)

*Include contract selection Excel spreadsheet(s) containing all relevant data regarding the solicitation. At a minimum, the spreadsheet must include a list of all bidders for the solicitation, how each bidder scored in each category, and a ranking by final score for each relevant phase of the solicitation (RFP for one stage; RFA and RFP for two stage).*

## Appendix E: Contract

*Provide a copy of the entire executed contract as Confidential Appendix E. The contract must be signed and dated by both IOU and Implementer. Each contract shall be provided as a separate Appendix labeled in sequence as Appendix E-# (or E-#.# for multisector solicitations) where the numbering corresponds with the number for contract in Table A.*

## **Public Attachment A**

### **Energy Efficiency Third-Party Solicitation Advice Letter**

#### **Final IE Report (Public)**

*(Use this attachment cover, label and insert document)*

**Public Attachment B**

**Energy Efficiency Third-Party Solicitation Advice Letter**

**NMEC Program-Level  
Measurement & Verification Plan**

*(Use this attachment cover, label and insert document, if applicable.)*



## **Confidential Appendix A**

### **Energy Efficiency Third-Party Solicitation Advice Letter**

#### **Summary of Contract**

*(Use this appendix cover, label and insert document)*

## **Confidential Appendix B**

### **Energy Efficiency Third-Party Solicitation Advice Letter**

#### **Solicitation Process Overview**

*(Use this appendix cover, label and insert document)*

## **Confidential Appendix C**

### **Energy Efficiency Third-Party Solicitation Advice Letter**

#### **Final IE Report (Confidential)**

*(Use this appendix cover, label and insert document)*

**Confidential Appendix D**

**Energy Efficiency Third-Party Solicitation Advice Letter**

**Selection Spreadsheet(s)**

*(Use this appendix cover, label and insert document)*

## **Confidential Appendix E**

### **Energy Efficiency Third-Party Solicitation Advice Letter**

#### **Contract**

*(Use this appendix cover and insert document)*