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

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

Rulemaking 13-11-005

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) SUBMISSION OF THE  
SEMI-ANNUAL INDEPENDENT EVALUATOR REPORT ON THE THIRD-PARTY  
SOLICITATION PROCESS**

**PUBLIC VERSION**

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Dated: **July 10, 2020**

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

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Efficiency Rolling Portfolios, Policies, Programs,  
Evaluation, and Related Issues.

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SEMI-ANNUAL INDEPENDENT EVALUATOR REPORT ON THE THIRD-PARTY  
SOLICITATION PROCESS**

**PUBLIC VERSION**

Pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission (Commission or CPUC), and in compliance with Commission’s Decision D.18-01-004, Southern California Edison Company (SCE) submits, on behalf of the independent evaluators (IEs), this Semi-Annual Independent Evaluators’ Public Report on the Third-Party Solicitation Process of Southern California Edison Company. The Commission in D.18-01-004 required that the IEs, among other things, “shall also provide assessments of the overall third party solicitation process and progress, on at least semi-annual basis, to the Commission via reports filed in the relevant energy efficiency rulemaking (currently R.13-11-005).<sup>1</sup>

Because the IEs are not parties to the energy efficiency proceeding, SCE is filing this semi-annual report regarding SCE’s third-party solicitation progress (from November 2019 through March 2020) on behalf of the IEs, who prepared the report. Concurrent with the

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<sup>1</sup> D.18-01-004 at p.38 and Ordering Paragraph.

submission of the IEs' public version of the semi-annual report, SCE is filing a confidential version of the same report to the Commission through a Motion to File Under Seal.

Respectfully submitted,

ANNA VALDBERG  
ANGELA WHATLEY

/s/ Angela Whatley

By: Angela Whatley

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July 10, 2020

## **Appendix A**

### **Semi-Annual Independent Evaluator Report [PUBLIC VERSION]**

# **Semi-Annual Report**

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## **Southern California Edison Company**

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

Reporting Period: November 2019 through March 2020

<b>PUBLIC VERSION-REDACTED</b>
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*Prepared by Independent Evaluators:*

Barakat Consulting, Inc.

Don Arambula Consulting

MCR Corporate Services

June 24, 2020

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

# INDEPENDENT EVALUATORS' SEMI-ANNUAL REPORT

## SOUTHERN CALIFORNIA EDISON 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, Southern California Edison Company's (SCE or the IOU), third-party energy efficiency (EE) program solicitation process and progress by SCE's assigned Independent Evaluators (IEs). The Report is intended to provide feedback to SCE and other stakeholders on the progress of the PA's energy efficiency program solicitations in compliance with the California Public Utilities Commission (CPUC) direction.<sup>1</sup>

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).<sup>2</sup> 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 SCE's entire third-party solicitation process. This Report identifies areas for improvement and highlights best practices as noted by the IEs based on SCE's current program solicitations. The Report is not intended to replace the required Final Solicitation Reports (Final Report(s)), which will be provided to SCE and its PRG by the assigned IE at the conclusion of each solicitation.

Due to the sensitive nature of the information contained in the IEs' assessments, the IEs are submitting two reports—a Public (redacted) version and a Non-Public version. The Non-Public version is deemed to contain information that might disclose market sensitive information which could provide a competitive advantage to other businesses, if this information was released which could lead to a negative or detrimental impact on the Bidders, the customers, and/or the Investor-Owned Utility (IOU).

## 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)—SCE, Pacific Gas & Electric Company (PG&E) San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas)—to ensure that their EE portfolios contain a minimum percentage of third-party designed and implemented programs by predetermined dates over the next three years. Further directions were included in (D.) 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*

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<sup>1</sup> Decision 18-01-004, OPN 5.c.

<sup>2</sup> Id.

*budgets under contract for programs designed and implemented by third parties by no later than December 19, 2019.*

## **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.<sup>3</sup>

The CPUC also requires each IOU to assemble an EE Procurement Review Group (EE PRG or PRG). The IOU's EE 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 EE 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 EE 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 31, 2019, SCE requested an extension to December 31, 2020 to complete its Residential, Industrial and Commercial programs. In November 2019, the CPUC granted SCE's extension request with modification: SCE shall have until September 30, 2020 to comply with Ordering Paragraph 4 of D.18-05-041.

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 SCE's active program solicitations. For ease of review, the Report also provides an overview of key issues along with corresponding recommendations gleaned from the individual IE assessments. The following provides a summary of each program solicitation.

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<sup>3</sup> Decision 18-01-004, p.31.



# 1. Local Residential, Commercial, and Industrial

## Summary

SCE's Local Residential, Commercial, and Industrial (RCI) solicitation is focused on providing innovative third-party program approaches to support and help modernize EE programs and program delivery and provide the best chance of achieving shared EE and State goals at the lowest cost to customers and the economy. SCE will look to the marketplace to provide modern EE solutions for customers while adhering to program protocols and achieving program goals. Successful programs will serve customers' EE needs, be designed and implemented by third party implementer(s) in SCE's service territory, be innovative, and satisfy energy savings goals at the lowest cost.

## Timeline

Table 1 presents a list of key solicitation milestones and expected completion dates.<sup>4</sup> The CPUC completed its review of the RFP launch package earlier than anticipated, so SCE released its RFP ahead of schedule to provide market participants with additional time to complete their submittals.

Table 1: Key Milestones	
Milestones	Completion Date
<b>RFA Stage</b>	
Solicitation Launch	November 2018
Bidder's Conference	November 14 and 15, 2018
Offer Submittal Deadline	December 29, 2018
Shortlisting Notification	June 3, 2019
<b>RFP Stage</b>	
Solicitation Launch	January 16, 2020 <sup>5</sup>
Bidder's Conference	January 30, 2020 <sup>6</sup>
Offer Submittal Q&A Period	January 16, 2020-February 19, 2020
Offer Submittal Deadline	February 26, 2020
Cure Period	February 26, 2020-April 1, 2020
Shortlisting Notification	May 7, 2020
<b>Contracting Stage</b>	
Contracting and Negotiations Period Commercial Lockdown <sup>7</sup>	May-September 2020

<sup>4</sup>Id., at Section 3.05: Solicitation Schedule.

<sup>5</sup>SCE was able to launch the RCI Solicitation ahead of schedule but retained the original submittal date to give bidders additional days to complete their submissions.

<sup>6</sup> SCE notified the PRG on January 8, 2020 that the Bidders' Conference was moved from January 29, 2020 to January 30, 2020 to accommodate presenter schedules.

<sup>7</sup>Commercial Lockdown indicates that negotiations have closed, and final Offers are submitted.

## 2. Statewide Lighting

### Summary

As SCE seeks offers for Statewide EE or EE coupled with Integrated Demand Side Management (IDSMS) lighting resource programs for all IOU customers that utilize highly efficient lighting technologies and that provide energy savings in compliance with, and support of, the IOUs' business plans, CPUC's EE decisions and other filings. Offers should be designed to provide to-code energy savings, above code energy savings, increase EE acceptance, and enable the development and adoption of future California building codes and standards.

The Statewide Lighting Program RFP was released February 6, 2020; the bidders conference was held on February 13, proposals were received from bidders on March 16, and the proposals are in the evaluation stage as of the date of this report.

### Timeline

The development of the RFA was originally delayed so the IOU could go through modifications consistent with changes in the RCI solicitation and then the process got back on track with the release of the RFA in July 2019. The timing of the solicitation process is shown in Table 2.

Table 2: Key Milestones	
Milestones	Completion Date
<b>RFA Stage</b>	
RFA Released	July 2, 2019
Bidder's Conference	July 10, 2019
RFA Offer Submittal Deadline for bidders	July 30, 2019
Gateway 1: Complete & Conforming Process & Cure Period	July 31–August 6, 2019
Gateway 2: Technical Scoring Period	August 5–12, 2019
RFA Scoring Calibration & Shortlist	August 16–September 19, 2020
Market Notification of RFA Shortlist	September 20, 2019
<b>RFP Stage</b>	
RFP Release	February 6, 2020
Bidders Conference	February 13, 2020
Proposals Submitted	March 16, 2020
Scoring	March 16–April 1, 2020
<b>Contracting Stage</b>	
Shortlisting	April 21, 2020
Contract Negotiations	May 7–August 5, 2020
Final Selection	September 15, 2020

### 3. Solicitation Summary

Table 3 shows a summary of the SCE solicitations, assigned IEs, and status. The Report does not address program solicitations where there are no solicitation materials to review and SCE has not yet released an RFA nor has its PRG reviewed, as noted in the table below.

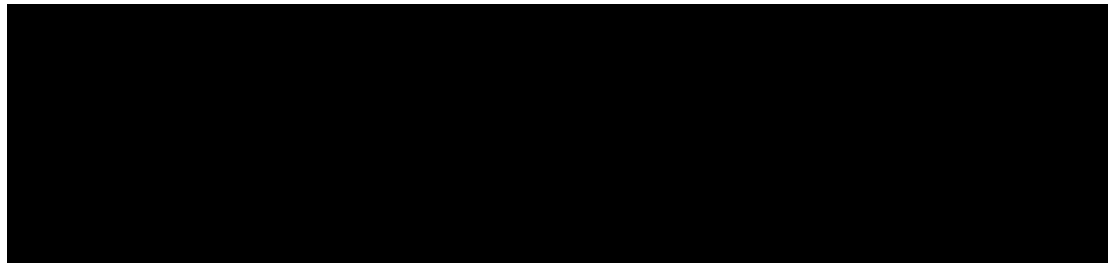
Table 3: Solicitations Overview		
Solicitations	Assigned IEs	Solicitation Status
Local Residential, Commercial, Industrial (RCI)	MCR Corporate Services	RFP – Proposals Under Review
Statewide Lighting	Barakat Consulting, Inc.	RFP – Proposals Under Review
Statewide Emerging Technologies (Electric)	Barakat Consulting, Inc.	Pre-RFA (not addressed)
Local Public & Agricultural (PAG)	Don Arambula Consulting	Pre-RFA (not addressed)
Statewide Higher Education	MCR Corporate Services	Suspended (not addressed)
Statewide Water and Wastewater Pumping	MCR Corporate Services	Suspended (not addressed)
<b>Legend:</b> <b>Pre-RFA Stage:</b> Activities conducted prior to RFA release <b>RFA:</b> Includes bid preparation and evaluation period <b>Pre-RFP Stage:</b> Activities conducted prior to RFP release <b>RFP:</b> Includes bid preparation and evaluation period <b>Contracting:</b> Contract negotiations <b>Suspended:</b> Solicitation held until a later date <b>Cancelled:</b> Solicitation withdrawn, scope may be included as part of a future solicitation.		

### D. IE Assessment of Solicitations

The following are key observations gleaned from the individual IE reports on specific solicitations, as presented in Attachment II. Corresponding details are provided in Table 4, including a summary of IE recommendations and outcomes.

Key issues are related to the following areas:

- 



- 



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- 

[Redacted]



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

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

## E. PRG Feedback on Solicitations

[illegible]



## F. Stakeholder Feedback from CPUC Workshops

### February 2020 Public Workshop

A public workshop was held by the CPUC's 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 Energy Division (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 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 Evaluator's Semi-Annual  
Report on the

**Local Residential, Commercial, and Industrial Programs**

Reporting Period: November 2019 through March 2020

*Prepared by:*  
MCR Corporate Services

June 23, 2020

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

# LOCAL RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL PROGRAMS

## 1. Solicitation Overview

### 1.1 Overview


SCE's Local RCI solicitation is focused on providing innovative third-party program approaches to support and help modernize energy efficiency (EE) programs and program delivery and provide the best chance of achieving shared EE and State goals at the lowest cost to customers and the economy. SCE will look to the marketplace to provide modern EE solutions for customers while adhering to program protocols and achieving program goals. Successful programs will serve customers' EE needs, be designed and implemented by third party implementer(s) in SCE's service territory, be innovative, and satisfy energy savings goals at the lowest cost.

### Scope

As specified in the Participant Instructions for SCE's 2019 Local RCI Sector Request for Proposals (Participant Instructions), "SCE seeks Offers for energy efficiency (EE) or EE coupled with IDSM savings solutions for Residential, Commercial, and Industrial (RCI) customers located in SCE's service territory that provide innovative and deep energy savings in compliance with, and in support of, the CPUC EE decisions and other filings. Offers may be designed to provide to-code energy savings, above code energy savings, increase EE acceptance, and enable the development and adoption of future California building codes and standards."<sup>8</sup> The Customer Sector, Delivery Channel, Savings Methodology and Incentive Structure of the Offer must be consistent with the shortlisted Abstract.<sup>9</sup>

### Objectives

The Participant Instructions include objectives for the RCI solicitation.<sup>10</sup> A primary objective is to obtain third-party proposals to design and implement RCI programs that serve customers' EE needs in SCE's service territory. The programs should be innovative<sup>11</sup> and satisfy energy savings goals at the lowest cost.<sup>12</sup>



Customer Sector objectives will be considered when reviewing Offers, including effective metric tracking and monitoring; reducing or eliminating market barriers and free-ridership; serving customer defined as Hard-to-Reach (HTR); maximizing energy savings for Disadvantaged

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<sup>8</sup> 2019 Local Residential, Commercial and Industrial Sectors Request for Proposals: Participant Instructions, Version 6.4, January 22, 2020, at Section 3.01, p.12.

<sup>9</sup> Id., at pp.13-14.

<sup>10</sup> Id., at pp.7-8, and 15-16.

<sup>11</sup> Id., at Section 3.08

<sup>12</sup> Id., at p.7.

<sup>13</sup> Id., at p.8.

<sup>14</sup> Id., at p.15.

Communities (DAC); and enhancing customer experience from existing SCE offerings. Bidders are encouraged to consider solutions that integrate demand side programs and technologies to achieve maximum benefits while avoiding duplicative efforts and reducing customer confusion.<sup>15</sup>

## 1.2 Timing

Table 3 presents a list of key solicitation milestones and expected completion dates.<sup>16</sup> The CPUC completed its review of the RFP launch package earlier than anticipated, so SCE released its RFP ahead of schedule to provide market participants with additional time to complete their submittals.

Table 3: Key Milestones	
Milestones	Completion Date
<b>RFA Stage</b>	
Solicitation Launch	November 2018
Bidder's Conference	November 14 and 15, 2018
Offer Submittal Deadline	December 29, 2018
Shortlisting Notification	June 3, 2019
<b>RFP Stage</b>	
Solicitation Launch	January 16, 2020 <sup>17</sup>
Bidder's Conference	January 30, 2020 <sup>18</sup>
Offer Submittal Q&A Period	January 16, 2020-February 19, 2020
Offer Submittal Deadline	February 26, 2020
Cure Period	February 26, 2020-April 1, 2020
Shortlisting Notification	May 7, 2020
<b>Contracting Stage</b>	
Contracting and Negotiations Period Commercial Lockdown <sup>19</sup>	May-September 2020

## 1.3 Key Observations

Table 4 represents a collection of key IE issues, observations and outcomes, where applicable, from the assigned IE for the RCI Local Solicitation.

<sup>15</sup>Id., at p.16.

<sup>16</sup>Id., at Section 3.05: Solicitation Schedule

<sup>17</sup>SCE was able to launch the RCI Solicitation ahead of schedule but retained the original submittal date to give bidders additional days to complete their submissions.

<sup>18</sup>SCE notified the PRG on January 8, 2020 that the Bidders' Conference was moved from January 29, 2020 to January 30, 2020 to accommodate presenter schedules.

<sup>19</sup>Commercial Lockdown indicates that negotiations have closed, and final Offers are submitted.

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

[illegible]



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

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

## 2. Solicitation Outreach and Bidder Response

### 1.1 Bidder Response to Solicitation

[REDACTED]

[REDACTED]			
[REDACTED]			
[REDACTED]			

[REDACTED]

[REDACTED]

\_\_\_\_\_

1. *Journal of the American Medical Association*, 2000; 284: 2689-2695.

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

\_\_\_\_\_

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[REDACTED]

- Designs were based on market conditions and regulatory rules at the time of the RFA launch, and significant time has now passed.

- [REDACTED]
- [REDACTED]

[REDACTED]

## 2.2 Bidders' Conference and Q&A

### RFA

This solicitation activity was addressed in previous Semi-Annual Reports.

### RFP

SCE held the RFP Bidders' Conference on January 30, 2020. [REDACTED]

[REDACTED]

Table 7: Bidder Conferences	
RFP Bidder Conference Date	January 30, 2020
[REDACTED]	
[REDACTED]	

<sup>20</sup> [REDACTED] Not all participants were bidders, and many participants were redundant because Skype shows both names and phone numbers for each participant. During the start of the meeting, the participant names were visible to all external parties, and SCE corrected this after a few minutes so participants could not see who was participating.

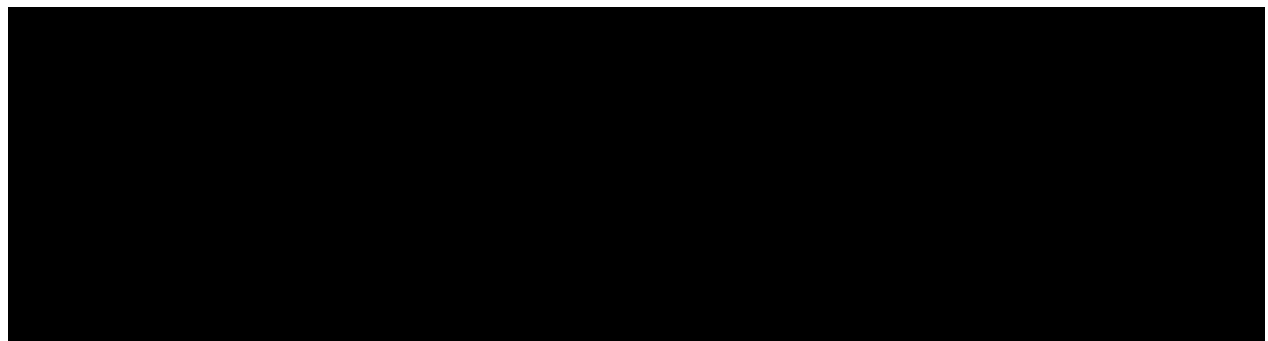
SCE's presentation at the Bidders' Conference included the following topics:

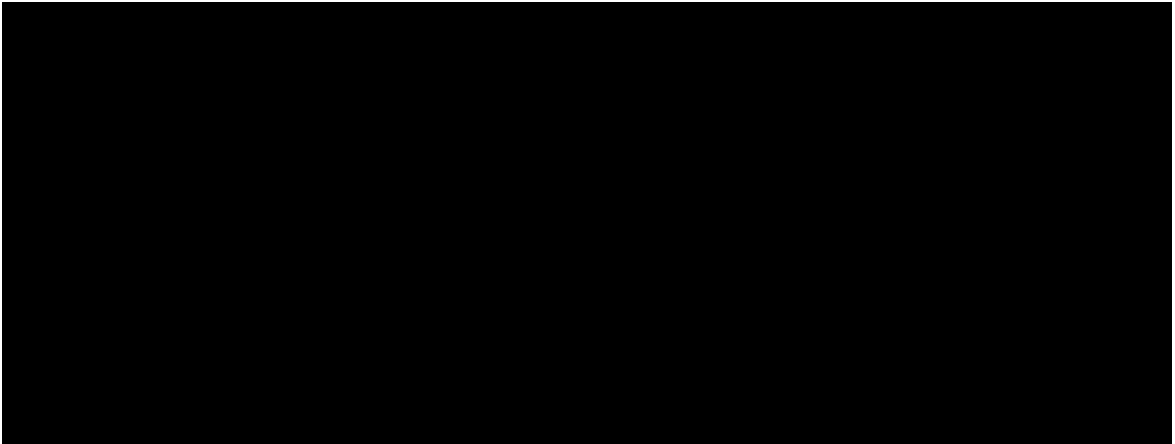
- RFP Package Submittal Requirements
- Business Plan Portfolio Strategies and Objectives
- RFP Important Points and Clarifications
- Pro Forma Key Provisions
- Collateral Requirements
- Fuel Substitution, Custom Process and CET Success Tips
- Valuation
- CET Refresher (1 hour)

There were several slides that described keys to success, including conforming to RFA and conducting quality control on all CET files. Other slides walked through what SCE prefers as well as types of offers that would be considered ineligible. Preferences include:

- TRC Above 1.25
- Cost Efficiency
- Innovation
- Pay-for-performance
- Decreased Market Barriers
- Improved Customer Experience
- IDSM Solutions
- Support for Disadvantaged Worker
- Service for HTR and DAC
- Embedded M&V

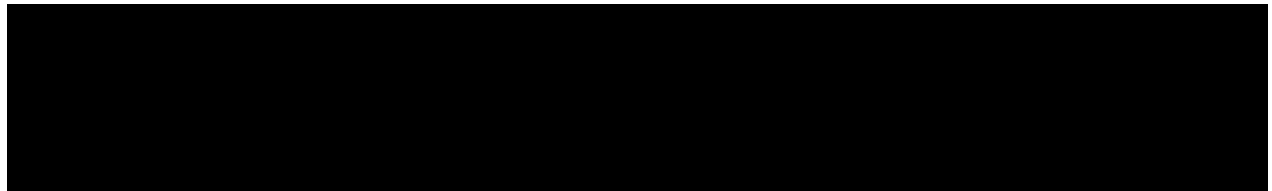
SCE also added references on the slides to pertinent sections of the RFP for easy accessibility. The IE found these keys for success, preferences, RFP references and CET refresher session particularly helpful and suggest these be considered as best practices for all solicitations.





### **2.3 Solicitation Design Assessment**

SCE conducted the solicitation per the CPUC-approved two-stage process with PRG and IE oversight. This solicitation is a multisector solicitation and did not include specific savings goals. The approach was to point the market to SCE's Business Plan and allow them to propose at the RFA and RFP stages.



## **3. RFA and RFP Design and Materials Assessment**

### **3.1 RFA Design Requirements and Materials**

This solicitation activity was addressed in previous Semi-Annual reports.

### **3.2 RFP Design Requirements and Materials**

The previous Semi-Annual report described the elements of SCE's RFP design and some of the challenges noted by the IE. This report provides additional details now that the RFP design stage is complete.

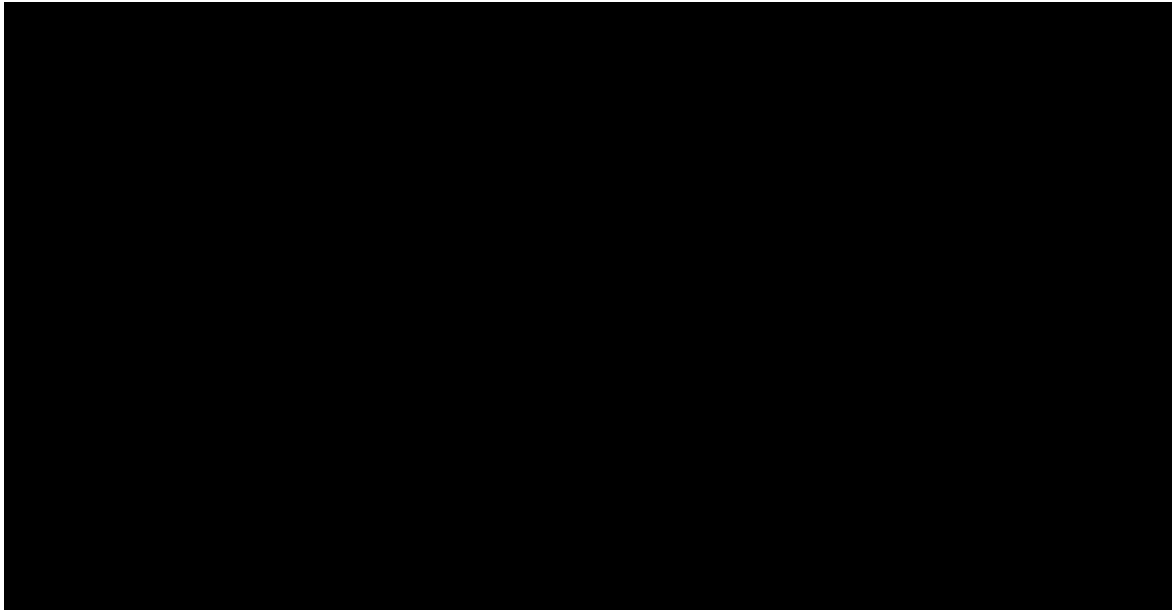
SCE's RFP design consists of:

- Participant Instructions
- Offer Workbook
- Pro Forma
- Program Viability Calculator
- Optimization Selection Tool

[REDACTED]

[REDACTED]

2 [REDACTED]



The final documents were completed on December 17, 2019 and provided to the PRG for review on December 19, 2019. On January 9, 2020, the Energy Division provided SCE guidance to move forward with the RFP release.

### **3.3 Response to PRG and IE Advice**

#### **RFA**

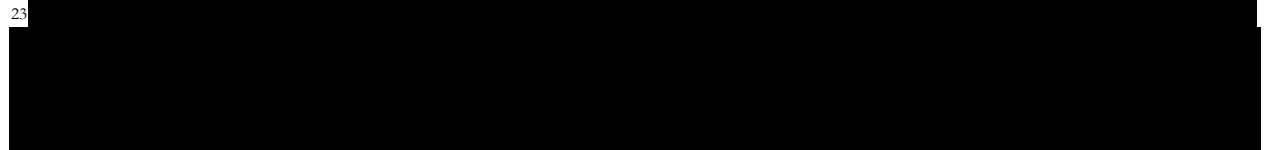
This solicitation activity was addressed in previous Semi-Annual Reports.

#### **RFP**

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<sup>22</sup> Decision 16-08-019, at pp.68-69.

<sup>23</sup>





[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

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

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

#### 4. Bid Evaluation Methodology Assessment

#### 4.1 Bid Screening Process

## RFA

This solicitation activity was addressed in previous Semi-Annual Reports.

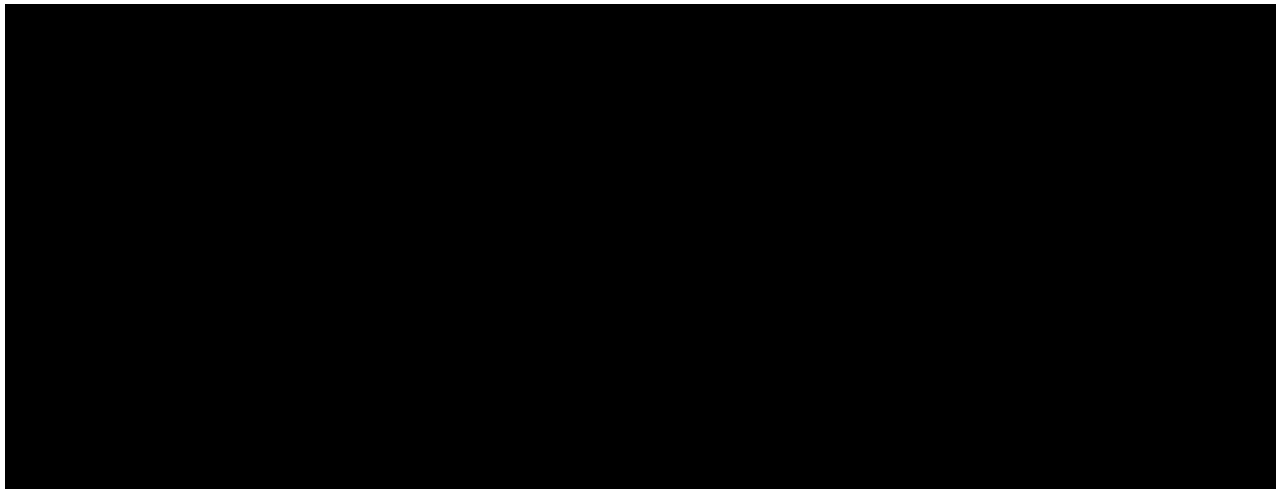
**RFP**

SCE provided the following description of its Offer evaluation methodology in the RFP Participant Instructions.<sup>24</sup>

In order to be considered for selection in this Solicitation, the Offer must:

- Meet the eligibility criteria set forth in these Solicitation Instructions;
- Adhere to the Solicitation Schedule and other submittal requirements set forth in Article 3 of these Solicitation Instructions; and
- Adhere to, input and upload all information as required by or instructed per the online Offer instructions.

<sup>24</sup> 2019 Local Residential, Commercial and Industrial Sectors Request for Proposals: Participant Instructions, Version 6.4, January 22, 2020, at Section 3.10, p. 33.



## 4.2 Scoring Rubric Design

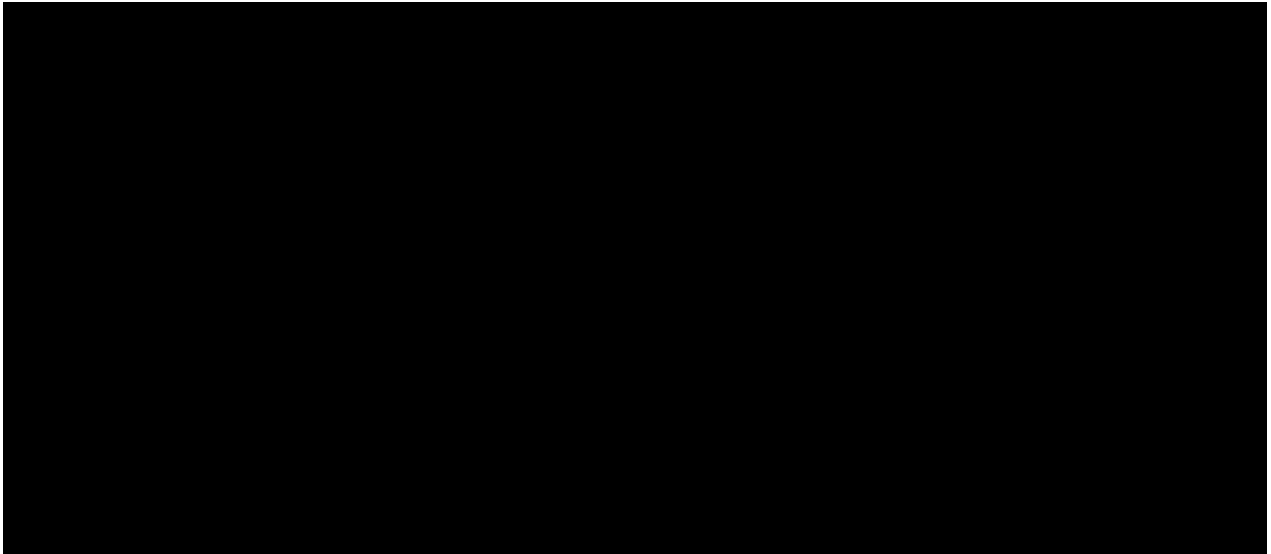
**RFA**

This solicitation activity was addressed in previous Semi-Annual Reports.

# RFP

[illegible]





### 4.3 Evaluation Team Profile

## RFA

This solicitation activity was addressed in previous Semi-Annual Reports.

# RFP

SCE has [REDACTED] on the RFP evaluator team with no reported conflicts of interest.

Based on our review, all are qualified to be evaluators.

SCE also conducted a 3-hour in-person technical scoring training on February 25, 2020. The IEs were invited to participate and monitor the training. Trainers discussed conflict of interest rules, roles and responsibilities, mock scoring expectations, and the importance of taking detailed notes. Trainers also walked through the evaluation process and provided mock scoring examples for market barriers, innovation, sector metrics, and experience.

Both trainings were very thorough, engaged the evaluators and provided good preparation for the evaluation phase of the solicitation.

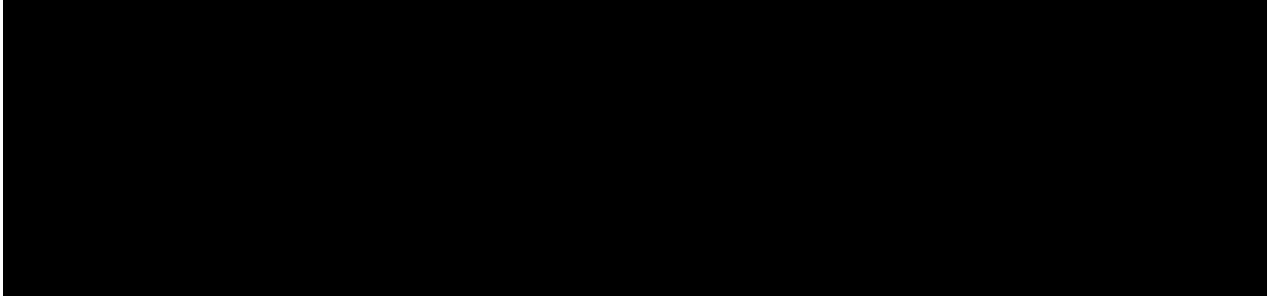
[illegible]

A large black rectangular redaction box covers the majority of the page content, obscuring all text and graphics that might have been present. The box is positioned centrally and extends nearly to the top and bottom margins of the page.**RFA**

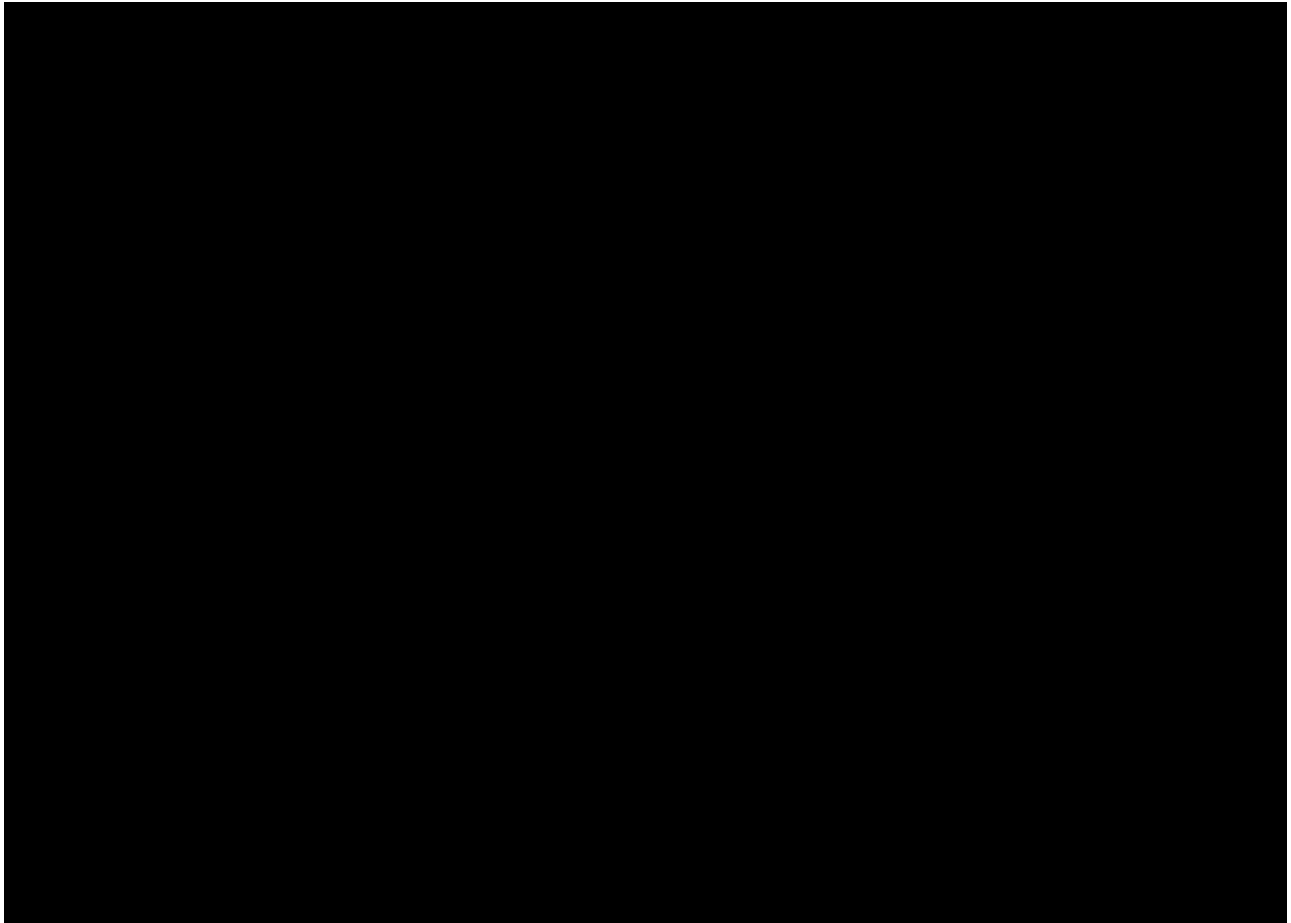
## RFP

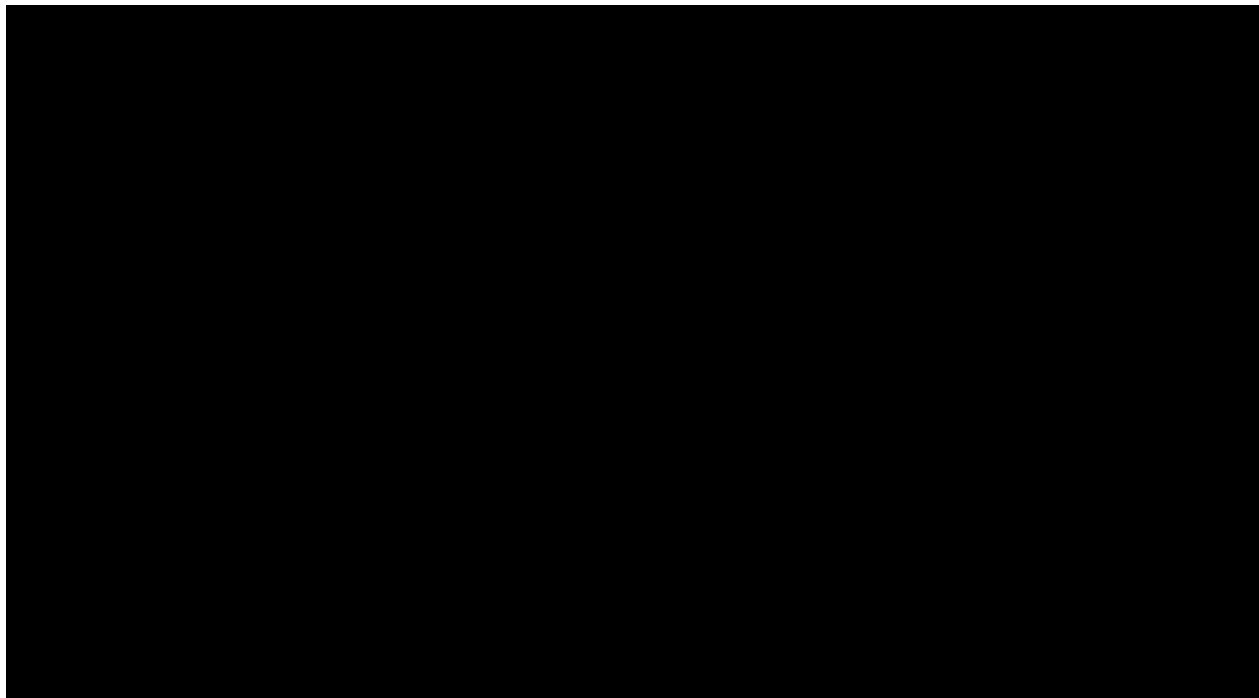
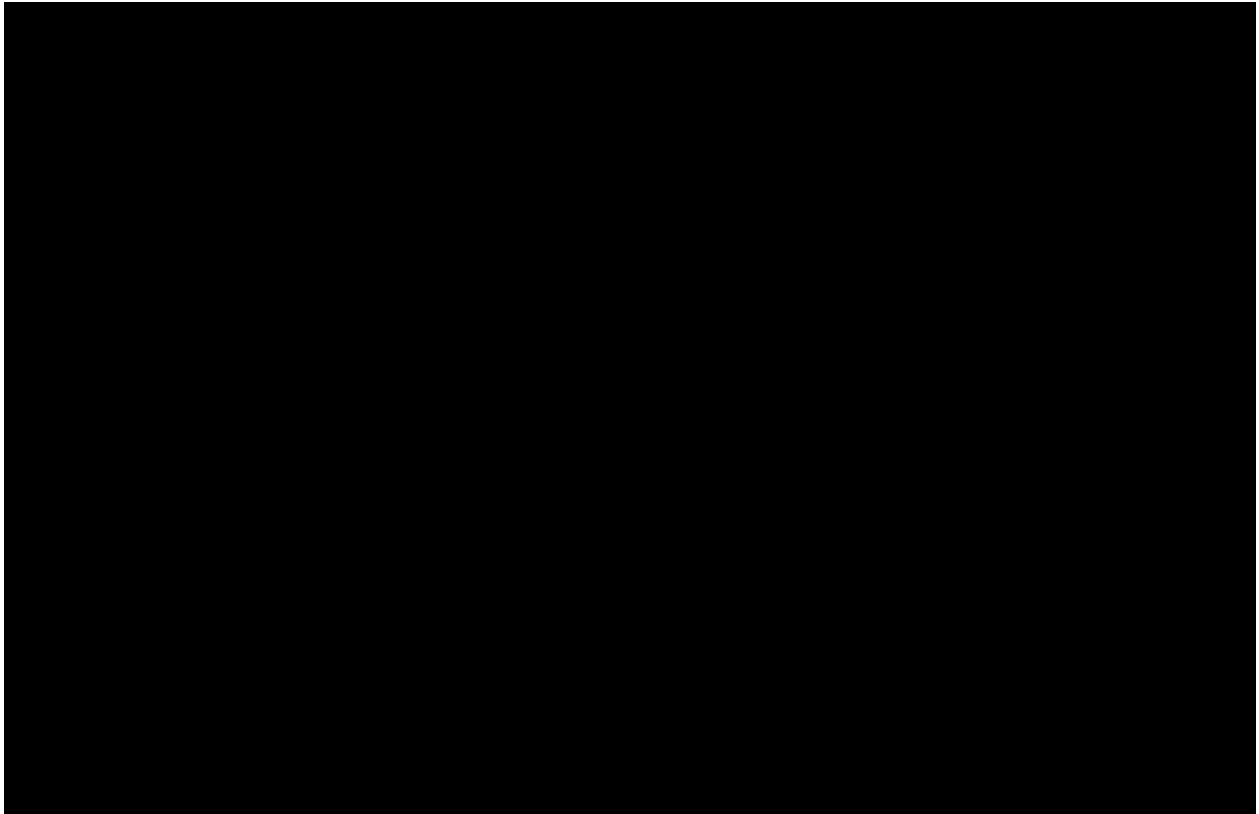


### **M&V Plan Review Process**



### **Cure Process**







## **6. Final Bid Selection Assessment**

### **6.1 Conformance with Established Evaluation Processes**

#### **RFA**

This solicitation activity was addressed in previous Semi-Annual Reports.

#### **RFP**

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

### **6.2 Management of Deficient Bids**

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

### **6.3 Shortlist and Final Selections**

#### *a. Conformance with Established Evaluation Processes*

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

#### *b. Portfolio Fit*

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

#### *c. Response to PRG and IE Advice*

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

### **6.4 Affiliate Bids and Conflict of Interest**

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

## **7. Assessment of Selected Bids**

### **7.1 Bid Selections Respond to Portfolio Needs**

This solicitation activity has not yet occurred for the RCI 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**

### **8.1 Collaboration on Final Program Design and Scope**

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

### **8.2 Fairness of Negotiations**

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

### **8.3 Changes to Contract Terms & Conditions**

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

### **8.4 Conformance with CPUC Policies and Objectives**

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

### **8.5 Uniformity of Contract Changes**

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

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

## **Statewide Lighting Programs**

Reporting Period: November 2019 through March 2020

*Prepared by:*  
Barakat Consulting, Inc.

June 23, 2020

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

# STATEWIDE LIGHTING PROGRAMS

## 1. Solicitation overview

### 1.1 Overview

SCE seeks offers for Statewide EE or EE coupled with IDSM lighting resource programs for all IOU customers that utilize highly efficient lighting technologies and that provide energy savings in compliance with, and support of, the IOUs' business plans, CPUC's EE decisions and other filings. Offers should be designed to provide to-code energy savings, above code energy savings, increase EE acceptance, and enable the development and adoption of future California building codes and standards.

The Statewide Lighting Program RFP was released February 6, 2020; the bidders conference was held on February 13, 2020 proposals were received from bidders on March 16, 2020 and the proposals are in the evaluation stage as of the date of this report.

### Scope

The scope of this solicitation is to seek programs designed to be delivered consistently and uniformly throughout the IOUs' service territories, statewide. Local or regional variations in incentive levels, measure eligibility, or program interface are generally not permissible.

Upstream (at the manufacturer level) and midstream (at the distributor or retailer level, but not the contractor or installer level) interventions are required to be delivered statewide. Some, but not all, downstream (at the customer level) approaches are also appropriate for statewide administration.<sup>25</sup>

### Objectives

The objective of this solicitation is to seek programs and to execute contracts with selected Offerors for new lighting programs.

### 1.2 Timing

The development of the RFA was originally delayed so the IOU could go through modifications consistent with changes in the RCI solicitation and then the process got back on track with the release of the RFA in July 2019.

Table 11: Key Milestones	
Milestones	Completion Date
<b>RFA Stage</b>	
RFA Released	July 2, 2019
Bidder's Conference	July 10, 2019

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<sup>25</sup> Decision 16-08-019.







## 2.2 Bidder's Conference and Q&A

### RFA

Not applicable for this report. The RFA Bidders Conference was reported in previous Semi-Annual report.

### RFP

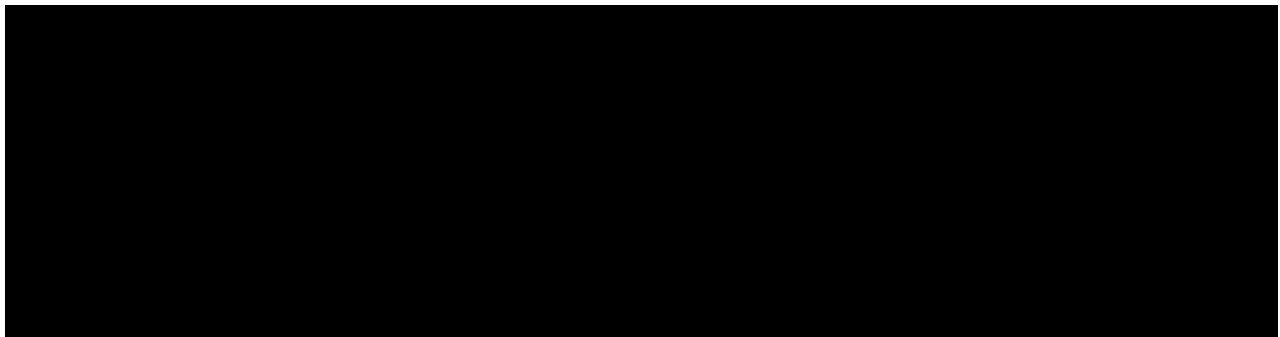


Table 14: Bidders' Conferences	
RFP Bidder Conference Date	February 13, 2020

## 2.3 Solicitation Design Assessment

SCE conducted the solicitation in accordance with Decision 18-01-004, which requires that utilities utilize a two-stage solicitation process (RFA followed by an RFP) for third-party programs. For the Statewide Lighting solicitation, the PRG and IEs have been active participants in all aspects of the process.

## 3. RFA and RFP Design and Materials Assessment

### 1.1 RFA Design Requirements and Materials

Not applicable for this report. This was provided in the previous Semi-Annual report.

### **3.2 RFP Design Requirements and Materials**

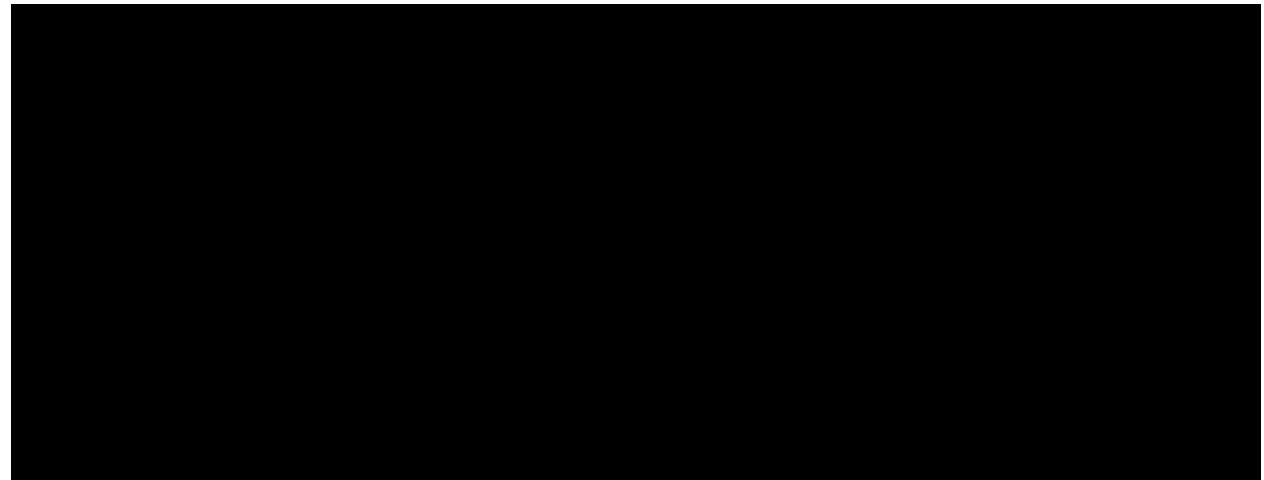


### **3.3 Response to PRG and IE Advice**

#### **RFA**

Not applicable for this report. This was provided in the previous Semi-Annual report.

#### **RFP**



## **4. Bid Evaluation Methodology Assessment**

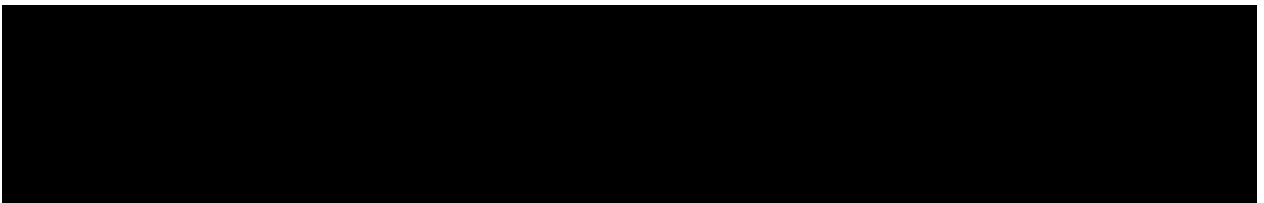
Bid Evaluation took place in April 2020 and will be reported on in the next Semi-Annual Report.

### **4.1 Bid Screening Process**

#### **RFA**

Not applicable for this report. This was provided in the previous Semi-Annual report.

#### **RFP**



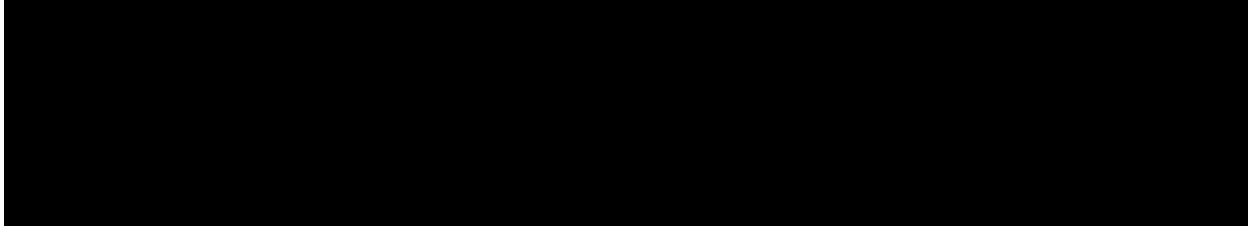


## 4.2 Scoring Rubric Design

## RFA

Not applicable for this report. This was provided in the previous Semi-Annual report.

## RFP



### 4.3 Evaluation Team Profile

## RFA

Not applicable for this report. This was provided in the previous Semi-Annual report.

**RFP**

SCE [REDACTED] staff on the RFP evaluator team with no reported conflicts of interest.

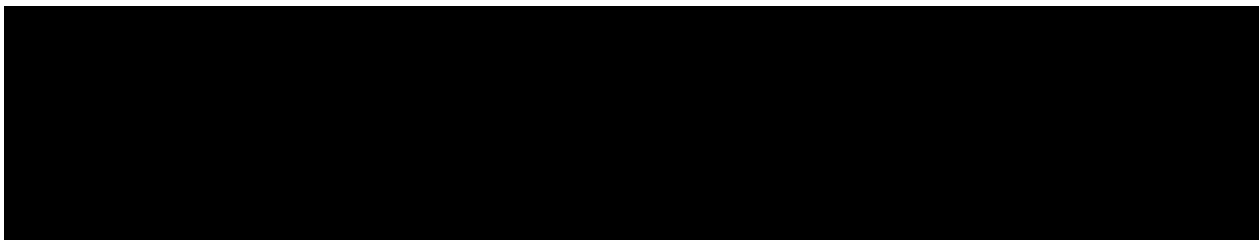
SCE held an all-day in-person CET Evaluation Training on February 12, 2020 for SCE engineering staff. The IEs were invited and participated in the training. Trainers reviewed the CET process and conducted mock exercises.



Both trainings were very thorough, engaged the evaluators and provided good preparation for the evaluation phase of the solicitation.



## **5. Response to PRG and IE Advice**



### **RFA**

Not applicable for this report. This was provided in the previous Semi-Annual report.

### **RFP**

Not applicable for this report. This will be provided in the next Semi-Annual report.

## **6. Final Bid Selection Assessment**

### **6.1 Conformance with Established Evaluation Processes**

#### **RFA**

Not applicable for this report. This was provided in the previous Semi-Annual report.

#### **RFP**

Not applicable for this report. This will be provided in the next Semi-Annual report.

### **6.2 Management of Deficient Bids**

There were no deficient proposals in the RFP stage.

### **6.3 Shortlist and Final Selections**

#### *a. Conformance with Established Evaluation Processes*

Not applicable for this report. This will be provided in the next Semi-Annual report.

#### *b. Portfolio Fit*

Not applicable for this report. This will be provided in the next Semi-Annual report.

#### *c. Response to PRG and IE Advice*

Not applicable for this report. This will be provided in the next Semi-Annual report.

### **6.4 Affiliate Bids and Conflict of Interest**

There were no affiliate bids at the RFP Stage.

## **7. Assessment of Selected Bids**

### **7.1 Bid Selections Respond to Portfolio Needs**

Not applicable for this report. This will be provided in the next Semi-Annual report.

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

Not applicable for this report. This will be provided in the next Semi-Annual report.

## **8. Reasonableness of Contracting Process**

### **8.1 Collaboration on Final Program Design and Scope**

Not applicable for this report. This will be provided in the next Semi-Annual report.

### **8.2 Fairness of Negotiations**

Not applicable for this report. This will be provided in the next Semi-Annual report.

### **8.3 Changes to Contract Terms & Conditions**

Not applicable for this report. This will be provided in the next Semi-Annual report.

### **8.4 Conformance with CPUC Policies and Objectives**

Not applicable for this report. This will be provided in the next Semi-Annual report.

### **8.5 Uniformity of Contract Changes**

Not applicable for this report. This will be provided in the next Semi-Annual report.