

**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  
(Filed November 14, 2013)

**ENERGY EFFICIENCY INDEPENDENT EVALUATORS' SEMI-ANNUAL REPORT  
OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) THIRD PARTY ENERGY  
EFFICIENCY SOLICITATION PROGRAM AND PROGRESS**

**PUBLIC VERSION**

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January 7, 2020

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REPORT OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) THIRD PARTY  
ENERGY EFFICIENCY SOLICITATION PROGRAM AND PROGRESS**

Southern California Gas Company (SoCalGas) respectfully submits the Third Party Energy Efficiency Independent Evaluators' Semi-Annual Report ("Report"), attached hereto as Attachment A, in the above-captioned proceeding. Pursuant to Decision (D.) 18-01-004, the Independent Evaluators have conducted a semi-annual assessment of the third-party Energy Efficiency (EE) program solicitation process and progress of SoCalGas. SoCalGas files the Report on behalf of the Independent Evaluators for the reporting period May 2019 through October 2019. SoCalGas did not prepare this report and although SoCalGas was provided an opportunity to review, its input was limited to a review of confidentiality markings for the filing of the Report.

Respectfully submitted on behalf of SoCalGas,

By: /s/ Holly A. Jones  
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January 7, 2020

## **ATTACHMENT A**

# **Energy Efficiency Independent Evaluators' Semi-Annual Report**

Energy Efficiency Third-Party Program Solicitation Process

**Southern California Gas Company**

Reporting Period: May 2019 through October 2019

*Prepared by:*

Apex Analytics, LLC

Don Arambula Consulting

MCR Corporate Services

The Mendota Group, LLC

December 31, 2019

**Disclaimer:** Certain portions of this report are redacted due to the sensitive nature of the information.

**ENERGY EFFICIENCY INDEPENDENT EVALUATORS' SEMI-ANNUAL REPORT –  
SoCalGas**

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## I. Overview

### A. Purpose

The Semi-Annual Independent Evaluator Report (Semi-Annual Report or Report) provides an assessment of the Southern California Gas Company's (SoCalGas or the Company) third-party energy efficiency (EE) program solicitation process and progress by SoCalGas' assigned Independent Evaluators (IE). The Report is intended to provide feedback to SoCalGas and other stakeholders on the progress of the Company'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, energy efficiency 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 EE rulemaking (currently Rulemaking 13-11-005).<sup>2</sup> This Semi-Annual Report is provided in response to this requirement and represents an assessment of the program solicitation activities conducted during the period from May 2019 through October 2019. These Reports will be filed periodically throughout SoCalGas' entire third-party program solicitation process. This Report identifies areas for improvement and highlights best practices as noted by the IEs based on SoCalGas' current program solicitations. The Report is not intended to replace the required Final IE Assessment Reports, which will be provided to SoCalGas and its Procurement Review Group (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 Report includes Public and Non-Public Sections. The Non-Public Sections include more detailed assessments of each solicitation. The Non-Public Sections are deemed to contain information that might disclose market-sensitive information, which could provide a competitive advantage to other businesses if this information was released, leading to a negative or detrimental impact on the bidders, the customers, and/or the Company.

### 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) — Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), SoCalGas, and San Diego Gas & Electric Company (SDG&E) — 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. In October 2019, SoCalGas sought an extension of time from the CPUC on this requirement due to the delays encountered as part of the startup and newness of the program solicitation process, which has taken more time than originally anticipated by SoCalGas. In November 2019, the CPUC granted the

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

<sup>2</sup> Id.

IOUs an extension of time to meet the minimum percentage thresholds as shown below<sup>3</sup>:

- At least 25 percent by September 30, 2020 (revised);
- At least 40 percent by December 31, 2020; and
- At least 60 percent by December 31, 2022.

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 EE portfolio. All IOUs are required to conduct a Request for Abstract (RFA) solicitation, followed by a full Request for Proposal (RFP) stage.<sup>4</sup>

The CPUC also requires each IOU to assemble an EE 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 program procurement process (both local and statewide), reviewing procedural fairness and transparency, 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 an unbiased, fair, and transparent competitive process 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.

### C. Overview of Solicitations

The Report represents a collection of individual IE assessments for each of SoCalGas' 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 Report does not address program solicitations for which SoCalGas has not yet released an RFA, as noted in the table below. Table C.1 describes SoCalGas' current third-party solicitation.

Table C.1: **Solicitations Overview**

	<b>Solicitations</b>	<b>Assigned IEs</b>	<b>Solicitation Status</b>
1	Local Residential Single Family	The Mendota Group	RFP
2	Local Residential Multifamily	The Mendota Group	RFP
3	Local Residential Manufactured Homes	Apex Analytics	Suspended
4	Local Residential Whole Building	The Mendota Group	Cancelled
5	Local Small-Medium Commercial	Don Arambula Consulting	RFP
6	Local Small-Medium Public	Apex Analytics	RFP
7	Statewide Point-of-Sale Food Service	MCR Corporate Services	RFA/Pre-RFP
8	Statewide Midstream Water Heater	MCR Corporate Services	RFA/Pre-RFP

<sup>3</sup> CPUC Letter to IOUs regarding the "Request for Extension of Time to Comply with Ordering Paragraph 4 of Decision 18-05-041", November 25, 2019.

<sup>4</sup> Decision 18-01-004, p. 31.

Table C.1: Solicitations Overview			
	Solicitations	Assigned IEs	Solicitation Status
9	Statewide Gas Emerging Technologies	Don Arambula Consulting	Pre-RFA
Legend:			
<u>Pre-RFA</u> = activities conducted prior to RFA release (not addressed in Report as RFA materials are pending review); <u>RFA</u> = includes bid preparation and evaluation period; <u>Pre-RFP</u> = activities conducted prior to RFP release; <u>RFP</u> = includes bid preparation evaluation period; <u>Contracting</u> = contract negotiations; <u>Suspended</u> = solicitation held until a later date; <u>Cancelled</u> = 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 D.1, including a summary of potential remedies and best practices or lessons learned that should be applied to future solicitations.

Table D.1: IE Assessment of Solicitations			
Topics	Observations	Potential Remedy (IE Recommendation)	Outcome
Collaborative IE Pool	SoCalGas uses its pool of IEs to solicit feedback on templates and major changes that would affect all solicitations. Additionally, SoCalGas schedules bi-monthly meetings with all its IEs to cover general information on PRG meetings and topics that affect all solicitations.	SoCalGas should continue with this practice in as much as it helps provide a better, more consistent, and more transparent process.	N/A
Cost-Effectiveness Tool (CET) Feedback to Bidders and Adjustments to CET Inputs	SoCalGas provided a CET Training as part of its Bidder Conference and the training seemed well-received by bidders.  SoCalGas provided feedback to bidders on whether their CET inputs were correct (Single Family/Multifamily) or general comments about the need for alignment with 2020 workpapers (Commercial/Public), yet CETs still included errors.	SoCalGas should define the level of information provided back to bidders on measure inputs.  SoCalGas should also define what inputs may be changed by SoCalGas staff if adjustments are not made by bidders, specifically for reliability of measure inputs (net-to-gross and measure life) and reasonableness of design-related inputs such as number of expected participants/measures per year and consistency of those inputs with the proposal and across similar bids.	SoCalGas agreed with this recommendation and is taking action to provide additional information on this topic.

Table D.1: IE Assessment of Solicitations

Topics	Observations	Potential Remedy (IE Recommendation)	Outcome
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Table D.1: IE Assessment of Solicitations

Topics	Observations	Potential Remedy (IE Recommendation)	Outcome
Post-Calibration Discussion	After calibration meetings, IEs have found additional topics that require discussion and calibration prior to the shortlist meeting.	IEs recommend that time be left on the schedule for additional calibration sessions, as necessary, to allow for additional requests/discussions prior to the shortlisting of Bidder submissions.	New recommendation, pending IOU consideration.

<sup>5</sup> Decision 18-04-004, pp. 37-38.

Table D.1: IE Assessment of Solicitations

Topics	Observations	Potential Remedy (IE Recommendation)	Outcome
Number of Attachments/Exhibits in Solicitation Packages	The RFP package had many component documents, which may cause bidders to spend more resources responding to the RFP and/or cause the bidder greater difficulty in preparing a bid response than necessary.	Where possible, the IOU should eliminate or combine documents by adopting the IEs' specific recommendations on eliminating or delaying certain RFP requirements until later stages (e.g., contracting, implementation start-up).	The IOU reduced the total number of documents from 29 to 16. However, IEs have identified additional reductions that can be made.
RFA/RFP Alignment	The RFA and RFP documents have somewhat different questions for similar topics. This discrepancy creates additional work for bidders and scorers.	Using the RFP template as a base, SoCalGas should adjust its RFA to be in alignment with the RFP.	Pending IOU consideration.
RFA Requirements	RFA requirements can be reduced and still capture enough information to evaluate Abstracts.	To simplify the RFA and improve the timeliness of Abstract evaluations, the IEs provided detailed recommendations to PRG and SoCalGas regarding elements that could be delayed until later stages of the solicitation.	Pending consideration.

## E. PRG Feedback

Table E.1 below presents key recommendations provided by the PRG that were considered but **not accepted** by SoCalGas. The table includes the IOU's rationale for not adopting these key recommendations. The table is intended to only highlight select recommendations not accepted by

SoCalGas. For a complete list of other PRG and IE recommendations that were considered but not accepted by the IOU, refer to the individual IE solicitation reports presented in Attachment II.

Table E.1: Key PRG Recommendations Not Adopted

Topic	Solicitation(s)	PRG Recommendation	IOU Reason for Not Adopting
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Combined Solicitations	Local Small-Medium Public	Substantial similarities in NAICS industry codes and abstract received for the small public and small commercial solicitations indicate that these two solicitations could have been combined.	That was not SoCalGas' strategy upfront when solicitations were being developed, but the comment was noted.
Key Performance Indicators (KPI)	Local Small-Medium Public	Required KPIs should be clearly specified in the RFP.	SoCalGas wanted to keep flexibility for bidders to propose KPIs relevant for their program design.
Contractor's Licenses	Statewide Midstream Water Heater	The RFA document should advise bidders that state law requires bidders to hold a contractor's license prior to submitting an abstract.	Since it is a midstream program, the bidder will not be responsible for overseeing any work to be completed by a contractor.
Savings Claims	Statewide Midstream Water Heater & Point-of-Sale (POS) Food Service	Is the intent for this program to claim savings on a custom claims approach (i.e., a site-by-site basis), a deemed approach, Normalized Metered Energy Consumption, or all three? It would be helpful for the bidders to have these aspects and design options spelled out more clearly.	It is SoCalGas' intent that this program claim savings via pay for performance or possibly deliverable pricing, but that is the responsibility of the bidder to demonstrate their intended pricing strategy.

## F. Stakeholder Feedback from CPUC Workshops

A stakeholder meeting was held on July 11, 2019, to discuss feedback on the IOUs' EE program solicitation activities from the bidder community and various other stakeholders. The main topics that were raised by stakeholders included the following:

**Solicitation Complexity** – The process favors larger firms because of the complexity of the solicitations and ability to meet strict timelines and absorb risk.

**Cost-Effectiveness** – Stakeholders indicated that there is insufficient training on the CPUC's cost-effectiveness tool (CET).

**Program Innovation** – Stakeholders stated that increased innovation usually results in lower cost-effectiveness and wondered how the IOUs are managing this issue.

**Role of the Independent Evaluator** – Stakeholders inquired as to the role of IEs. It was conveyed at the workshop that the IE was supposed to monitor the solicitation for fairness and equity. PRG members further clarified that the PRGs also respond to what IEs report out on and vice versa.

**Contract Terms** – Stakeholders wanted to understand the difference in contract terms. In response, stakeholders were informed that CPUC-standard contract terms and conditions (T&Cs) must be included in all contracts. The CPUC's modifiable terms allow for more flexibility based on the type of solicitation and program (i.e., key performance indicators). Decisions 18-10-008 and 19-08-006 include the CPUC's standard and modifiable contract T&Cs.

**Solicitation Improvements** – Stakeholders propose the following steps to improve the process:

- Stagger RFPs and RFAs across IOUs.
- Consider timing of workshops based on solicitation timelines.
- Use a common response format for an RFP to scale across all IOUs.
- Improve and add solicitation platforms (Proposal Evaluation and Proposal Management Application is a poor platform).
- Allow more time in the RFP stage for bidders to prepare and submit a proposal (six weeks is too short given the RFP's CET requirements).
- Provide ongoing schedule updates.
- Provide feedback to unsuccessful bidders.

Two main follow-up items were allocated to Joint IOU/PRG/IE teams from the meeting to be addressed more specifically:

- Improved scheduling/timing of solicitations across the IOUs.
- Improved communications with bidders on outcomes of solicitations.

Responses to these two items, along with other stakeholder concerns, will be addressed at the next public workshop scheduled for February 2020.

Attachments: Individual Energy Efficiency Independent Evaluators' Semi-Annual Reports

Energy Efficiency Independent Evaluators' Semi-Annual Report on the

**Local Residential Single-Family Solicitation**

Reporting Period: May 2019 through October 2019

*Prepared by:*  
The Mendota Group

December 31, 2019

**Disclaimer:** Certain portions of this report are redacted due to the sensitive nature of the information.

## 1. Local Residential Single-Family Program

### 1.1. Solicitation Overview

#### 1.1.1. Overview

SoCalGas' first phase of solicitations focused on the residential sector, which accounts for approximately 52 percent of the natural gas consumption among SoCalGas' customer classes, according to the SoCalGas Solicitation Plan. SoCalGas' desired outcomes for its residential EE programs are to transform the sector to ultra-high levels of EE, while integrating other customer demand-side management options—including clean renewables—on a site-specific basis.

During the period covered by this report, SoCalGas was implementing the RFP stage of the solicitation. Therefore, unless specifically mentioned, all solicitation references in this report relate to the RFP stage. The RFA stage of the solicitation was covered in the June 2019 Semi-Annual Report. It should be noted that SoCalGas ran its Single-Family and Multifamily solicitations at the same time, used similar template documents, and followed similar processes. Therefore, many of the items discussed in this report are similar to those discussed in the Multifamily report.

### Scope

This solicitation encourages the exploration of all relevant delivery channels to produce a cost-effective program to maximize natural gas, electric, and water efficiency savings for residential single-family customers. Although traditional programs have proven to be successful, the legislative and regulatory mandate of doubling the EE target requires more aggressive and comprehensive efficiency upgrades. Utilization of various delivery channels, such as (but not limited to) direct install, can facilitate the delivery of EE retrofits to reduce energy and water use, resulting in comprehensive EE savings from the residential single-family segment.

This resource program aims to solicit program ideas to address various segment barriers identified in SoCalGas' Business Plan through comprehensive strategies such as, but not limited to:

- Providing simple/low-cost EE retrofits;
- Customer copays for comprehensive/higher-cost EE retrofits;
- Leveraging available financing options to fund project copays (e.g., Residential Energy Efficiency Loan program [REEL], Property Assessed Clean Energy financing [PACE], On-Bill Financing [OBF], etc.);
- Including ways to use local contractors and vendors.

This program may be made available to all residential single-family customers throughout SoCalGas' service territory but should also include the flexibility to target specific customers based on criteria such as specific climate zones, income levels, transmission/distribution system needs, hard-to-reach (HTR) customers, and members of disadvantaged communities (DAC).

### Objectives

The objective of this solicitation is to invite the EE industry to collaborate with SoCalGas in offering an innovative program for the residential single-family market segment. This solicitation is based on the needs and strategies provided in SoCalGas' Business Plan as a tactic to achieve deeper

EE savings.

### **1.1.2. Timing**

According to the December 31, 2018 schedule published on the California Energy Efficiency Coordinating Committee (CAEECC) website, the residential solicitations are behind schedule, as the programs were anticipated to launch during the fourth quarter of 2019. Delays in the initial launch of the RFA and subsequent delays in launching the RFP and reviewing proposals have pushed out the schedule. Contract negotiations are likely to start in early 2020. Table 1.1 provides the Single-Family solicitation's key milestones.

**Table 1.1: Key Milestones**

Milestones	Completion Date	Comment
RFA Released	November 26, 2018	
Abstracts Submitted	January 7, 2019	RFA was expected to be complete by the end of 2018.
RFP Released	July 31, 2019	RFP was expected for release in Q1 2019.
Proposals Submitted	September 11, 2019	
Scoring Meetings Held	October 9, 2019	
Shortlist Presented to PRG	November 5, 2019	
Contract Negotiations Begun	To be determined (TBD)	
Agreement(s) Signed	TBD	

### **1.1.3. Key Observations**

Table 1.2 presents an overview of the key issues and observations during the RFP stage of the Residential Single-Family solicitation.

**Table 1.2: Key Issues and Observations**

Topic	Key Observation	Potential Remedy	Outcomes/Lessons Learned
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Table 1.2: Key Issues and Observations

Topic	Key Observation	Potential Remedy	Outcomes/Lessons Learned
CET Training & Feedback	<p>SoCalGas provided a CET Training as part of its Bidder Conference and the training seemed well-received by bidders.</p> <p>SoCalGas provided feedback to bidders on whether their CET inputs were correct, yet CETs still included errors.</p>	<p>Although SoCalGas incorporated an opportunity to provide bidders direct feedback about errors in their CETs, since errors remained it would be good to revisit ways that the CET aspect of the process could be further improved.</p>	The CET training, review, and feedback process used by SoCalGas in this solicitation was unbiased and helpful for bidders, but more likely needs to be done to improve the quality of CET submissions.

## 1.2. Solicitation Outreach and Bidder Response

Because this solicitation is at the RFP stage, there is no solicitation outreach. However, the section does discuss the number of bidders invited to participate in the RFP stage, the responses received, and the number disqualified.

### 1.2.1. Bidder Response to Solicitation

While the solicitation outreach activities, communications, and solicitation design were originally addressed as part of the previous Semi-Annual Report, the IE continues to believe that they have resulted in a robust, competitive solicitation. Table 2.1 provides statistics on the bidder response to the Single-Family solicitation.

Table 2.1: Solicitation Response

	Number

**Table 2.1: Solicitation Response**

			Number
[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	

### **1.2.2. Bidder's Conference and Q&A**

SoCalGas conducted a combined Residential Single-Family and Multifamily RFP bidder conference using Skype for audio and visual and the Sli.do platform for bidders to ask questions in real time. Sli.do allowed bidders to “up vote” questions in order to elevate questions in importance or indicate that more than one viewer had the same question. SoCalGas also provided bidders a recording of the conference after it was completed.

SoCalGas responded to the bidders’ questions in a complete, accurate, and timely manner consistent with their solicitation schedule. At the IE’s suggestion, SoCalGas added a second round of questions to allow bidders more opportunities to request clarifications. There were no issues related to the bidder conference or bidder questions and answers (Q&A) that arose during the RFP stage of the Residential Single-Family solicitation. Table 2.2 provides statistics on bidder response to the Single-Family and Multifamily RFP Bidder Conference.

**Table 2.2: Bidder Conference**

RFP Bidder Conference Date	August 8, 2019
Number of Attendees	Unknown <sup>7</sup>
Number of Questions Received	8

### **1.2.3. Solicitation Design Assessment**

SoCalGas’ solicitation design—to offer both Residential Single-Family and Multifamily solicitations—met the program portfolio need as presented in its CPUC-approved Business Plan and Solicitation Plan. The solicitation requested that bidders propose programs that would help achieve SoCalGas’ savings goals and applicable portfolio and sector-level metrics as incorporated into the Annual Budget Advice Letter.

The Residential Single-Family solicitation has been conducted as a two-stage process and has actively involved both the PRG and IE at every stage.

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

### **1.3.1. RFA Design Requirements and Materials**

The RFA stage of the Residential Single-Family solicitation was addressed in the previous Semi-Annual Report.

### **1.3.2. RFP Design Requirements and Materials**

For the RFP stage of the Residential Single-Family solicitation, SoCalGas released a total of 29 documents to represent the RFP packet, including 1 instructional document for the RFP and the

<sup>7</sup> The number of participants is unknown because the webinar system was not capable of tracking number of participants.

bidder conference, 13 attachments to be completed by the bidder, and 15 exhibits for informational purposes. After release, SoCalGas amended the RFP instructions to provide some small clarifications.

During the RFP packet development, the IEs provided extensive feedback that was well-addressed by SoCalGas. Since SoCalGas was developing template documents, the Company involved its entire IE pool in the development process. The PRG, Cal Advocates, the Energy Division, and the Small Business Utility Advocates (SBUA) all provided comments on RFP packet drafts. SoCalGas received [REDACTED] comments, was overall very responsive to these comments, and incorporated their recommendations accordingly.

The IE believes that the RFP packet was well-designed in terms of the instructions and guidance provided to bidders and the Proposal Guide/Template offered for bidder response. However, as discussed with the IOU and PRG, for future solicitations the IE would like SoCalGas to reduce the number of documents and the quantity of information provided by SoCalGas as part of its RFP packet. SoCalGas has been responsive to this request and has endeavored to reduce and streamline the RFP packet for future solicitations.

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



## **1.4. Bid Evaluation Methodology Assessment**

This section discusses SoCalGas' bid evaluation methodology and criteria, along with their application to for proposals received in response to the RFP.

### **1.4.1. Bid Screening Process**



<sup>8</sup> Decision 18-05-041, Ordering Paragraphs 16 and 17 require that IOUs "track the number and proportion of third parties that forego the option of using utility account representatives."

### **1.4.2. Scoring Rubric Design**

This Semi-Annual Report includes the scoring rubric from the RFA stage (Table 4.2a) because this information was not included in the June 2019 Semi-Annual Report. The RFA stage, however, occurred during the timeframe of the June 2019 Semi-Annual Report. The scoring rubric for the RFP stage is included as Table 4.2b.

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

• The *Journal of Clinical Endocrinology* is the journal of choice for the publication of original research papers in all areas of endocrinology.

#### **1.4.4. Evaluation Team Profile**

Table 4.3 describes the roles of, and areas scored by, the Single-Family RFP Evaluation Team. The IE believes that SoCalGas' reviewers received sufficient training on how to score the Single-Family and Multifamily proposals. In addition, SoCalGas requested that reviewers attest there was no Conflict of Interest related to performing their evaluation responsibilities.

SoCalGas described their Code of Conduct policies to ensure that reviewers understood their responsibilities and obligations to maintain the confidentiality of bidder submissions, as well as to prevent the sharing of sensitive information between SoCalGas staff and third-party program implementers.

Table 4.3: IOU Evaluation Team			
Number of Reviewers	Position Title	Position Role	Area(s) Scored
1	Project Manager	Facilitator	Communication, Project Management
1	Software Engineer	Code Reviewer	Code Quality, Performance

Table 4.3: IOU Evaluation Team

Number of Reviewers	Position Title	Position Role	Area(s) Scored
1	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]

### 1.5. Response to PRG and IE Advice

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

### 1.6. Final Bid Selection Assessment

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

### 1.7. Reasonableness of Contracting Process

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

Energy Efficiency Independent Evaluators' Semi-Annual Report on the

**Local Residential Multifamily Program Solicitation**

Reporting Period: May 2019 through October 2019

*Prepared by:*  
The Mendota Group

December 31, 2019

**Disclaimer:** Certain portions of this report are redacted due to the sensitive nature of the information.

## **2. Local Residential Multifamily Program**

### **2.1. Solicitation Overview**

#### **2.1.1. Overview**

SoCalGas' first phase of solicitations focused on the residential sector, which accounts for approximately 52 percent of the natural gas consumption among SoCalGas' customer classes, according to the SoCalGas Solicitation Plan. SoCalGas' desired outcomes for its residential EE programs are to transform the sector to ultra-high levels of EE, while integrating other customer demand-side management options—including clean renewables—on a site-specific basis.

During the period covered by this report, SoCalGas conducted the RFP stage of the Multifamily solicitation. Therefore, unless specifically mentioned, all solicitation references in this report for Multifamily relate to the RFP stage. The RFA stage of the solicitation was covered in the June 2019 Semi-Annual Report. It should be noted that SoCalGas ran its Single-Family and Multifamily solicitations at the same time, used similar template documents, and followed similar processes. Therefore, many of the items discussed in this report are similar to those discussed in the Single-Family report.

### **Scope**

This solicitation encourages the exploration of all relevant delivery channels to produce a cost-effective program to maximize natural gas, electric, and water efficiency savings for residential multifamily customers. Although traditional programs have proven to be successful, the legislative and regulatory mandate of doubling the EE target requires more aggressive and comprehensive efficiency upgrades. Utilization of various delivery channels, such as, but not limited to, direct install, can facilitate the delivery of EE retrofits to reduce energy and water use, thereby resulting in comprehensive EE savings from the residential multifamily segment.

This resource program RFP aims to solicit program ideas to address various segment barriers identified in SoCalGas' Business Plan through comprehensive strategies such as, but not limited to:

- Providing simple/low-cost EE retrofits;
- Customer copays for comprehensive/higher-cost EE retrofits;
- Leveraging available financing options to fund project copays (e.g., Residential Energy Efficiency Loan program [REEL], Property Assessed Clean Energy financing [PACE], On-Bill Financing [OBF], etc.);
- Including ways to use local contractors and vendors;
- Benchmarking;
- Enhancing the single point-of-contact concept; and
- Split-incentive structuring.

This program may be made available to all residential multifamily customers throughout SoCalGas' service territory but should also include the flexibility to target specific customers based on criteria such as specific climate zones, income levels, transmission/distribution system needs, HTR

customers, and members of DACs.

## **Objectives**

The objective of this solicitation is to invite the EE industry to collaborate with SoCalGas in offering an innovative program for the residential multifamily market segment. This solicitation is based on the needs and strategies provided in SoCalGas' Business Plan as a tactic to achieve deeper EE savings.

### **2.1.2. Timing**

According to the 12-31-18 schedule published on the CAEECC website, the residential solicitations are behind schedule, as the programs were anticipated to launch during the fourth quarter of 2019. Delays in the initial launch of the RFA and subsequent delays in launching the RFP and reviewing proposals have pushed out the schedule. Contract negotiations are likely to start in early 2020. Table 1.1 provides the Multifamily solicitation's key milestones.

Table 1.1: Key Milestones		
Milestones	Completion Date	Comment
RFA Released	November 26, 2018	
Abstracts Submitted	January 7, 2019	RFA was expected to be complete by end of 2018.
RFP Released	July 31, 2019	RFP was scheduled for release in Q1 2019.
Proposals Submitted	September 11, 2019	
Scoring Meetings Held	October 14 and October 16, 2019	
Shortlist Presented to PRG	November 5, 2019	
Contract Negotiations Begun	pending	
Agreement(s) Signed	pending	

### **2.1.3. Key Observations**

Table 1.2 presents an overview of the key issues and observations during the RFP stage of the Residential Multifamily solicitation.

Table 1.2: Key Issues and Observations			
Topic	Key Observation	Potential Remedy	Outcomes/Lessons Learned
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Table 1.2: Key Issues and Observations			
Topic	Key Observation	Potential Remedy	Outcomes/Lessons Learned
CET Training & Feedback	<p>SoCalGas provided a CET Training as part of its Bidder Conference and the training seemed well-received by bidders.</p> <p>SoCalGas provided feedback to bidders on whether their CET inputs were correct, yet CETs still included errors.</p>	<p>Although SoCalGas incorporated an opportunity to provide bidders direct feedback about errors in their CETs, and since errors still remained, it would be good to revisit ways that the CET aspect of the process could be further improved.</p>	<p>The CET training, review, and feedback process used by SoCalGas in this solicitation was unbiased and helpful for bidders, but more work needs to be done to improve bidder CETs.</p>
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

## **2.2. Solicitation Outreach and Bidder Response**

Because this solicitation is at the RFP stage, there was no solicitation outreach. Outreach was addressed in the June 2019 Semi-Annual Report. However, the section does discuss the number of bidders invited to participate in the RFP stage, the response, and the number disqualified.

### **2.2.1. Bidder Response to Solicitation**

No outreach was conducted as the Residential Multifamily solicitation is in the RFP stage. While the solicitation outreach activities, communications, and solicitation design were originally addressed as part of the previous Semi-Annual Report, the IE continues to believe that they have resulted in a robust, competitive solicitation. Table 2.1 provides statistics on the bidder response to the Multifamily solicitation.

**Table 2.1: Solicitation Response**

A horizontal bar chart illustrating the distribution of numbers across four distinct categories. The categories are represented by black bars on the far left and far right, while the central areas are white. The x-axis is labeled "Number" at the top right.

Category	Approximate Range (Number)
Category 1	1 - 10
Category 2	11 - 20
Category 3	21 - 30
Category 4	31 - 40

### **2.2.2. Bidder's Conference and Q&A**

SoCalGas conducted a combined Residential Single-Family and Multifamily RFP bidder conference using Skype for audio and visual and the Sli.do platform for bidders to ask questions in real time. Sli.do allowed bidders to “up vote” questions in order to elevate questions in importance or indicate that more than one viewer had the same question. SoCalGas also provided bidders a recording of the conference after it was completed.

SoCalGas responded to the bidders’ questions in a complete, accurate, and timely manner consistent with their solicitation schedule. At the IE’s suggestion, SoCalGas added a second round of questions to allow bidders more opportunities to request clarifications. There were no issues related to the bidder conference or the bidder Q&A that arose during the RFP stage of the Residential Multifamily solicitation. Table 2.2 provides statistics on bidder response to the Single Family and Multifamily RFP Bidder Conference.

Table 2.2: Bidder Conference	
RFP Bidder Conference Date	August 8, 2019
Number of Attendees	Unknown
Number of Questions Received	15

### **2.2.3. Solicitation Design Assessment**

SoCalGas’ solicitation design—to offer both Residential Single-Family and Multifamily solicitations—met the program portfolio need as presented in its CPUC-approved Business Plan and Solicitation Plan. The solicitation requested that bidders propose programs that would help achieve the Company’s savings goals and applicable portfolio and sector-level metrics as incorporated into the Annual Budget Advice Letter.

The Residential Multifamily solicitation has been conducted as a two-stage process, consistent with the SoCalGas Energy Efficiency Program Solicitation Plan (filed in A.17-01-013 on August 4, 2017), and has actively involved both the PRG and IE at every stage.

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

### **2.3.1. RFA Design Requirements and Materials**

The RFA stage of the Residential Multifamily solicitation was addressed in the previous Semi-Annual Report.

### **2.3.2. RFP Design Requirements and Materials**

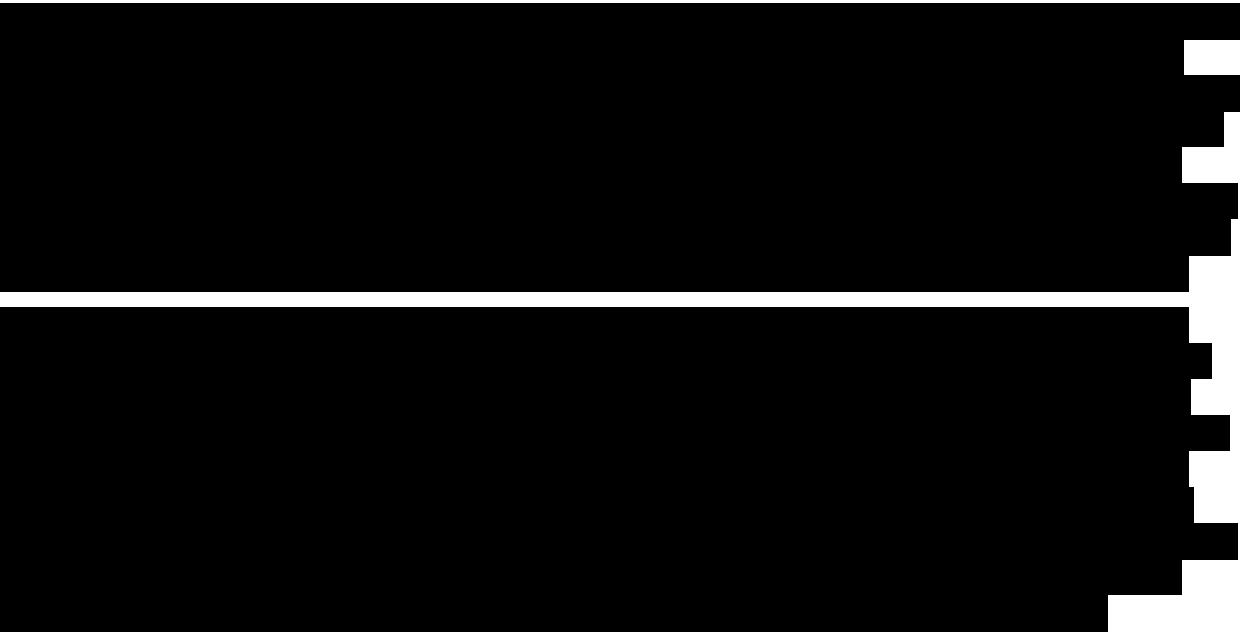
For the RFP stage of the Residential Multifamily solicitation, SoCalGas released a total of 29 documents to represent the RFP packet, including 1 instructional document for the RFP and the bidder conference, 13 attachments to be completed by the bidder, and 15 exhibits for informational purposes. After release, SoCalGas amended the RFP instructions to provide some small clarifications.

During the RFP packet development, the IE provided extensive feedback that was well-addressed by SoCalGas. Since SoCalGas was developing template documents, the Company involved its entire IE pool in the development process. The PRG, Cal Advocates, the Energy Division, and SBUA all provided comments on RFP packet drafts. SoCalGas received [REDACTED] comments, was overall

very responsive to these comments, and incorporated their recommendations accordingly.

The IE believes that the RFP packet was well-designed in terms of the instructions and guidance provided to bidders and the Proposal Guide/Template offered for the bidder response. However, as discussed with the IOU and PRG, for future solicitations, the IE would like SoCalGas to reduce the number of documents and the quantity of information provided by SoCalGas as part of its RFP packet. SoCalGas has been responsive to this request and has endeavored to reduce and streamline the RFP packet for future solicitations.

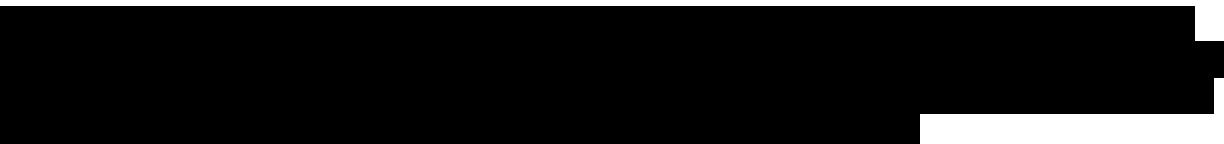
### **2.3.3. Response to PRG and IE Advice**



## **2.4. Bid Evaluation Methodology Assessment**

This section discusses SoCalGas' bid evaluation methodology and criteria, along with their application for proposals received in response to the RFP.

### **2.4.1. Bid Screening Process**



### **2.4.2. Scoring Rubric Design**



<sup>9</sup> Decision 18-05-041, Ordering Paragraphs 16 and 17 require that IOUs “track the number and proportion of third parties that forego the option of using utility account representatives.”

RFA

**Table 4.2a: RFA Scoring Rubric**

RFP

**Table 4.2b: RFP Scoring Rubric**

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

For more information about the study, please contact Dr. Michael J. Hwang at (310) 206-6500 or via email at [mhwang@ucla.edu](mailto:mhwang@ucla.edu).

#### **2.4.4. Evaluation Team Profile**

Table 4.3 describes the Multifamily RFP Evaluation Team's roles and responsibilities. The IE believes that SoCalGas' reviewers received sufficient training on how to score the Single-Family and Multifamily proposals. In addition, SoCalGas requested that reviewers attest there was no Conflict of Interest related to performing their evaluation responsibilities.

SoCalGas described their Code of Conduct policies to ensure that reviewers understood their responsibilities and obligations to maintain the confidentiality of bidder submissions, as well as to prevent the sharing of sensitive information between SoCalGas staff and third-party program implementers.

Table 4.3: IOU Evaluation Team			
Number of Reviewers	Position Title	Position Role	Area(s) Scored
1	Project Manager	Overall Project Management	Project Management, Quality Assurance
1	Software Engineer	Code Review, Performance Testing	Code Quality, Performance Metrics

Table 4.3: IOU Evaluation Team

Number of Reviewers	Position Title	Position Role	Area(s) Scored
1	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]

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

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

### **2.6. Final Bid Selection Assessment**

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

### **2.7. Reasonableness of Contracting Process**

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

Energy Efficiency Independent Evaluators' Semi- Annual Report on the

**Local Residential Manufactured Homes Program Solicitation**

Reporting Period: May 2019 through October 2019

*Prepared by:*  
Apex Analytics

December 31, 2019

**Disclaimer:** Certain portions of this report are redacted due to the sensitive nature of the information

### **3. Local Residential Manufactured Homes Program**

This report covers the activities associated with the Local Residential Manufactured Home (Manufactured Home) solicitation for the period of May 2019 through October 2019. During this period, SoCalGas updated the RFA document in preparation for RFA reissue in early 2020. IE activities associated with these activities included reviewing updated RFA templates.

#### **3.1. Solicitation Overview**

##### **3.1.1. Overview**

The purpose of the Manufactured Home solicitation was to invite the EE industry to collaborate with SoCalGas in developing a resource-based, innovative, and comprehensive EE program(s) for the residential manufactured home market in SoCalGas' service territory.<sup>10</sup> Most of SoCalGas' manufactured home customers reside in master-meter mobile home parks, which makes it difficult to qualify for other rebate programs due to split-incentive issues between owners, tenants and the homeowner's association. This solicitation seeks innovative, resource-based programs that can overcome these barriers and increase customer participation in energy efficiency.

#### **Scope**

The program scope includes all relevant delivery channels and all existing residential manufactured homes customers throughout SoCalGas' service territory. SoCalGas serves more than 1,200 mobile home parks that used more than 34 million therms in 2018. The solicitation requests delivery of simple/low-cost EE retrofits, customer copays for more comprehensive upgrades, and financing options, while encouraging other innovative delivery approaches. This solicitation encourages the exploration of all relevant delivery channels and program strategies, such as direct install and incentives, to produce a cost-effective program to maximize natural gas efficiency savings. SoCalGas also encourages program designs that are coordinated with other electric and/or water efficiency programs offered by other entities and requires program adherence to the CPUC decision on workforce standards.

#### **Objectives**

The solicitation is designed to achieve more comprehensive, long-term energy savings and program opportunities that will assist SoCalGas in achieving portfolio and sector-level metrics<sup>11</sup> related to the residential single-family customer segment, of which the manufactured home segment is a part, as well as those customers operating in DACs and HTR communities.<sup>12</sup>

##### **3.1.2. Timing**

In November 2018, SoCalGas released an RFA (original RFA) for Manufactured Homes. As described in the June 2019 Semi-Annual Report and pursuant to PRG feedback, in April 2019

SoCalGas plans to reissue the RFA in 2020. This timing is delayed from the schedule as published by IOUs on the CAECC website in December 2018. Table 1.1 displays key milestones

<sup>10</sup> See SoCalGas Business Plan, pp. 61-65 & p. 121, available at [SoCalGas Business Plan](#).

<sup>11</sup> See SoCalGas Portfolio and Sector-Level Metrics Compliance Filing, pp.57-61, available at [SoCalGas Portfolio and Sector-Level Metrics](#).

<sup>12</sup> See Decision 18-05-041, Conclusion of Law 27, available at [Decision 18-05-041](#).

for this solicitation.

Table 1.1: Key Milestones	
Milestones	Completion Date
RFA Released	November 26, 2018
Abstracts Submitted	January 7, 2019
Calibration Meeting	February 6, 2019
Shortlist Meeting	March 4, 2019
RFA – Reissue	2020
RFP	2020
Contracting & Implementation	2020

### 3.1.3. Key Observations

Table 1.2 identifies the main observation for the Manufactured Home RFA for the March 2019 through October 2019 period.

Table 1.2: Key Issues and Observations			
Topic	Key Observation	Potential Remedy	Outcomes/Lessons Learned
RFA Requirements	RFA requirements can be reduced.	To simplify the RFA, IEs provided detailed recommendations to PRG and SoCalGas regarding elements that could be delayed until later stages of the solicitation.	The IOU and PRG are considering IE recommendations.

## 3.2. Solicitation Outreach and Bidder Response

### 3.2.1. Bidder Response to Solicitation

For the original RFA issued in November 2018, SoCalGas sent over 3,500 notification emails to prospective bidders using PEPMA. SoCalGas also communicated with bidders through its Solicitation Website<sup>13</sup> and CAEECC<sup>14</sup>.



Table 2.1: Solicitation Response		Number
[Redacted]	[Redacted]	[Redacted]

<sup>13</sup> [SoCalGas Energy Efficiency Solicitation site](#).

<sup>14</sup> [caeecc.org](#)

Table 2.1: Solicitation Response		Number

### **3.2.2. Bidder's Conference and Q&A**

For the original RFA, this solicitation activity was addressed in the June 2019 Semi-Annual Report. For the RFA reissue and RFP, this solicitation activity has not yet occurred; future Semi-Annual Reports will address this topic.

### **3.2.3. Solicitation Design Assessment**

For the original RFA, this solicitation activity was addressed in the June 2019 Semi-Annual Report. For the RFA reissue and RFP, this solicitation activity has not yet occurred; future Semi-Annual Reports will address this topic.

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

### **3.3.1. RFA Design Requirements and Materials**

For the original RFA, this solicitation activity was addressed in the June 2019 Semi-Annual Report. For the RFP, this solicitation activity has not yet occurred; future Semi-Annual Reports will address this topic.

[REDACTED]

### **3.3.2. RFP Design Requirements and Materials**

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

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

From May to October 2019, the PRG provided guidance only on the bidder notifications. SoCalGas incorporated feedback from the PRG on bid notifications.

**ANSWER**

### **3.4. Bid Evaluation Methodology Assessment**

For the RFA reissue and RFP, this solicitation activity has not yet occurred; future Semi-Annual Reports will address this topic.

### **3.5. Final Bid Selection Assessment**

For the RFA reissue and RFP, this solicitation activity has not yet occurred; future Semi-Annual Reports will address this topic.

### **3.6. Assessment of Selected Bids**

For the RFA reissue and RFP, this solicitation activity has not yet occurred; future Semi-Annual Reports will address this topic.

### **3.7. Reasonableness of Contracting Process**

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

Energy Efficiency Independent Evaluators' Semi-Annual Report on the

**Local Small-Medium Commercial Program Solicitation**

Reporting Period: May 2019 through October 2019

*Prepared by:*  
Don Arambula Consulting

December 31, 2019

**Disclaimer:** Certain portions of this report are redacted due to the sensitive nature of the information

## 4. Local Small-Medium Commercial Program

### 4.1. Solicitation Overview

The Semi-Annual Report on the Local Small-Medium Commercial (Commercial) program solicitation covers the period between May through October 2019. As a result, much of the report addresses the RFP stage of SoCalGas' program solicitation. Prior solicitation activity is addressed in the June 2019 Semi-Annual Report.<sup>15</sup>

#### 4.1.1. Overview

SoCalGas administers a comprehensive EE program portfolio directed at a large, diverse customer base spread over a vast 24,000 square mile service territory throughout Central and Southern California. SoCalGas utilizes EE program implementers to serve its residential and nonresidential customers throughout SoCalGas' service territory. The Commercial program solicitation welcomes qualified bidders to propose, design, implement, and deliver an innovative, resource-based program(s) that provides comprehensive, long-term natural gas EE results for existing small and medium-sized commercial customers.

#### Scope

The purpose of SoCalGas' Commercial program solicitation was to invite the EE industry to collaborate with SoCalGas in developing a resource-based, innovative, and comprehensive EE program(s) for the very small, small, and medium-sized commercial customer markets in SoCalGas' service territory.<sup>16</sup> Most of SoCalGas' commercial customers are very small to medium-sized businesses, which account for approximately 67 percent of the commercial sector energy usage annually.<sup>17</sup> This RFA seeks innovative, resource-based program abstracts from interested bidders that target each of these customer markets.

#### Objectives

The solicitation is based on the needs and customer group profiles identified in SoCalGas' approved business plan. The solicitation is designed to achieve a more comprehensive, long-term energy savings. Interested bidders are encouraged to review and propose innovative programs that will assist SoCalGas in achieving portfolio and sector-level metrics<sup>18</sup> related to very small, small, and medium customer groups, as well as those customers operating in DACs and defined as HTR.

#### 4.1.2. Timing

The Commercial program solicitation is on schedule as originally planned.<sup>19</sup> The RFA was released in January 2019, and the RFP was released in August 2019. Contract negotiations and contract execution are planned for Quarter 1 of 2020. Table 1.1. presents a list of key solicitation milestones and expected completion dates. Unless otherwise noted, all milestone dates as of this Report were

<sup>15</sup> See Semi-Annual Independent Evaluator Report, Southern California Gas Company, dated June 18, 2019 at [caecc.org](http://caecc.org).

<sup>16</sup> See SoCalGas Business Plan, pp. 109-110 and p. 121, available at [SoCalGas Business Plan](#).

<sup>17</sup> Id p. 109.

<sup>18</sup> See SoCalGas Portfolio and Sector-Level Metrics Compliance Filing, pp. 69-75, available at [SoCalGas Metric Compliance Filing](#).

<sup>19</sup> Joint IOU Program Solicitation Schedule, dated December 2018. Subsequently, the IOUs updated the Joint IOU Program Solicitation Schedule to reflect changes to other solicitations. Solicitation schedules are updated periodically by the IOUs and the current schedule can be found at [caecc.org](http://caecc.org).

met or on schedule.

Table 1.1: Key Milestones

Milestones	Completion Date
<b>RFA</b>	
RFA Released	January 31, 2019
Optional Bidder Webinar	February 7, 2019
Questions Due from Bidders	February 13, 2019
Responses Provided by Company	February 21, 2019
Bidder Abstracts Due (“Submittal Due Date”)	March 14, 2019
Stage One Abstract Review Period Ends	April 22, 2019
Calibration Meetings Held	May 13, 2019 – May 14, 2019
Shortlist Meetings Held	May 16, 2019
Shortlist Presented to PRG	June 4, 2019
<b>RFP</b>	
RFP Released	August 23, 2019
Optional Bidder Webinar	September 4, 2019
Questions Due from Bidders – Round 1	September 9, 2019
Responses Provided by SoCalGas – Round 1	September 16, 2019
Questions Due from Bidders – Round 2	September 19, 2019
Responses Provided by SoCalGas – Round 2	September 24, 2019
Bidder’s Proposal Due in Power Advocate	October 7, 2019
Calibration Meetings Held	November 12, 2019 – November 13, 2019
Shortlist Meetings Held	November 18, 2019
Shortlist Presented to PRG	December 3, 2019
<b>Contracting &amp; Implementation</b>	
Selected Bidder(s) Notified	January 2020
Contract Executed	April 2020
Advice Letter Approved	June 2020
Contract Begins (Notice to Proceed)	June 2020
Implementation Plan	August 2020

#### 4.1.3. Key Observations

Table 1.3 presents key observations made by the IE during the solicitation during this reporting period (May through October 2019). The IE shared these key recommendations and others with the IOU and PRG throughout the reporting period. The IOU was provided an opportunity to review, consider and accept the recommendations. The IOU did not always accept the IE

recommendations. In those instances, the IOU provided its rationale.

Topic	Key Observation	Potential Remedy	Outcomes/Lessons Learned
RFA and RFP Requirements	There are 29 attachments and exhibits within the RFP document. This volume likely places a significant burden on the bidder to review and respond.	SoCalGas should significantly reduce the number of attachments/exhibits through elimination or deferral to the contracting phase.	The IOU has worked with the IEs to reduce the number of attachments/exhibits; however, further reductions can be realized.

**Table 1.3: Key Issues and Observations**

Table 1.3: Key Issues and Observations			
Topic	Key Observation	Potential Remedy	Outcomes/Lessons Learned
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

## **4.2. Solicitation Outreach and Bidder Response**

#### **4.2.1. Bidder Response to Solicitation**

The solicitation outreach relied on general awareness of SoCalGas' program solicitations to the bidder community through several announcements and IOU-specific workshops regarding SoCalGas' upcoming energy efficiency program solicitations. SoCalGas also posted general information onto its third-party solicitation webpage and the CAEECC website.

**Table 2.1: Solicitation Response**

#### **4.2.2. Bidder's Conference and Q&A**

RFA

The previous IE Semi-Annual Report provides information regarding the Bidders' Conference held

during the RFA stage.

## RFP

During the RFP stage, SoCalGas held a Bidders' Conference on September 4, 2019. Potential bidders had ample time during the conference to ask questions. Bidders were also provided an opportunity after the Bidders' Conference to provide written questions. SoCalGas provided the bidders two opportunities to provide written questions. Round 1 bidder questions were due to SoCalGas by September 9, 2019. Round 2 questions were due by September 19, 2019. SoCalGas received a total of 10 questions covering an array of topics, including proposal requirements, Support Services, third-party funding threshold requirements, and a request for a measure database similar to that of another IOU solicitation. SoCalGas provided responses to all Round 1 questions by September 16, 2019, and to all Round 2 questions by September 24, 2019, which is within the acceptable parameters recommended by the PRG.

Table 2.2: Bidder Conferences

Table 2.2: Bidder Conferences	
RFP Bidder Conference Date	September 4, 2019
Number of Attendees (Est.)	6
Number of Questions Received	10

### 4.2.3. Solicitation Design Assessment

The solicitation design met SoCalGas' intended need to procure a resource-based program(s) targeted at the commercial businesses within the very small, small and medium-sized customer groups.

## 4.3. RFA and RFP Design and Materials Assessment

### 4.3.1. RFA Design Requirements and Materials

The previous IE Semi-Annual Report provides information regarding the RFA design requirements and materials.

### 4.3.2. RFP Design Requirements and Materials

[REDACTED]

[REDACTED]

**ANSWER** The answer is (A). The first two digits of the number 1234567890 are 12.

the first time in the history of the world, the people of the United States have been called upon to decide whether they will submit to the law of force, or the law of the Constitution. We shall not shrink from that decision.

10. The following table summarizes the results of the study. The first column lists the variables used in the model, the second column lists the estimated coefficients, and the third column lists the standard errors of the estimates.

**ANSWER** The answer is (A). The first two digits of the number 1234567890 are 12.

#### **4.4. Bid Evaluation Methodology Assessment**

#### **4.4.1. Bid Screening Process**

RFA

The previous IE Semi-Annual Report provides information regarding the bid screening process.

RFP

SoCalGas proposed a bid screening process consistent with the approach presented to bidders in the RFP. The SoCalGas bid evaluation consisted of two parts: (1) a Threshold Assessment to determine the responsiveness of the proposal to minimum requirements; and (2) Proposal Content Scoring (for proposals that meet the Threshold Assessment requirements). SoCalGas first evaluated the Threshold Assessment criteria (Items A, B, and C) on a Pass/Fail basis, as presented below. Only proposals that received a “Pass” on the Threshold Assessment were evaluated for proposal content.

## Threshold Assessment Criteria

- A. On-Time Submittal Via PowerAdvocate
  - B. Proposal Responsiveness

C. Bidder and Proposed Program are eligible if bidder meets the RFP requirements and the proposal does not include the following:

- Unproven new energy efficiency technologies, tool development, research and development (R&D), or completion (market testing) of a product;
  - Demonstration, pilot, or “proof-of-concept” projects, R&D prototypes, and limited production technologies that cannot support a full-scale EE program;
  - Statewide EE programs and programs that overlap or duplicate the efforts of statewide EE programs;
  - Programs that are primarily based on behavioral measures (Note: Resource program designs which include a behavioral-based strategy are acceptable);
  - Income-Qualified EE programs and non-EE products or services;
  - Programs that solely promote demand response programs;
  - Non-EE programs/services and services that support other EE programs;
  - Evaluation, measurement and verification (EM&V) consulting services and program support services;
  - Programs that are solely non-resource (Note: Resource program designs which include non-resource strategies, such as marketing and training, are acceptable);
  - Local Government Partnership or Regional Energy Network Programs or programs that overlap or duplicate the efforts of Local Government Partnerships or Regional Energy Networks; or
  - Programs based solely on deemed measures, without supporting CPUC-approved deemed workpapers.

#### **4.4.2. Scoring Rubric Design**

RFA

The previous IE Semi-Annual Report provides information regarding the RFA scoring rubric design.

RFP

As stated in the RFP, and as shown below in more detail, Table 4.2 provides the scoring rubric SoCalGas plans to apply to the proposals received in response to the RFP:

**Table 4.2: Scoring Rubric**

**Table 4.2: Scoring Rubric**

<sup>20</sup> Section 4.4.3, p. 53. SBE is defined per Title 2, Section 1896.12, of the California Code of Regulations.

#### **4.4.3. Evaluation Team Profile**

SoCalGas held a group training session for the scoring team prior to evaluating the proposals. The training included an overview of the RFP, conformance with SoCalGas' code of conduct, scoring criteria, IE and PRG roles, and scorecard.

The training included a detailed review of the scorecard and how to apply it in the evaluation of the proposals. SoCalGas did not perform a mock exercise of the scorecard due to the amount of effort and time it takes to create an exercise plan and the lack of viable examples to apply to such training. The mock exercise can significantly reduce misapplication of the scorecard and improve the overall process for the scorer. This is considered a best practice by the IE and should be considered for future solicitations.

Table 4.3 presents SoCalGas' evaluation team roster during the RFP Stage:

<b>Table 4.3: IOU Evaluation Team</b>			
<b>Number of Reviewers</b>	<b>Position Title</b>	<b>Position Role</b>	<b>Area(s) Scored</b>
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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

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

##### **4.5.1. Affiliate Bids and Conflict of Interest**

At the RFA and RFP stage, no bids were found to have affiliates. During the RFA and RFP stages,

SoCalGas confirmed with each member of its scoring team and found no conflicts of interest.

#### **4.6. Final Bid Selection Assessment**

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

#### **4.7. Assessment of Selected Bids**

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

#### **4.8. Reasonableness of Contracting Process**

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

Energy Efficiency Independent Evaluators' Semi-Annual Report on the

**Local Small-Medium Public Program Solicitation**

Reporting Period: May 2019 through October 2019

*Prepared by:*  
Apex Analytics

December 31, 2019

**Disclaimer:** Certain portions of this report are redacted due to the sensitive nature of the information

## **5. Local Small-Medium Public Program**

This report covers the activities associated with the Local Small-Medium Public (Public) solicitation for the period of May through October 2019. During this period, SoCalGas completed the RFA shortlisting and selection, finalized RFP documents, issued the RFP, conducted bidder webinar and Q&A, received the bids, and conducted review of CET. During this period, the IE was involved in monitoring a variety of solicitation-specific activities, such as reviewing bid documents and bidder communications, participating in the Bidder's Conference, reviewing and scoring bidder submissions, and working with SoCalGas to develop bidder shortlists.

### **5.1. Solicitation Overview**

#### **5.1.1. Overview**

The objective of this solicitation is to invite the EE industry to collaborate with SoCalGas in offering an innovative and cost-efficient program for the very small, small, and medium public segments.

#### **Scope**

This solicitation targeted the local government, state government, federal government, and education segments but excludes public buildings covered by statewide programs. The solicitation scope outlined several key program features but also encouraged other innovative approaches. Highlighted features in the scope included energy assessments, simple/low-cost retrofits, customer copays for comprehensive/higher-cost retrofits, financing, partnering, organizational decision-making, and rural- and disadvantaged-community involvement.

This solicitation is seeking a natural gas-focused resource program. Programs may address all or a subset of very small, small, and medium public sector customers in SoCalGas' service territory. Bidders may propose additional optional measures that save water and/or electricity.

This solicitation aims to solicit program ideas to address various segment barriers identified in SoCalGas' Business Plan through comprehensive strategies such as, but not limited to:

- Providing energy assessments and other forms of technical assistance;
- Providing simple/low-cost EE retrofits;
- Assessing customer copays for comprehensive/higher-cost EE retrofits;
- Leveraging available financing options to fund project co-pays (e.g. On-Bill Financing, Public Funding Assistance, private sector financing etc.);
- Partnering with local small business organizations and community-based organizations;
- Including ways to use local technical consultants, contractors and vendors;
- Including focus on modifying organizational decision-making and adoption in rural and disadvantaged communities;
- Leveraging existing SoCalGas Local Government Partnerships.

#### **Objectives**

The solicitation is based on the needs and customer group profiles identified in SoCalGas' approved

business plan; the solicitation is designed to achieve a more comprehensive, long-term energy savings. Programs should assist SoCalGas in achieving portfolio and sector-level metrics<sup>21</sup> related to very small, small, and medium customer groups, as well as those customers operating in DACs and defined as HTR.

### 5.1.2. Timing

The Public solicitation is on schedule as originally planned.<sup>22</sup> The Public RFA was released in January 2019 and the RFP was released in August 2019. Selections are anticipated to occur in November 2019 and contract negotiations are planned for early 2020. The detailed timing of the Public solicitation is outlined in the table below. Table 1.1 outlines key milestones for this solicitation.

Table 1.1: Key Milestones

Milestones	Completion Date
<b>RFA</b>	
RFA Released	January 31, 2019
Optional Bidder Webinar	February 7, 2019
Questions Due from Bidders	February 13, 2019
Responses Provided by Company	February 21, 2019
Bidder Abstracts Due (“Submittal Due Date”)	March 14, 2019
Stage One Abstract Review Period Ends	April 22, 2019
Calibration Meetings Held	May 9, 2019
Shortlist Meetings Held	May 16, 2019
Shortlist Presented to PRG	June 4, 2019
<b>RFP</b>	
RFP Released	August 23, 2019
Optional Bidder Webinar	September 4, 2019
Questions Due from Bidders – Round 1	September 9, 2019
Responses Provided by SoCalGas – Round 1	September 16, 2019
Questions Due from Bidders – Round 2	September 19, 2019
Responses Provided by SoCalGas – Round 2	September 24, 2019
Bidder’s Proposal Due in Power Advocate	October 7, 2019
Feedback on CET – Round 1	October 14, 2019
Feedback on CET – Round 2	October 24, 2019
Calibration Meetings Held	November 11, 2019
Shortlist Meetings Held	November 18, 2019
Shortlist Presented to PRG	December 3, 2019
<b>Contracting &amp; Implementation</b>	
Selected Bidder(s) Notified	January 2020*
Contract Executed	April 2020*
Advice Letter Approved	June 2020*
Contract Begins (Notice to Proceed)	June 2020*
Implementation Plan	August 2020*

\* Expected dates

<sup>21</sup> See SoCalGas Portfolio and Sector-Level Metrics Compliance Filing, pp. 69-75, available at [SoCalGas Portfolio and Sector-Level Metrics](#)

<sup>22</sup> Joint IOU Program Solicitations Schedule, dated December 2018. Subsequently, the IOUs updated the Joint IOU Program Solicitation Schedule to reflect changes to other solicitations. Solicitation schedules are updated periodically by the IOUs and the current schedule can be found at [caeecc.org](#).

### 5.1.3. Key Observations

In general, the solicitation process through the RFA selection and RFP issuance and receipt was smooth and straightforward. The RFA and RFP processes were conducted in a transparent, fair, and equitable manner. SoCalGas allowed for IE input into every step of the process and integrated feedback where relevant. The following table outlines key issues and observations during this period.

Topic	Key Observation	Potential Remedy	Outcomes/Lessons Learned

## 5.2. Solicitation Outreach and Bidder Response

### 5.2.1. Bidder Response to Solicitation

For the RFA Phase, SoCalGas used PEPMA to notify bidders regarding the solicitation. SoCalGas also communicated with potential bidders through its Solicitation Website<sup>23</sup> and CAEECC<sup>24</sup> web

<sup>23</sup> [SoCalGas Energy Efficiency Solicitation site](#).

<sup>24</sup> [caeecc.org](#).

site.

**ANSWER** The answer is (A). The first two digits of the number 12345678901234567890 are 12.

**Table 2.1: Solicitation Response**

### **5.2.2. Bidder's Conference and Q&A**

SoCalGas offered bidder conferences for both the RFA and RFP phase. SoCalGas systems do not allow the tracking of the number of participants and/or bidder companies that participate. SoCalGas reported, however, that the bidder conferences were generally well-attended, and bidders asked multiple questions.

RFA

This solicitation activity was addressed in the June 2019 Semi-Annual Report.

RFP

For the RFP phase, SoCalGas moved the Webinar platforms in order to record the conference, per PRG feedback and to support bidder flexibility. SoCalGas used one platform for the conference and another platform for live questions from bidders. There were some technical difficulties with the conference, delaying the start of the Webinar.

SoCalGas offered two rounds of bidder Q&A. Bidders posed six questions in Round 1 of Q&A and no questions in Round 2. Round 1 questions included topics such as webinar logistics, overall third-party solicitation goals, license requirements, Normalized Metered Energy Consumption (NMEC) scoring preference, disadvantaged workers, and enhanced support services. In all cases, SoCalGas was able to point to areas of the RFP or PowerAdvocate for more information. The IEs were asked to review responses prior to sending them to bidders, we suggested minor edits which were accepted. Table 2.2 outlines information on bidder conferences.

Table 2.2: Bidder Conferences

RFP Bidder Conference	
RFP Bidder Conference Date	September 4, 2019
Number of Attendees	Unknown
Number of Questions Received	6

### **5.2.3. Solicitation Design Assessment**

The solicitation design met SoCalGas' intended need to procure a resource-based program(s).

targeted at the Public sector within the very small, small, and medium-sized customer groups.

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

### **5.3.1. RFA Design Requirements and Materials**

This solicitation activity was addressed in the June 2019 Semi-Annual Report.

### **5.3.2. RFP Design Requirements and Materials**

The RFP design was a relatively smooth process due to SoCalGas' template strategy. In early 2019, the SoCalGas IE pool reviewed and provided feedback on the first RFP template in preparation for the Single-Family and Multifamily RFP process. Therefore, for the Public solicitation, the IE review consisted of a quick review of documents and a fresh review for Public-sector related issues.

For the RFP stage of the Public solicitation, SoCalGas released a total of 29 documents, including instructional documents for the RFP and the bidder conference, attachments to be completed by the bidder, and exhibits for informational purposes. After release, SoCalGas amended the RFP instructions to request that bidders submit CET input sheets.

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

## 5.4. Bid Evaluation Methodology Assessment

### 5.4.1. Bid Screening Process

#### RFA

This solicitation activity was addressed in the June 2019 Semi-Annual Report.

#### RFP

At the RFP stage, SoCalGas utilized a bid-screening process consistent with the approach presented to bidders in the RFP. First, SoCalGas supply management conducted a threshold assessment (pass/fail) on the following factors:

- A. On-Time Submittal Via PowerAdvocate
- B. Proposal Responsiveness (Bidder must complete and upload all mandatory documents and attachments in PowerAdvocate)
- C. Bidder and Proposed Program are eligible if bidder meets the RFP requirements and the Proposal does not include the following:
  - Unproven new energy efficiency technologies, tool development, research and development (R&D), or completion (i.e. market testing) of a product;
  - Demonstration, pilot, or “proof-of-concept” projects, R&D prototypes, and limited production technologies that cannot support a full-scale EE program;
  - Statewide energy efficiency programs and programs that overlap or duplicate the efforts of statewide EE programs;
  - Programs that are primarily based on behavioral measures (Note: Resource program designs which include a behavioral-based strategy are acceptable);
  - Income-Qualified EE programs and non-EE products or services;
  - Programs that solely promote demand response programs;
  - Non-EE programs/services and services that support other EE programs;
  - EM&V consulting services and program support services;
  - Programs that are solely non-resource (Note: Resource program designs which include non-resource strategies (e.g., marketing, training, etc.) are acceptable.);
  - Local Government Partnership or Regional Energy Network Programs or programs that overlap or duplicate the efforts of Local Government Partnerships or Regional Energy Networks;
  - Programs based solely on deemed measures, without supporting CPUC-approved workpapers or Database of Energy Efficiency Resources (DEER) identification, will not be evaluated.

Bids that passed the threshold assessment would be moved to the scoring phase, described below.

#### **5.4.2. Scoring Rubric Design**

RFA

This solicitation activity was addressed in the June 2019 Semi-Annual Report.

RFP

The RFP used the following categories, subcategories and weights for scoring RFPs. The scoring rubric was designed to balance multiple factors and was generally consistent with PRG guidance. PRG members suggested different weightings for some categories; SoCalGas made some adjustments to accommodate these requests. Table 4.2 outlines the scoring rubric and weightings.

**Table 4.2: Scoring Rubric**

#### **5.4.3. Evaluation Team Profile**

SoCalGas conducted scorer training on October 2, 2019, which included detailed information on the scoring rubric, weights, and FAQs. The Apex team provided input into the scorer training materials

and attended the session. Table 4.3 outlines the RFP evaluation team during the RFP Stage:

Table 4.3: IOU Evaluation Team			
Number of Reviewers	Position Title	Position Role	Area(s) Scored
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

In addition, SoCalGas requested that reviewers attest there was no Conflict of Interest related to performing their evaluation responsibilities.

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

[REDACTED]

#### **5.5. Final Bid Selection Assessment**

This section covers the RFA final selection process which occurred in May 2019. For the RFP stage, this solicitation activity will be included in future Semi-Annual Reports.

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

###### **RFA**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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

- **General Guidance:** Reviewers had some of the same issues that arose during Round 1. Based on this finding, the IEs recommend that SoCalGas develop and maintain an FAQ document for scoring. This document should include guidance on whether and when reviewers can consider responses outside of the question, as well as insights on cost effectiveness and program experience.

### **5.5.2. Management of Deficient Bids**

In the RFA phase, there were no deficient bids.

### **5.5.3. Shortlist and Final Selections**

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

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

#### *b. Portfolio Fit*

This solicitation activity had not occurred as of October 2019; future Semi-Annual Reports will address this topic.

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

At the RFA phase, the IE agreed with the shortlist decision and the PRG did not share any concerns regarding the selection of bids.

### **5.5.4. Affiliate Bids and Conflict of Interest**

At the RFA and RFP stage, no bids were found to have affiliates. During the RFA and RFP stages,

SoCalGas confirmed with each member of its scoring team and found no conflicts of interest.

### **5.6. Assessment of Selected Bids**

For the RFA selection, the bids selected to move forward met portfolio needs.

### **5.7. Reasonableness of Contracting Process**

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

Energy Efficiency Independent Evaluators' Semi-Annual Report on the

**Statewide Point-of-Sale (POS) Food Service Program  
Solicitation**

Reporting Period: May 2019 through October 2019

*Prepared by:*  
MCR Corporate Services

December 31, 2019

**Disclaimer:** Certain portions of this report are redacted due to the sensitive nature of the information

## **6. Statewide Point-of-Sale (POS) Food Service Program**

### **6.1. Solicitation Overview**

#### **6.1.1. Overview**

The purpose of the SoCalGas Statewide Point-of-Sale (POS) Food Service solicitation was to invite the EE industry to offer an innovative, resource-based energy efficiency program(s) to public and nonresidential end-use customers throughout California. This solicitation is based on the goals in SoCalGas' Business Plan of increasing the sales of high-efficiency commercial food service equipment by engaging midstream actors to stock and actively market high-efficiency commercial food service equipment and provide POS rebates to customers.

The Statewide POS Food Service solicitation is one of two simultaneous statewide solicitations, the other being the Statewide Midstream Water Heater program, which is reported separately. Many of the activities described in this report are the same, in terms of schedule and effort, for both solicitations. For example, both statewide solicitations share a common schedule, which results in common events, such as solicitation release, bidder web seminars, and due dates.

### **Scope**

SoCalGas, in coordination with PG&E, SCE, and SDG&E, administers a comprehensive EE program portfolio directed at a large, diverse natural gas and electric customer base spread over California. The IOUs will utilize EE program implementers to serve residential and nonresidential customers throughout the IOUs' service territories. This solicitation invited qualified bidders to propose, design, implement, and deliver an innovative, resource-based program(s) that achieves deeper, more comprehensive natural gas and electric energy efficiency results for the nonresidential Food Service dealer group.

The nonresidential Food Service segment is part of the IOUs' Commercial sector and is primarily comprised of office buildings, stores, restaurants, warehouses, schools, hospitals, public buildings and facilities, and others throughout the IOUs' service territories. As this program is designed to effectively promote EE at the midstream vendor level, the term "Vendor," which includes both cash and carry and online organizations, can be defined to include food service equipment manufacturers, wholesale distributors, and dealers. Market actors such as, but not limited to, buying groups, build design consultants/contractors, operators, and service and maintenance companies can provide market influence in procurement of higher-efficiency food service equipment. Implementers are encouraged to leverage food-service equipment manufacturer and vendor organizations for a greater understanding of the food service industry and its participants.

### **Objectives**

The purpose of the solicitation was to select (an) implementer(s) to address the unique Food Service market barriers through the implementation of innovative strategies and tactics which align with the SoCalGas-approved business plan and that of the other IOUs. These strategies may include, but are

not limited to:

- Simplified customer program experience
- Simplified vendor program experience
- Segment-specific solutions
- Industry partnering
- Technical assistance
- Dealer participation incentive
- Design Build component

Abstracts may propose to address all, or a subset of, Food Service customers throughout the IOUs' service territories but should include the flexibility to target specific customers based on criteria such as specific climate zones, HTR status, and members of DACs.

### **6.1.2. Timing**

This solicitation has proceeded largely on schedule, with only slight variations to minor milestones. The only glitch was during the Bidder Web Conference on August 19, 2019, when functionality of the web meeting application was lost for over 30 minutes. Fearing that bidders were leaving the web conference in frustration, SoCalGas quickly scheduled and publicized a second Bidder Web Conference before the end of the first web meeting, to take place two days later. The second Bidder Web Conference occurred without any problems. Table 1.1 details the expected and actual milestones for the Statewide POS Food Service solicitation.

**Table 1.1: Key Milestones**

Milestones	Completion Date
RFA Released	August 12, 2019
Optional Bidder Web Conferences <sup>1</sup>	August 19, 2019 and August 21, 2019
Bidder Web Conference Recordings and Slide Decks Posted	August 21, 2019
Questions Due from Bidders	August 23, 2019
Responses Provided by SoCalGas to Bidders	September 4, 2019
Evaluator Scoring Training	September 19, 2019
Bidder Abstracts Due	September 27, 2019
Calibration Meeting	November 4, 2019
Shortlist Selection Meeting	November 14, 2019
Present Shortlist of Bidders to PRG	January 7, 2020
Bidders Notified	January 2020 (estimated)

<sup>1</sup> A second web conference was held August 21 due to technical problems during the August 19 web conference.

### **6.1.3. Key Observations**

Table 1.2 presents key observations from the two statewide solicitations, including potential

remedies and outcomes.

Table 1.2: Key Issues and Observations

Topic	Key Observation	Potential Remedy	Outcomes/Lessons Learned
Late PRG comments	PRG members have, at times, been late in deadlines for comments on solicitation reviews (beyond allocated timeline).	If a PRG member needs additional time for review, they should email the IOU before the deadline that they need additional time for review.  IEs recommend this is clarified in the PRG checklist or guidance documents.	The PRG has taken steps to notify the IOU of delays.
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Number of attachments/exhibits in solicitation packages.	The RFP package has too many component documents, which may cause bidders to spend additional resources responding to the RFP and possibly cause confusion among bidders.	Where possible, the IOU should eliminate or combine documents.	IOU reduced the total number of documents from 29 to 16. The IEs recommended additional opportunities to reduce the RFP package that were considered but not adopted by the IOU.

## 6.2. Solicitation Outreach and Bidder Response

This section discusses SoCalGas' outreach to the bidder community and its impact on response to the solicitation.

### 6.2.1. Bidder Response to Solicitation

[REDACTED]

[REDACTED]

**Table 2.1: Solicitation Response**

#### **6.2.2. Bidder's Conference and Q&A**

As stated above, SoCalGas held a combined RFA Bidder Web Conference for the two statewide solicitations on August 19 and 21, 2019, but it was marred by a loss of functionality in the web meeting application for over 30 minutes. SoCalGas quickly scheduled a second Bidder Web Conference for August 21, 2019 fearing that the attendees would leave the web conference without full information. The second Bidder Web Conference on August 21, 2019 was completed without any issues. It is unclear how many attended the two web conferences because participants were not required to provide login credentials (email addresses, name, or company) when logging in. Bidder conference information is summarized in Table 2.2.

Bidders asked eight questions during the Web Conference, two of which were specific to the POS Food Service solicitation. Additionally, bidders submitted four questions via PowerAdvocate. The IE reviewed all SoCalGas' responses to the bidders' questions for accuracy, clarity, and impartiality prior to being sent back to the bidders. The IE recommended revisions to some responses to ensure clarity.

**Table 2.2: Bidder Conferences**

RFA Bidder Conference Dates	August 19, 2019 and August 21, 2019
Number of Attendees	11+
Number of Questions Received	11

### **6.2.3. Solicitation Design Assessment**

A large black rectangular redaction box covers the upper two-thirds of the page, obscuring several paragraphs of text. The redaction is irregular, with jagged edges and a small white rectangular gap on the right side.

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

This section discusses the design of SoCalGas' RFA and RFP documents and the RFA process.

#### **6.3.1. RFA Design Requirements and Materials**

SoCalGas felt that the IE's initial review of the documents should have been limited to ensuring that directives regarding statewide solicitations were followed and that the documents should not be viewed as newly created. However, most, if not all, of the initial RFA package documents had previously been vetted and approved in their draft forms by other IEs and the PRG. The IE felt that many of the RFA documents to be reviewed had since undergone significant revisions, which would require another new overall review.

#### **6.3.2. RFP Design Requirements and Materials**

Prior to the finalization of the RFP documents, the entire package was revised into a template form. This was because a significant amount of time was being spent needlessly by IOU staff and IEs in developing and reviewing new solicitation documents when there was a lot of commonality among the final documents.

After the template RFP document was ready, IEs and the PRG recommended that SoCalGas reduce the number of attachments/exhibits in the solicitation packages from 29 to a more manageable number. The IEs worked together with SoCalGas iteratively to consolidate the package to just 16 documents, making the package more manageable for bidders.

Due to the new template structure and reduced number of documents, SoCalGas then needed to customize only a small number of documents to fit the specific needs of the Statewide POS Food Service solicitation.

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

During the RFA development phase, the IE received pushback from SoCalGas on many of its recommendations to modify RFA documents that had previously been reviewed and approved in a draft form. Subsequently, the documents were modified to more of a template format, which made the difference of opinions over the IE's recommendations moot.

SoCalGas asked the IE to lead the all-IE effort to consolidate the RFP document package. SoCalGas agreed with and implemented more than one-half of the recommendations. Most of the recommendations with which SoCalGas disagreed and did not implement conflicted with SoCalGas legal policy or were agreed upon in principle but were deferred to later solicitations for implementation.

### **6.4. Bid Evaluation Methodology Assessment**

This section discusses SoCalGas' bid evaluation methodology, criteria, and implementation. The discussion in this section is limited to the RFA stage of the POS Food Service solicitation, which SoCalGas had almost completed as of the end of October 2019.

#### **6.4.1. Bid Screening Process**

SoCalGas' evaluation of abstracts during the RFA phase consisted of two parts: (1) a threshold assessment to determine the responsiveness of the abstract to minimum requirements; and (2) abstract scoring (of abstracts that met the minimum threshold requirements). SoCalGas first

evaluated the responsiveness criteria on a pass/fail basis. Only abstracts that received a “pass” on the threshold assessment were scored.

A series of black horizontal bars of varying lengths, arranged vertically. The bars are solid black and have sharp edges. They are set against a white background. The lengths of the bars decrease from top to bottom.

## 6.4.2. Scoring Rubric Design

10. The following table summarizes the results of the study. The first column lists the variables, the second column lists the estimated coefficients, and the third column lists the standard errors.

**Table 4.2: Scoring Rubric**

Table 4.2: Scoring Rubric				
Category	Weighting	Subcategory	Weighting	
Category A	Weighting A	Subcategory A1	Weighting A1	
Category B	Weighting B	Subcategory B1	Weighting B1	
Category C	Weighting C	Subcategory C1	Weighting C1	
Category D	Weighting D	Subcategory D1	Weighting D1	
Category E	Weighting E	Subcategory E1	Weighting E1	
Category F	Weighting F	Subcategory F1	Weighting F1	
Category G	Weighting G	Subcategory G1	Weighting G1	
Category H	Weighting H	Subcategory H1	Weighting H1	
Category I	Weighting I	Subcategory I1	Weighting I1	
Category J	Weighting J	Subcategory J1	Weighting J1	
Category K	Weighting K	Subcategory K1	Weighting K1	
Category L	Weighting L	Subcategory L1	Weighting L1	
Category M	Weighting M	Subcategory M1	Weighting M1	
Category N	Weighting N	Subcategory N1	Weighting N1	
Category O	Weighting O	Subcategory O1	Weighting O1	
Category P	Weighting P	Subcategory P1	Weighting P1	
Category Q	Weighting Q	Subcategory Q1	Weighting Q1	
Category R	Weighting R	Subcategory R1	Weighting R1	
Category S	Weighting S	Subcategory S1	Weighting S1	
Category T	Weighting T	Subcategory T1	Weighting T1	
Category U	Weighting U	Subcategory U1	Weighting U1	
Category V	Weighting V	Subcategory V1	Weighting V1	
Category W	Weighting W	Subcategory W1	Weighting W1	
Category X	Weighting X	Subcategory X1	Weighting X1	
Category Y	Weighting Y	Subcategory Y1	Weighting Y1	
Category Z	Weighting Z	Subcategory Z1	Weighting Z1	

**ANSWER** The answer is (A). The first two digits of the number 1234567890 are 12.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

#### 6.4.3. Evaluation Team Profile

[REDACTED]

[REDACTED]

Table 4.3: IOU Evaluation Team			
Number of Reviewers	Position Title	Position Role	Area(s) Scored
1	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

Category	Approximate Sample Count
1	100
2	10
3	10
4	100
5	10
6	10
7	100
8	10
9	100
10	10

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

Term	Percentage (%)
Climate change	100
Global warming	95
Green energy	88
Sustainable development	85
Environmental protection	82
Ecology	78

## **6.5. Final Bid Selection Assessment**

The abstract evaluation for the RFA phase was initiated but not completed by SoCalGas during this reporting period. The abstract calibration, short-listing, and final bid selection processes occurred in early November 2019, thus will be reported in the Spring 2020 Semi-Annual Report.

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

The IE observed that the evaluation activities occurring during this reporting period were conducted per established evaluation processes.

### **6.5.2. Management of Deficient Bids**

During the evaluation period SoCalGas did not determine any of the POS Food Service abstract submittals to be deficient.

### **6.5.3. Affiliate Bids and Conflict of Interest**

During the evaluation period, SoCalGas did not determine any of the POS Food Service abstract submittals to be affiliate bids or have a conflict of interest.

## **6.6. Assessment of Selected Bids**

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

## **6.7. Reasonableness of Contracting Process**

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

Energy Efficiency Independent Evaluators' Semi-Annual Report on the

**Statewide Midstream Water Heater Program Solicitation**

Reporting Period: May 2019 through October 2019

*Prepared by:*  
MCR Corporate Services

December 31, 2019

**Disclaimer:** Certain portions of this report are redacted due to the sensitive nature of the information.

## 7. Statewide Midstream Water Heater Program

### 7.1. Solicitation Overview

#### 7.1.1. Overview

The purpose of the SoCalGas Statewide Midstream Water Heater solicitation was to invite the EE industry to offer an innovative, resource-based energy efficiency program(s) to public and non-residential end-use customers throughout California. This solicitation is based on the goals in SoCalGas' Business Plan of increasing the sales of higher-efficiency water heaters into the nonresidential market by leveraging the distributor and contractor communities.

The Statewide Midstream Water Heater solicitation is one of two simultaneous statewide solicitations—the other being the Statewide Point-of-Sale (POS) Food Service program, which is reported separately. Many of the activities described in this report are the same, in terms of schedule and effort, for both solicitations. For example, both statewide solicitations share a common schedule, which results in common events such as solicitation release, bidder web seminars, due dates, etc.

### Scope

SoCalGas, in coordination with PG&E, SCE, and SDG&E, administers a comprehensive energy EE portfolio directed at a large, diverse natural gas and electric customer base spread over California. The IOU will utilize EE program implementers to serve residential and nonresidential customers throughout the IOUs' service territories. This solicitation invited qualified bidders to propose, design, implement, and deliver an innovative, resource-based program(s) that achieves deeper, more comprehensive natural gas and electric energy efficiency results for nonresidential customers by leveraging the Midstream Water Heater distributor industry.

The focus of this solicitation was to encourage the use of higher-efficiency water heating products into the nonresidential market by leveraging the distributor group to target small, medium, and large nonresidential, public, and multifamily customers throughout the utilities' service territories. As this program was designed to effectively promote EE at the midstream distributor level—the term "Distributor", which includes both cash and carry and online organizations, can be defined to include equipment manufacturers, wholesale distributors, and dealers. Market actors such as, but not limited to, buying groups, build design consultants/contractors, operators, and service and maintenance companies can provide market influence in procurement of higher-efficiency water heating equipment. Implementers are encouraged to leverage water heating distributors and associations to gain a greater understanding of the water heating industry.

### Objectives

The purpose of the solicitation was to select (an) Implementer(s) to address the unique Midstream Water Heater market barriers through the implementation of innovative strategies and tactics which align with the SoCalGas approved business plan, and that of the other IOUs.

These strategies may include:

- Simplified customer program experience
- Simplified distributor program experience
- Segment-specific solutions
- Industry partnering
- Technical assistance
- Dealer participation incentive
- Design Build component

Abstracts should include the flexibility to target specific distributors based on specific climate zones, HTR status, and members of DACs.

Solicitation seeks to increase the sales of higher efficiency water heaters into the non-residential market by leveraging the distributor and contractor communities.

### **7.1.2. Timing**

This solicitation has proceeded largely on schedule, with only slight variations to minor milestones. The only glitch was during the Bidder Web Conference on August 19, 2019, when functionality of the web meeting application was lost for over 30 minutes. Fearing that bidders were leaving the web conference in frustration, SoCalGas quickly scheduled and publicized a second Bidder Web Conference before the end of the first web meeting to take place two days later. The second Bidder Web Conference occurred without any problems. Table 1.1 details the expected and actual milestones for the Statewide Midstream Water Heater solicitation.

**Table 1.1: Key Milestones**

Milestones	Completion Date
RFA Released	August 12, 2019
Optional Bidder Web Conferences <sup>1</sup>	August 19, 2019 and August 21, 2019
Bidder Web Conference Recordings and Slide Decks Posted	August 21, 2019
Questions Due from Bidders	August 23, 2019
Responses Provided by SoCalGas to Bidders	September 4, 2019
Evaluator Scoring Training	September 19, 2019
Bidder Abstracts Due	September 27, 2019
Calibration Meeting	November 4, 2019
Shortlist Selection Meeting	November 14, 2019
Present Shortlist of Bidders to PRG	January 7, 2020
Bidders Notified	January 2020

<sup>1</sup> A second web conference was held August 21 due to technical problems during the August 19 web conference.

### **7.1.3. Key Observations**

Table 1.2 presents key observations from the two statewide solicitations, including potential

remedies and outcomes.

Table 1.2: Key Issues and Observations

Topic	Key Observation	Potential Remedy	Outcomes/Lessons Learned
Late PRG Comments	PRG members have, at times, been late in deadlines for comments on solicitation reviews (beyond allocated timeline).	If a PRG member needs additional time for review, they should email the IOU before the deadline, indicating that they need additional time for review.  IEs recommend this is clarified in the PRG checklist or guidance documents.	The PRG has taken steps to notify IOU of delays.
Number of Attachments/ Exhibits in Solicitation Packages	The RFP package has too many component documents, which may cause bidders to spend additional resources responding to the RFP and possibly cause confusion among bidders.	Where possible, the IOU should eliminate or combine documents.	IOU reduced total number of documents from 29 to 16. The IE recommended additional reductions that were considered but not adopted by the IOU.

## 7.2. Solicitation Outreach and Bidder Response

This section discusses SoCalGas' outreach to the bidder community and its impact on response to the solicitation.

### 7.2.1. Bidder Response to Solicitation

[REDACTED]

[REDACTED]

[REDACTED]

#### **7.2.2. Bidder's Conference and Q&A**

SoCalGas held a combined Bidder Web Conference for the two statewide solicitations on August 19, 2019, but it was marred by a loss of functionality in the web meeting application for over 30 minutes. SoCalGas scheduled a second Bidder Web Conference for August 21, 2019 fearing attendees would leave the web conference without full information. The second Bidder Web Conference was completed without any issues. It is unclear how many bidders participated in the two web conferences, because participants were not required to provide login credentials (email addresses, name, or company) when logging in. Bidder conference information is summarized in Table 2.2.

Bidders asked eight questions during the Web Conference, two of which were specific to the POS Food Service solicitation. Additionally, bidders submitted four questions via PowerAdvocate. The IE reviewed all SoCalGas' responses to the bidder questions for accuracy, clarity, and impartiality prior to being sent back to the bidders. The IE recommended revisions to the responses to a few questions to ensure clarity.

Table 2.2 Bidder Conferences	
RFP Bidder Conference Dates	August 19, 2019 and August 21, 2019
Number of Attendees	11+
Number of Questions Received	11

### **7.2.3. Solicitation Design Assessment**

10. The following is a list of statements concerning the use of the Internet by teenagers. Please indicate whether you agree or disagree with each statement.

1. I have used the Internet to communicate with people I don't know.

2. I have used the Internet to communicate with people I do know.

3. I have used the Internet to communicate with people I don't know and people I do know.

4. I have never used the Internet to communicate with anyone.

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

This section discusses the design of SoCalGas' RFA and RFP documents and the RFA process.

#### **7.3.1. RFA Design Requirements and Materials**

SoCalGas felt that the IE's initial review of the documents should have been limited to ensuring that directives regarding statewide solicitations were followed and that the documents should not be viewed as newly created. However, most, if not all, of the initial RFA package documents had previously been vetted and approved in their draft forms by other IEs and the PRG. The IE felt that many of the RFA documents to be reviewed had since undergone significant revisions, which would require an additional new overall review.

#### **7.3.2. RFP Design Requirements and Materials**

Prior to the finalization of the RFP documents, the entire package was revised into a template form. This was because a significant amount of time was being spent needlessly by the IOU staff and IEs in developing and reviewing new solicitation documents when there was a lot of commonality among the final documents.

After the template RFP document was ready, the IEs and the PRG recommended that SoCalGas reduce the number of attachments/exhibits in the solicitation packages from 29 to a more manageable number. The IEs worked together with SoCalGas iteratively to consolidate the package to just 16 documents, making the package more manageable for bidders.

Due to the new template structure and reduced number of documents, SoCalGas then needed to customize only a small number of documents to fit the specific needs of the Midstream Water Heater solicitation.

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

During RFA development phase, the IE received pushback from SoCalGas on many of its recommendations to modify RFA documents that had previously been reviewed and approved in a draft form. Subsequently, the documents were modified to more of a template format, which made the difference of opinions over the IE's recommendations moot.

SoCalGas asked the IE to lead the all-IE effort to consolidate the RFP document package. SoCalGas agreed with and implemented more than one-half of the recommendations. Most of the recommendations with which SoCalGas disagreed and did not implement conflicted with SoCalGas legal policy or were agreed upon in principle but deferred to later solicitations for implementation.

### **7.4. Bid Evaluation Methodology Assessment**

This section discusses SoCalGas' bid evaluation methodology, criteria, and implementation. The discussion in this section is limited to the RFA stage of the Midstream Water Heater solicitation, which SoCalGas had almost completed as of the end of October 2019.

#### **7.4.1. Bid Screening Process**

A horizontal bar chart with nine bars of increasing length from left to right. The bars are black and set against a white background.

Category	Value (approx.)
1	10
2	15
3	20
4	25
5	30
6	35
7	40
8	45
9	50

#### 7.4.2. Scoring Rubric Design

the first time in the history of the world, the people of the United States have been called upon to determine whether they will submit to the law of force, or the law of the Constitution. We shall not shrink from that great responsibility.

**Table 4.2: Scoring Rubric**

**ANSWER** The answer is (A)  $\frac{1}{2}$ .

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

#### 7.4.3. Evaluation Team Profile

[REDACTED]

[REDACTED]

Table 4.3: IOU Evaluation Team

Number of Reviewers	Position Title	Position Role	Area(s) Scored
[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]

Category	Value
1	~75
2	~70
3	~75
4	~70
5	~75
6	~70
7	~75
8	~70
9	~75
10	~70
11	~75
12	~70
13	~75
14	~35
15	>100
16	~35

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

Term	Percentage (%)
Climate change	100
Global warming	95
Green energy	88
Sustainable development	85
Environmental protection	82
Ecology	78

## **7.5. Final Bid Selection Assessment**

The abstract evaluation for the RFA phase was initiated but not completed by SoCalGas during this reporting period. The abstract calibration, shortlisting, and final bid selection processes occurred in early November 2019, thus will be reported in the Spring 2020 Semi-Annual Report.

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

The IE observed that the evaluation activities occurring during this reporting period were conducted per established evaluation processes.

### **7.5.2. Management of Deficient Bids**

During the evaluation period, SoCalGas did not determine any of the Midstream Water Heater abstract submittals to be deficient.

### **7.5.3. Affiliate Bids and Conflict of Interest**

During the evaluation period SoCalGas did not determine any of the Midstream Water Heater abstract submittals to be affiliate bids or have a conflict of interest.

## **7.6. Assessment of Selected Bids**

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

## **7.7. Reasonableness of Contracting Process**

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