**Energy Efficiency Third-Party Solicitations Stakeholder Forum**

**July 28, 2021**

**Meeting Agenda:**

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| **Time (am)** | **Topics** | **Presenter(s)** |
| 8:00 – 8:05 | **Safety & Introduction** | Bella Shamoun (PG&E) |
| 8:05—8:15 | **Opening Remarks** | Alison LaBonte (CPUC ED) |
| 8:15—8:35 | **Topic 1**:Portfolio Update, Budget Advice Letters, EE ApplicationsTSB Goal and Impacts on Bidder Community | Erin Brooks (SCG)Matt Braunwarth (PG&EBrandon Sanders (SCE)Roland Mollen (SDG&E) |
| 8:35—8:55 | **Topic 2:**Independent Evaluators’ Semi Annual Report* IE Update
* Discussion on redactions to IE Report
 | Elizabeth Lowe (IE)Don Arambula (IE) |
| 8:55—9:05 | **Topic 3:** 3P Process Evaluation Study Update | Noel Stevens (Opinion Dynamics) |
| 9:05—9:30 | **Topic 4:**Two-Stage Solicitation Team Progress Report | Grey Staples (IE)Roland Mollen (SDG&E for IOUs) |
| 9:30—10:00 | **Topic 5**:Overview of Engagement Touchpoints* Options for Implementation Plan Webinars
* Options for more frequent communication
 | Melanie Gillette (IE) |
| 10:00—10:10 | **Break** |  |
| 10:10—10:40 | **Topic 6:**Cultivating Small and Diverse Businesses as 3P EE Implementers* IOU Current Practices
* Better Strategies
 | Kim Crossman (IE)Marissa Barrera (SCE)Emma Ponco (SCG)David Roellich (SDG&E)David Pell (PG&E) |
| 10:40—11:25 | **Topic 7:**Bidder Feedback* IOU Stats / Status on Feedback / Lessons Learned /
 | Elizabeth Lowe (IE)Matt Braunwarth (PG&E)Marissa Barrera (SCE)Erin Brooks (SCG)Steve Jaffe (SDG&E) |
| 11:25—11:55 | **Open Discussion** | Brandon Sanders (SCE) |
| 11:55—12:00pm | **Next Steps:*** Side deck and meeting minutes posted to CAEECC after meeting
* Survey to participants
* Topics for next meeting
 | Bella Shamoun (PG&E) |

**Introduction**

Progress being made on key stakeholder issues:

* Noticeable improvement on timing of solicitations since March 2020 ED letter to IOUs
	+ Duration of RFA/RFP stages significantly reduced for all IOUs
* Increased transparency around schedules
	+ Monthly updates posted to CAEECC website
* Cost Effectiveness Tool User Guide complete
* Feedback to Bidders continues to be top priority

**Topic 1: Portfolio Updates**

SoCalGas

* Preparing Budget and Advice Letter. Decision anticipated in August. AL submission delayed to November.
* Goals are increasing for SoCalGas. EE programs will ramp up to achieve increased goals.
* Total Systems Benefits (TSB) shifts metric away from energy savings, but not until 2024 – will provide this as “information only” until then. For now, targeting therm savings and aggressive goals while developing strategies to maximize TSB.

PG&E

* Executed 25+ contracts
* Announcing micro/small business equity (HTR/DAC) solicitation for commercial customer (could include ag/industrial). Focus will not be on savings (no CET). Will focus on productive actions for HTR/DAC. Budget is $7M. Program will launch in Q3.
* PG&E will work with implementers to understand how programs need to evolve to meet TSB goals, but PG&E doesn’t expect large shift for bidder community.

SCE

* Doesn’t expect immediate changes resulting from TSB. Not likely to amend approved contracts.

SDG&E

* No immediate impact to bidder community from TSB. Will continue to focus on kWh, kw and therms.

**Topic 2: Independent Evaluators’ Semi-Annual Report**

Observations from Semi Annual Report:

* All IOUs need to reduce complexity in scoring, reduce number of questions asked
* All bidders need to remember the importance of innovation

Effective Solicitation Practices include scoring training, leveraging the IE pool, good mapping of terms and conditions to final contracts, using Word format for responses, providing real-time answers during bidders’ conferences, reducing RFA/RFP requirements, and adopting two-way dialogs for bidder feedback.

***Chat Question: How does this IE Process compare to other jurisdictions? Does it enhance the bidder experience?***

***Response: Most things in California have more oversight and stakeholder involvement relative to other jurisdictions. There are good reasons for it, but this level of involvement does add complexity to the process. The goal, however, is to improve the process.***

***Question: Redactions to the Semi Annual Report seem overly liberal. Has the CPUC/PRG considered another way to produce public reports? A lot of good information is being redacted because of confidentiality issues Response: IEs are working with the PRG to produce Public Reports with fewer redactions going forward.***

**Topic 3: 3P Process Evaluation Study Update**

Opinion Dynamics anticipates releasing a draft report in September. The next step is to interview 5 bidders before surveying a larger group of bidders.

***Question: Which 5 bidders will be included in the Study?***

***Response: Opinion Dynamics is still in the process of selecting the participants for the Study but intends to select bidders that made it to different stages of the solicitation process.***

**Topic 4: Two-Stage Solicitation Team Progress Report**

Goal: Simplify two-stage solicitation process

Observations:

* IOUs don’t want RFA to be “mini-RFP”
* Need to strike right balance
* Critical to reduce questions posed to bidders
* Need to have different functions for RFA/RFP
* Reduce timelines

***Q&A included discussion of the difference between an RFA and RFQ. CEDMC clarified their thinking on RFQ – qualify bidders at front end and then include details of program design at RFP stage. Need additional discussion on the benefits of an RFQ.***

***Chat Discussion about RFA not yielding information about cost effectiveness; no CET at RFA stage. Not much opportunity for innovation at this stage. Process may not be delivering what CPUC needs. From bidders’ standpoint, information on advancing to next stage is delayed and then feedback is not informative – so process is not helpful.***

***Chat Discussion on RFA to RFP dating back to earlier time period when focus was on innovation. 3Ps were a channel for promoting innovation. There was a move away from cookie cutter statewide programs. The whole nature of process has changed now. The CPUC is not achieving that objective of innovation. The 2-stae process was meant to be easier on implementers to avoid a labor-intensive effort at the outset (RFP).***

***Other bidders claim this is not quite correct – that the original call was for a Tier 2 Al request between RFA and RFP so that stakeholders (PRG, CalPA) would have more visibility into program details before solicitations had gone too far. Many parties told the CPUC this would be a terrible delay to the process. The end result was the two-stage process with the AL at the end of the process.***

***Chat Discussion: PRG member urged folks to think about what solicitations should look like in 2-3 years when IOUs are faced with re-bidding the part of the portfolio that has been outsourced.***

**Topic 5: Overview of Engagement Touchpoints**

Implementation Plan Webinars

* Do we need them?
* Should they be repurposed?
* Are they being appropriately noticed?
* Should attendance be a focus for the future?
* Is there a different approach that would be more effective?

***Discussion: Some bidders find the Webinars helpful and are surprised they are not better attended. Some bidders noted that there is a lack of consistency among the Webinars. One bidder expressed that the Webinars are not useful and should be discontinued because they are not public (however, they are public and widely noticed to the service list).***

Stakeholder Touchpoints

* Do we need more frequent stakeholder meetings?
* Stakeholders need to raise issues that can be solved and are relevant in this timeframe

***Discussion: CEDMC meets regularly to discuss issues and communicates them via surveys, etc. Individual bidders struggle to respond. (Agree but not all bidders are represented by CEDMC)***

**Topic 6: Cultivating Small and Diverse Businesses**

***Discussion in Chat: Level of risk in new contract structures is non-starter for many DBEs. IOUs say they are sharing the risk, but implementers have financial penalties for not meeting savings goals and we have subcontractors who can’t meet flow-down requirements.***

***Discussion in Chat: Another challenge is SBE criteria includes that a business must be “independently owned and operated.” This eliminates all nonprofits since they do not have “owners.” DBE criteria also includes “owned” in the definition. Needs clarification.***

***Question: Do any of the IOUs provide RFA/RFP evaluation point preferences for 3P bidders whoa re or who subcontract with MBE/WBE/DBE firms? If not, why not? It is a practice adopted by other utilities.***

***Response: Yes, there is a consideration in the scoring criteria for implementers who qualify as or subcontract with DBE firms.***

**Topic 7: Bidder Feedback**

Feedback to bidders ranges from providing letters to offering meetings.

***Discussion: Bidders not satisfied with the feedback. It is not sufficient to help improve submittals. Subcontractors and attorneys are not allowed to participate on the calls. CEDMC suggested it may take an order from the CPUC to require the IOUs to provide meaningful feedback to bidders. IEs requested specifics on what information bidders need. Bidders need more in-depth reasoning as to why there was a lack of responsiveness to the RFA/RFP. For example: Which areas were good? Which areas fell short? We don’t believe you could achieve your stated goals. We don’t believe your technical solution is feasible. You were too costly. We don’t think that you can perform these services at the cost you’ve provided. Your proposed staff doesn’t have adequate experience.***

Feedback should go both ways – Bidders should provide feedback to the IOUs also.

**Response: Negotiation stage is not really a negotiation – it is just information gathering. The program wasn’t discussed at all. We were asked to give a price and tell what risk we were willing to bear. This went on for two months with no feedback on whether or not we were on the right or wrong track. The IOU was pitting bidders against each other to determine who would provide the best price and take on more risk. This was not a positive experience. There was no opportunity to get feedback on anything we proposed.**

**Open Discussion**

***Question: Implementation Plans – attended one that only lasted 15 minutes. Anyone have ideas for improvement?***

***Response: Rethink why they are being held. I’ve attended several and found them informative***

***Response: Created for a different purpose. Could change the purpose.***

***Response: Because 3P Implementers are tied to performance terms contractually, it is difficult for material external feedback to be useful or incorporated.***

***Question: Are PAs/CPUC satisfied with the level of innovation they’ve been able to contract for with 3Ps? Is the solicitation process/timeline/quota serving this purpose? What is it worth to ratepayers (how valued?)***

***Response from PG&E: We are seeing some modest improvement on innovation. It is challenging to evaluate and score.***

***Question: Some RFAs/RFPs have been cancelled or not resulted in contracts. When these are re-released there is little or no guidance as to what went wrong the first time. Can Pas share any insight as to what caused solicitation failures and whether re-released RFAs are being modified to address deficiencies in prior bids?***

***Response: Good question. We will capture it for future discussion.***

**Next Steps:**

Will post meeting minutes to CAEECC and send out surveys.