

**Welcome to the 3<sup>rd</sup> Party Energy Efficiency Solicitation FAQ Center.**

**If you are a newcomer to the 3<sup>rd</sup> Party Energy Efficiency Solicitation world, you will find the following General Background FAQs very useful! We encourage you to start below.**

**Background on 3<sup>rd</sup> Party Solicitation Efforts**

**Question 1: What is the background behind the third-party and Statewide procurement requirements?**

Answer 1: On August 25, 2016, the California Public Utilities Commission (CPUC or Commission) issued Decision (D.) 16-08-019 Providing Guidance for Initial Energy Efficiency Rolling Portfolio Business Plan Filings. The Decision addressed the transition for statewide and third-party programs, among other requirements. The Decision defined the terms “statewide” and “third-party,” as well as, established procurement requirements. Per D.16-08-019, Statewide efforts are required to comprise of at least 25%, on a budget basis, of each utility program administrator’s portfolio, and utility administrators are required to maintain that 20%, up to 60%, of the utility’s total portfolio budget for its EE programs be designed and delivered by third parties. Commission Decisions 18-01-004 and 18-05-041 subsequently modified the third-party requirement. Currently, utility program administrators are to have at least 25% of their 2020 program year forecast budgets under contract by third parties by no later than December 19, 2019, and at least 40% and 60% under contract by December 31, 2020 and December 31, 2021, respectively.

**Question 2: What is the two-stage solicitation process that SCE follows for its solicitations?**

Answer 2: The solicitation is composed two-stages: Stage One – Request for Abstracts, and Stage Two – Request for Proposals.

During Stage One, SCE is looking for a broad spectrum of program ideas.

During Stage Two of this process, SCE will invite shortlisted Stage One participants to provide a comprehensive description of their program design, implementation strategies, a cost-effective analysis, as well as other operational details.

**Question 3: Must a market participant submit an Offer into this RFA in order to be eligible to submit an Offer in the RFP?**

Answer 3: Yes. An Offeror must participate in this RFA, submit an Abstract, and then also be shortlisted in order to receive an invitation to participate in the corresponding RFP.

**Question 4: Who are the actors in SCE’s 3<sup>rd</sup> Party Solicitation efforts and what do they do?**

Answer 4: There are three actors in all of SCE’s solicitation efforts. They are: IOU (In this case, SCE), the Procurement Review Group (PRG), and the Independent Evaluator (IE)

IOU: IOU receives proposals, reviews presentations of bidders as needed, and scores proposals according to the scoring criteria.

IE: IE monitors SCE's solicitation activities, performs an independent review of the Offers, and reviews the valuation methodology and selection processes. IE determines whether the IOU conducted the solicitation fairly and ensures scoring is consistent with criteria.

PRG: Each IOU has its own EE PRG in-charge with overseeing the IOU's EE program procurement process, reviewing procedural fairness, examining overall procurement prudence, and providing feedback during all stages.

**Question 5: How does SCE interact with the PRG?**

Answer 5: Each IOU will brief its EE PRG on a periodic basis throughout the Solicitation process. This includes language development, proposal evaluation, and contract negotiation. Please note that revealing confidential proposal information to the EE PRG is required during EE PRG briefings. Bidders must clearly identify as part of its proposal which information is confidential.

**Question 6: What are the key deadlines for the RFA/RFP?**

Answer 6: Deadlines are specific for each RFA/RFP. Please see the schedule listed in the RFA/RFP instructions.

**General Solicitation Questions**

**Question 1: What does SCE mean by Pacific Prevailing Time (PPT)?**

Answer 1: Pacific Prevailing Time is either Pacific Standard Time (PST) or Pacific Daylight Time (PDT), as applicable on the day in question. For example, California switched from PST to PDT on March 10, 2019 at 2:00am. Prior to that date, PST is PPT. After that date, PDT is PPT.

**Question 2: If multiple market participants decide to collaborate, how many RFAs do they need to submit?**

Answer 2: Only one market participant should submit the Offer, which can include multiple participants. The primary market participant, as Offeror, is required to disclose whether or not it has collaborated with any third party and provide a list of such third parties in Offeror's Offer Workbook, in accordance with the Solicitation Instructions.

**Question 3: If market participants propose partnerships in the RFA stage and the partnership falls through, will Offerors' participation information be protected?**

Answer 3: All Offers are confidential in accordance with the non-disclosure agreement executed between SCE and such Offeror.

**Question 4: Are Offerors going to get compensated for the work they put in in order to put together the RFA?**

Answer 4: No, Offerors are not compensated for work done in the development of Abstracts and/or Proposals.

**Question 5: Will SCE be providing a list of contacts that are on the bidder's conference call-in order to find other companies to form a team?**

Answer 5: No, SCE will not be providing a list of bidder's conference participants.

**Question 6: If an Offeror has two distinct program designs (e.g., one for one sector and one for another sector) can they be submitted under the same RFA response, the same Offer Workbook?**

Answer 6: No, unless the two designs are mutually inclusive (e.g. SCE must select both Offers), the Offers should be submitted separately. Program designs submitted under the same RFA response will be reviewed together as single Offer. The Offer Workbooks should denote whether or not Offers are:

1. Mutually inclusive, where SCE must select both Offers,
2. Mutually exclusive, where SCE may not select both Offers together; or
3. Neither mutually inclusive nor mutually exclusive, where SCE may select any combination of Offers.

**Question 7: Multisector Solicitations Options**

Answer 7: Bidder can submit Offers to serve multisector solicitations based on the shortlisted Abstract's customer sector scope.

**Question 8: What does "all-inclusive pricing on the offer" or "bid to the Pro Forma Agreement" mean?**

Answer 8: Each Offer's Product Price must reflect the fully embedded cost to deliver the Contracted Amount Offered based on the Pro Forma Agreement, which includes (but is not limited to) pay-for-performance payment provisions, collateral, and potential SCE services, but excludes Portfolio Administrator Fee.

**Question 9: Can SCE provide examples of what mutually inclusive and mutually exclusive means?**

Answer 9: Offer options can be mutually inclusive of other Offer Options (i.e., two Offer Options must be selected by SCE together). Offer Options can be mutually exclusive of each other (i.e., a group of Offer Options where SCE can only select one from the set; common when submitting multiple Offer Options for a program). For example:

Example 1: Offer 1 Option 1 is for three-year delivery period commencing on January 1, 2021. Offer 1 Option 2 is for a three-year delivery period commencing on January 1, 2021. Offeror indicates that Option 1 and Option 2 are mutually exclusive,

which means that SCE can only select one of the Options, SCE may not select both Options.

Example 2: Company X proposes three Options, Offer 1 Option 1 targets Residential sector. Offer 1 Option 2 targets Commercial sector and Offer 1 Option 3 targets both Residential and Commercial sectors. Offer 1 Option 3 is mutually inclusive of Offer 1 Options 1 and 2.

Offerors must submit an Offer for each Customer Segment as a mutually exclusive Offer and can otherwise submit any iteration of mutually exclusive and mutually inclusive Offers.

To designate Offer options as either mutually inclusive or mutually exclusive, Offeror must first submit each individual Offer Option. **Offeror must indicate if Offer Options are mutually inclusive or mutually exclusive in their Offer Workbook.**

**Question 10: Will SCE be performing a Financial Viability check?**

Answer 10: SCE will not be performing a Financial Viability check.

**Question 11: In the RFA/RFP Packet, I see Appendix H Cost Allocation Template in the appendix. What is the purpose of this?**

Answer 11: The cost allocation template contains detailed information on how various costs should be categorized and calculated.

**Question 12: What is the 6% adder by SCE for Portfolio Administrator Fee?**

Answer 12: SCE will be adding 6% to the total Offer budget for all Offers to cover the portfolio administrator fee that SCE must provide. For example, if total Offer budget for an Offer is \$5,000,000 an additional \$300,000 will be added to the total Offer budget during valuation. This will impact the TRC of the Offer, please make note of this impact as the Offers are being designed. The Portfolio Administrator Fee provided does not include any Potential SCE services that the Offerors may request such as account management services.

**Question 13: What are the Portfolio Administrator Fee Categories: Contract performance management, QA/QC Technical Review, CPUC/Regulatory Compliance?**

Answer 13: Contract performance management: activities providing contract management, oversight, and enforcement of all contractual terms and conditions.

QA/QC technical review: technical quality control and review activities applicable to all projects, including workpapers, to ensure satisfaction of CPUC requirements.

CPUC/Regulatory compliance: CPUC regulatory activities, including responding to data requests and/or guidance, advice letter filings, and regulatory interpretation.

**Question 14: Do Offerors have to include how much Offerors and Customers want to be compensated per kWh saved or is this determined by SCE?**

Answer 14: These amounts are determined by the Offeror.

**Question 15: Will the CPUC need to approve any Offers that SCE selects as a result of the Solicitation shortlist?**

Answer 15: Per Ordering Paragraph 2 of CPUC Decision 18-01-004, the IOUs are required to file a Tier 2 advice letter for each third-party contract, or a batch of third-party contracts, that are valued at \$5 million or more and/or with a term of longer than three years, for Commission review and approval.

**Question 16: Are there bonding requirements?**

Answer 16: Yes. For bonding requirements, please see

### Cost Effectiveness Calculator (CET) Related Questions

**Question 1: The RFP/RFA Instructions reference Cost Effectiveness Calculator (CET). How familiar must an Offeror be with the Cost Effectiveness Tool (CET) and/or the California Energy Data and Reporting System (CEDARS) website?**

Answer 1: Currently, CET/CEDARS cost effectiveness evaluations are not required for the RFA phase, however, they will be required at the RFP phase. SCE encourages Offerors to review the CEDARS website (<https://cedars.sound-data.com/>) and its CET tutorials. Public CET/CEDARS workshops from 2018 and 2019 are posted on the PEPMA website (<https://www.pepma-ca.com/Public/PublicEvents.aspx?type=1>). Should Offerors have any additional questions related to CET/CEDARS, they may be submitted to SCE via the question and response processes outlined in their respective RFA/RFP Instructions.

**Question 2: Can Offerors download past EE submissions data from CEDARS?**

Answer 2: Yes, past and current EE submissions data is available on CEDARS. Note that EE submissions data includes program implementation plans, budgets, goals, and performance data, but not any information related to Solicitations or Offers.

**Question 3: Will SCE be approving Offerors' registration to CEDARS in order for Offerors to access past EE submissions data?**

Answer 3: No. When registering to CEDARS, Participants must choose "Community" under the "Affiliation" drop down menu, which does not require SCE's approval.

**Question 4: (a) Must Offerors register for an account on CEDARS in order to access EE submissions data?**

**(b) If not, would Offerors have a need to register for an account on CEDARS at all?**

Answer 4: (a) No, EE submissions data is available to all users whether registered or not.

(b) Registration is only needed to use the Cost Effectiveness Tool (CET), which is not a requirement of the RFA. CET inputs and outputs will be required of Offerors who are invited to participate in the RFP.

**Question 6: What version of the Cost Effectiveness Tool (CET) should I be using?**

Answer 6: CET Desktop Tool is not approved for submission. Please use the CET available on <https://cedars.sound-data.com> in order to run CET analysis. You must use “2020” for both “First Year” and “Avoided Cost.”

**Question 7: How do I calculate Fuel Substitution Savings?**

Answer 7: Commission Decision (D.) 19-08-008 established new fuel substitution rules for energy efficiency, and the Energy Division has updated the CEDARS CET with a procedure to convert energy savings between fuels for fuel substitution measures. Information on this new procedure can be found in the [CET User Guide](#) under the heading ‘How are fuel substitution measures handled in the CET’.

As of 1/1/2020, the CET identifies fuel substitution measures by Measure Impact Type (*MeasImpactType*). Fuel substitution Measure Impact Type [values](#) come from DEER and end with “FuelSub”. Additionally, fuel substitution measures are expected to have positive savings for one fuel and negative savings for the other fuel. For fuel substitution measures, the CEDARS CET now converts savings to single fuel. If **Therm** savings are positive, the Therm savings are converted to kWh and the Therm savings are zeroed. If **kWh** savings are positive, the kWh savings are converted to Therms and the kWh savings are zeroed.

Conversion factors

- 1 Therm = 29.3 kWh
- 1 kWh = 0.03413 Therms

Note: This conversion procedure is performed after the CET run and only impacts energy savings (kWh and Therms). Cost effectiveness metrics (i.e. TRC) are still calculated from the original inputs **prior to** the conversion procedure.

**Question 8: What if I would like to use a non CPUC approved workpaper?**

Answer 8: Implementer will need to provide a Word document summarizing the assumptions and justifications of the CET input, especially if the assumptions are not based on CPUC approved values and methodologies (e.g., workpaper values, DEER values, etc.).

Workpaper will need to be CPUC approved by the expected delivery time of the claimed savings for that measure(s).

### The Curing Process

**Question 1: What is the cure process?**

Answer 1: The cure process allows an Offeror to cure certain non-conforming information or uploaded documents from their Offer, provided the Offeror timely submitted such Offer.

**Question 2: How do I know if I need to cure anything and what I need to cure?**

Answer 2: SCE will issue a cure notice via email to applicable Offerors identifying the information or documentation such Offeror must cure and the deadline by which such cure must be completed.

**Question 3: What happens if I fail to comply with a cure notice?**

Answer 3: Failure to comply with the requirements of any cure notice may result in such Offer being disqualified from further consideration in the Solicitation.

**Question 4: Does the cure process allow bidders to augment their Offer's energy efficiency component of their bid?**

Answer 4: No, the cure process allows bidders to cure only minor deficiencies (e.g., certain omissions, such as failure to fill out or execute the representation form, failure to provide the participant's company address, failure to provide a complete primary point of contact information).

**Question 5: Is the cure process managed consistently across all Offerors?**

Answer 5: Yes, SCE applies the cure process consistently. The cure process is a standard process used in solicitation activities regularly at SCE and includes close coordination with the Independent Evaluator.

**Question 6: Can you explain the RFP CET curing process?**

Answer 6: After the Offer Submittal Deadline, SCE reviews all Offers received for completeness and conformity. This review includes an initial screen for required submission criteria, including, but not limited to, conforming location, customer sector, commercial terms, IT cybersecurity, technical, CET, and the submission of a complete submittal package. Offer will be considered incomplete and will be disqualified if the Bidder does not submit the required CET files and will not be curable. At SCE's discretion, SCE will perform up to 2 rounds of cures for the CET files, which will identify any anomalies in the data. The Bidder must address the anomalies within 5 business days of receiving a CET cure notice. Failure to meet the timeframe may result in disqualification of the Offer

**Staying Connected**

**Question 1: How can I stay informed regarding the RFA/RFP?**

Answer 1: Once RFA has been released, the easiest way to keep up is to register for the Ariba event. Once you have been added to the event, you will receive regular solicitation updates (via the Ariba Message Board), view all documents, and receive important notifications.

**Question 2: How do I learn about Ariba functions?**

Answer 2: Help can be found in the Ariba help function in the upper right corner of the Ariba screen and by calling 1-866-218-2155.