

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

Order Instituting Rulemaking for Oversight of
Energy Efficiency Portfolios, Policies,
Programs, and Evaluation.

Rulemaking 25-04-010
(Filed April 24, 2025)

**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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June 25, 2026

ATTACHMENT A

Energy Efficiency Independent Evaluators' Semiannual Report

Southern California Gas Company

Third-Party Energy Efficiency Program Solicitations

Reporting Period: October 2025 through March 2026

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June 2026

Disclaimer: This Report includes sensitive and confidential information.

ENERGY EFFICIENCY INDEPENDENT EVALUATORS' SEMIANNUAL REPORT

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I. Overview

A. Purpose

The Independent Evaluators' (IE) Semiannual Report (Semiannual Report or Report) provides an assessment of the Southern California Gas Company's (SoCalGas or Company) third-party energy efficiency (EE) program solicitation process and progress by SoCalGas's assigned IEs.

Each investor-owned utility (IOU) is required to select and utilize a pool of IEs with EE expertise to serve as consultants to the Procurement Review Group (PRG).¹ For the entire solicitation process, the IE serves as a consultant to the PRGs, participates in PRG meetings, and provides assessments of the overall third-party solicitation process and progress.² The IEs are privy to viewing all submissions, are invited to participate in the IOU's solicitation-related discussions, and are bound by confidentiality obligations.

In Decision 18-01-004, the California Public Utilities Commission (CPUC or Commission) directs that a semiannual report on the overall process and conduct of the third-party solicitations be filed in the relevant EE rulemaking proceeding.³ This Report is provided in response to this requirement and represents an assessment of the program solicitation activities conducted from October 1, 2025, through March 31, 2026, unless otherwise noted. This Report provides the CPUC with feedback on the progress of SoCalGas's EE program solicitations.

This Report identifies areas for improvement and highlights effective practices identified by the IEs in SoCalGas's current and past program solicitations. The Report does not replace the required Final IE Solicitation Reports, which each respective assigned IE will provide to SoCalGas and its PRG after each solicitation. These reports will be filed periodically throughout SoCalGas's third-party program solicitation process.

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 Portfolio Administrator.⁴

¹ Decision 18-01-004, OP 2.

² Id, p. 38.

³ OP 5.c.

⁴ Decision 16-08-019, OP 10.

In January 2018, the CPUC adopted Decision 18-01-004 directing the four California IOUs, San Diego Gas & Electric Company (SDG&E), Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), and SoCalGas, to assemble an EE PRG.⁵ The IOU's PRG, a CPUC-endorsed entity, is composed of non-financially interested parties, including advocacy groups, utility-related labor unions, and other non-commercial, energy-related special interest groups. The PRG oversees the IOU's EE solicitation process (both local and statewide), reviewing procedural fairness and transparency. This oversight includes examining overall procurement prudence and providing feedback during all solicitation stages. Each IOU periodically⁶ briefs its PRG throughout the process on topics including Request for Abstracts (RFA) and Request for Proposals (RFP) language development, abstract and proposal evaluation, contract negotiations, and program Implementation Plan development.

Minimum Threshold Requirement for Third-Party Programs

In Decision 18-01-004, the CPUC directed the IOUs to ensure their EE portfolios contain minimum percentages of third-party-designed and implemented programs by predetermined dates.⁷ In November 2019, the CPUC granted IOUs various extension requests to meet the CPUC's initial 25% threshold requirement⁸ due to delays with the initial phases of the third-party solicitation efforts. Beginning December 31, 2022, the IOUs must maintain at least 60% of third-party programs within their EE portfolios. The IOUs are required to list their current third-party contracts, including an aggregate dollar value, in their Annual Energy Efficiency Reports on the CPUC's CEDARS reporting system.⁹

Guidance Letter from the Energy Division

On March 11, 2020, the Energy Division issued additional guidance to the IOUs in response to specific market challenges. Participants raised these challenges during the semiannual CPUC-hosted public workshops focused on identifying process improvements. The guidance was intended to address recurring issues stakeholders highlighted during those workshops. The following list summarizes the areas targeted for improvement:

Solicitation Schedules

- Allocate up to 12 weeks from RFA release to notify bidders of the invitation to respond to RFP.
- Allocate up to 15 weeks from RFP release to notification of bidders' invitation to Contract

⁵ Decision 18-01-004, OP 3.

⁶ At monthly PRG meetings and off-cycle meetings as needed.

⁷ Decision 18-01-004, OP 1.

⁸ 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.

⁹ Decision 18-01-004, OP 8.

negotiation.

- Execute Contract 12 weeks after an invitation to Contract negotiation unless the IOU conducts multiple negotiations within the same solicitation, the program is complex, or the Contract addresses challenging elements.
- Update the solicitation schedules in the next quarterly update.

RFA Guidance

- Adhere to the intent of the RFA stage explained in Decision 18-01-004.
- Refrain from requesting excessive detail in the RFA stage.

IOU Communication to Bidders

- Notify bidders of the status of the solicitation throughout the entire process.
- Provide better feedback to bidders by delivering on their commitments in response to stakeholder requests.
- Provide non-advancing bidders with notification if their abstracts/proposals did not advance due to an incomplete or non-conforming submission, a violation, or an unmitigated conflict of interest.
- After the deadlines are met for June 30 and September 30, 2020, the Energy Division encourages the IOUs to make feedback available to bidders notified before the date of this letter that they did not advance to the next stage of solicitations.

Energy Efficiency Portfolio Segments & Total System Benefits

In Decision 21-05-031, the CPUC approved significant changes to EE policy, most notably adopting a new metric for EE programs, Total System Benefit (TSB), and segmenting EE portfolios into programs whose primary purposes are Resource Acquisition, Market Support, or Equity.¹⁰ Portfolio Administrators are required to apply the TSB metric beginning with program year 2024 and continuing forward.¹¹ IOUs generally conduct solicitations for programs within one of these defined portfolio segments. A summary of the key objectives for each portfolio segment is presented below.

- **Resource Acquisition** – Programs with a primary purpose of, and a short-term ability to, deliver cost-effective avoided cost benefits to the electricity system. Short-term is defined as during the approved budget period for the portfolio. This segment should account for the bulk of the savings needed to achieve TSB goals.
- **Market Support** – Programs with a primary objective of supporting the long-term success of the EE market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness.
- **Equity** – Programs with a primary purpose of serving Hard-to-Reach (HTR) or Underserved customers and Disadvantaged Communities (DAC) in the advancement of the Commission's

¹⁰ Decision 21-05-031, OP 2.

¹¹ Id, OP 1.

Environmental and Social Justice Action Plan; the objectives of such programs may include increasing customer safety, comfort, resiliency, and/or reducing customers' energy bills.

- **Codes & Standards** – Programs with a primary purpose of advancing energy efficiency through codes and standards advocacy and compliance support.

Single- or Two-Stage Solicitation Approaches

Effective February 3, 2023, the CPUC authorizes IOUs to use either a single-stage or two-stage approach when soliciting third-party program design and implementation services for the EE portfolio. This flexibility allows each IOU to select the solicitation structure that best aligns with its portfolio needs. The IOU must provide its PRG with the rationale supporting its choice of a single- or two-stage solicitation. This requirement ensures transparency and maintains PRG visibility into the IOU's solicitation strategy.¹²

C. Overview of Solicitations

This Report compiles the individual IE assessments prepared for SoCalGas's active program solicitations. It also offers an overview of solicitation activity and a high-level summary of issues and potential recommendations drawn from those assessments. The Report does not address any program solicitations for which SoCalGas has not yet released an RFA or RFP. Table C.1 presents the full listing of SoCalGas's third-party solicitations, including the assigned IE and current contract status.

Solicitations	Assigned IEs	Solicitation Status
Local Residential Single Family	The Mendota Group	Completed
Local Residential Multifamily	The Mendota Group	Completed
Local Small and Medium Commercial	Don Arambula Consulting	Completed
Local Small and Medium Public	Apex Analytics	Completed
Statewide Point-of-Sale Food Service	MCR Corporate Services	Completed
Statewide Midstream Water Heating	MCR Corporate Services	Completed
Statewide Gas Emerging Technologies	Don Arambula Consulting	Completed
Local Residential Manufactured Homes	Apex Analytics	Completed
Local Large Commercial	Don Arambula Consulting	Completed
Local Agricultural	MCR Corporate Services	Completed
Local Behavioral (Residential, Business)	Apex Analytics	Completed
Local Industrial	Don Arambula Consulting	Completed
Local Outreach	Apex Analytics	Completed
Local Large Public	Apex Analytics	Completed
Local Retail Channel Support	MCR Corporate Services	Completed
Local Nonresidential Energy Advisor	MCR Corporate Services	Completed

¹² Decision 23-02-002, OP 7.

Solicitations	Assigned IEs	Solicitation Status
Local Multifamily Whole Building	Apex Analytics	Completed
Local Marketplace	Don Arambula Consulting	Completed
Local HERS Rater Training	MCR Corporate Services	Completed
Local IDEEA 365 – Round 1	Don Arambula Consulting	Completed
Local Commercial SEM	Apex Analytics	Completed
Local IDEEA 365 – Round 2	Don Arambula Consulting	Completed
Local Market Access Program	MCR Corporate Services	Completed
Local IDEEA 365 – Round 3	Don Arambula Consulting	Contracting
Local Large Commercial	Apex Analytics	Completed
Local IDEEA 365 – Round 4	Don Arambula Consulting	RFP

Legend:
Pre-RFA: Activities conducted before RFA release.
RFA: Includes bid preparation and evaluation period.
Pre-RFP: Activities conducted before RFP release.
RFP: Includes bid preparation and evaluation period.
Contracting: Contract negotiations are being held.
Contract Executed: Both parties signed the contract.
Completed: All solicitation activities have been concluded and reported in this or prior Semiannual Reports.
Suspended: Solicitation held until a later date.
Canceled: Solicitation was withdrawn; scope may be included in a future solicitation.

Since initiating its third-party solicitation process in late 2018, SoCalGas has executed the contracts listed in Table C.2. These executed agreements represent third-party programs that may qualify toward SoCalGas's minimum third-party program threshold requirements. The CPUC establishes those requirements in Ordering Paragraph 4 of Decision 18-05-041. The contracts in Table C.2, therefore, reflect the subset of third-party programs eligible for threshold consideration.

Solicitation	Implementer	Program Name	Contract Execution Date	Total Contract Value	Diverse Business Enterprise (DBE) % ¹³
Local Small and Medium Commercial	Franklin Energy Services	Small and Medium Commercial Energy Efficiency Program	September 24, 2020	\$4,499,999	9.6%
Local Small and Medium Commercial	ICF Resources	C-BEST Program	August 31, 2020	\$5,996,023	10.4%

¹³ The DBE spend is an estimate from the initially executed Contract to show the percentage of the budget that is forecasted to be contracted and/or subcontracted with DBE firms. Actual DBE spend will be reported by the IOU per General Order 156. 100% DBE indicates the Implementer is a qualified DBE. These programs may contain significant levels of customer incentives that are not eligible for DBE classification.

Table C.2: Executed Third-Party EE Program Contracts					
Solicitation	Implementer	Program Name	Contract Execution Date	Total Contract Value	Diverse Business Enterprise (DBE) % ¹³
Local Residential Single Family	Synergy Companies	Residential Advanced Clean Energy Program	September 21, 2020	\$9,000,000	42%
Local Residential Single Family	Global Energy Services, Inc.	Community Language Efficiency Outreach Program	September 21, 2020	\$2,994,250	100%
Local Residential Multifamily	ICF Resources	Multifamily Energy Alliance Program	September 21, 2020	\$5,999,990	12.4%
Local Residential Multifamily	Energyx Controls, Inc.	Multifamily Space and Water Heating Controls Program	December 23, 2020	\$1,338,039	20.7%
Local Small and Medium Public	Synergy Companies	Small-Medium Public Program	August 31, 2020	\$6,000,000	42%
Statewide Point-of-Sale Food Service	Energy Solutions	California Foodservice Instant Rebates Program	November 23, 2020	\$46,826,772	6.8%
Statewide Midstream Water Heating	DNV Energy Services USA, Inc.	Statewide Midstream Water Heating Program	November 20, 2020	\$45,840,873	20.3%
Local Agricultural	ICF Resources	Agriculture Energy Efficiency Program	December 14, 2020	\$8,996,359	0.7%
Large Commercial	Willdan	Large Commercial Program	December 17, 2020	\$12,350,000	40%
Local Manufactured Homes	Synergy Companies	Comprehensive Manufactured Homes Program	December 21, 2020	\$4,800,000	42%
Large Commercial	Enovity, Inc.	Service RCx+ Large Commercial Program	December 23, 2020	\$2,650,000	0%
Local Manufactured Homes	Staples & Associates	Residential Manufactured Homes Program	December 23, 2020	\$2,700,000	13.3%
Statewide Gas Emerging Technologies	ICF Resources	Statewide Gas Emerging Technologies Program	June 24, 2021	\$8,880,804	21%
Local Behavioral	Oracle	Customer Usage and Therm Engagement Program	October 29, 2021	\$9,279,600	31%

Table C.2: Executed Third-Party EE Program Contracts					
Solicitation	Implementer	Program Name	Contract Execution Date	Total Contract Value	Diverse Business Enterprise (DBE) % ¹³
Local Behavioral	Bidgely	Performance-Based Next Gen HERs for All	November 1, 2021	\$2,078,883	0%
Local Behavioral	Bidgely	Performance-Based Next Gen HERs for Small Business	December 23, 2023	\$1,672,125	0%
Local Outreach	Global Energy Services	Disadvantaged Communities Outreach Program	May 3, 2022	\$2,700,000	100%
Local Large Public	Energy Infrastructure Partners	Large Public Sector Program	October 12, 2022	\$4,882,770	100%
Local Industrial	Wildan	Refinery Gas Energy Efficiency	December 19, 2022	\$24,629,078	0%
Local Retail Channel Support	ICF Resources	Retail Channel Support Program	December 22, 2022	\$2,997,250	10%
Local Nonres. Energy Advisory	Richard Heath & Associates	Business Energy Efficiency Survey	December 27, 2022	\$2,315,750	100%
Local Multifamily Whole Building	Richard Heath & Associates	Comprehensive Multifamily Incentive Program	December 28, 2022	\$18,000,000	100%
Local Industrial	Cascade Energy	I2i SEM	December 28, 2022	\$6,800,000	13.36%
Local Industrial	Cascade Energy	I-STAR	December 28, 2022	\$5,500,000	13.42%
Local Industrial	CLEAResult	Industrial Energy Partners	December 28, 2022	\$24,600,000	37.30%
Local Marketplace	Enervee	Local SoCalGas Marketplace powered by Enervee	December 29, 2022	\$4,851,400	0%
Local HERS Rating Training	CHEERS	HERS Training by CHEERS	December 30, 2022	\$1,350,000	0%
Local IDEEA1	Frontier Energy	BEER Program	December 31, 2023	\$669,850	8%
Local IDEEA1	Okapi Architecture	A+K-12 Program	December 31, 2023	\$699,422	100%

Table C.2: Executed Third-Party EE Program Contracts					
Solicitation	Implementer	Program Name	Contract Execution Date	Total Contract Value	Diverse Business Enterprise (DBE) % ¹³
Local Commercial SEM	CLEAResult	Commercial SEM Program	January 11, 2024	\$8,397,740	10%
Local IDEEA1	CEGY	Pool Energy Efficiency Program	February 15, 2024	\$699,920	36%
Local IDEEA1	Williams Furnace Company	TEG Wall Furnace Market Transformation	October 17, 2024	\$700,000	0%
Local IDEEA2	CHEERS	HERS Training Program	November 13, 2024	\$1,975,000	0%
Local IDEEA2	Cascade	Decarbonization Studies and Solutions	November 20, 2024	\$698,744	0%
Local IDEEA2	Eco-Entertainment	EE and Rehabilitation Pgm.	February 7, 2025	\$950,000	57%
Local Market Access Program	Mendota Group	GRID-MAP	June 6, 2025	\$6,994,036	100%
Local Large Commercial	Energy Infrastructure Partners	SoCalGas Large Commercial Sector Program	January 9, 2026	\$12,575,276	100%
Total				\$314,889,953	30.8%

D. IE Assessment of Solicitations

Table D.1 provides a detailed summary of selective IE recommendations and outcomes during the reporting period, drawn from the individual IE reports presented in Attachment II. The recommendations listed in Table D.1 may not reflect the views or conclusions of all IEs. A complete accounting of all IE recommendations made during this reporting period is contained in the individual IE reports. Those IE reports are included in Attachment II for reference.

Table D.1: Key Issues and Observations			
Topic	Key Observation	Recommendation	Response
Optional 24-hour Clarification Period for Submission	During the proposal screening process, SoCalGas asked a bidder to clarify whether it intended to target program outreach to low-income customers.	SoCalGas should include an optional 24-hour period for bidders to correct administrative errors or respond to clarifying questions that might otherwise disqualify a	Under Consideration

Table D.1: Key Issues and Observations			
Topic	Key Observation	Recommendation	Response
		proposal.	
Encourage Innovation in Non-IDEEA Solicitation	Bidders proposed new tactics, such as AI-generated customer recruitment, that could be tested within existing programs.	Future non-IDEEA RFPs and contracts should encourage bidders to propose new tactics and technologies without exposing them to significant financial risk.	Under Consideration
Delayed Measure Package Approval and Recommended Process Improvements	The bidder had already advanced the high-efficiency window measure through the Statewide Electric Emerging Technologies process—completing market studies and submitting several iterations of the deemed-measure packages—but the CPUC determined the submissions were incomplete, resulting in a longer-than-expected approval timeline and delaying the IDEEA3 program design and contract execution.	<p>Because the CPUC’s formal review timelines apply only after a complete measure package is submitted, repeated determinations of incompleteness can reset the review clock and significantly extend approval timelines, delaying program development and implementation.</p> <p>The IE recommends that SoCalGas and the other IOUs work with the CPUC to refine the measure package review process and establish clearer, more efficient pathways for the timely approval of measure packages.</p>	Under Consideration
Timeline for Contract Review	The contract was completed by the end of the year, but doing this required an expedited review timeline for the PRG, limiting time to conduct a detailed review and provide thorough feedback. During the January PRG meeting, the PRG provided feedback that they would have liked more in-depth	The IE agrees with PRG feedback that more in-depth slides in the months leading up to contract revisions would have helped the PRG provide more detailed and thoughtful feedback (rather than only during the expedited review).	SoCalGas responded that they plan to incorporate the feedback on more in-depth slides into future solicitations.

Table D.1: Key Issues and Observations			
Topic	Key Observation	Recommendation	Response
	slides in the months leading up to contract revisions. This would have helped the PRG understand the key program metrics (TRC, PAC) earlier and allowed them to ask follow-up questions.		

E. IOU Emerging Effective Practices

The effective practices reported in Table E.1 reflect each IE’s individual assessments of their assigned solicitations and do not represent consensus recommendations across all IEs. Some practices apply only to certain solicitation types; for example, cost-effectiveness requirements typically pertain only to resource acquisition solicitations. Other practices were effective because of the specific circumstances of a particular solicitation and may not translate universally. When a practice proves broadly applicable and is adopted by all IOUs, the PRG incorporates it into its Solicitation Guidelines. These Guidelines provide IOUs with a consolidated set of recommendations for conducting solicitations. They serve as a reference for practices the PRG expects IOUs to consider when designing and administering future solicitations. The adoption of widely accepted practices helps maintain consistency and strengthen solicitation quality across IOUs.

Table E.1: Effective Solicitation Practices		
Emerging Effective Practice	IE Analysis	Initial Date
Require Mandatory Pre- and Post-Interview Calibration Meetings	The IOU held pre- and post-interview calibration sessions. This allowed the team to develop bidder questions and to discuss the bidder’s response. The IOU should continue to require a calibration meeting before and after the bidder interviews.	June 2026
Make Bidder Interviews a Required Step in IDEEA Proposal Evaluations	The bidder interviews greatly strengthened the evaluation team’s understanding of each proposal and should be a mandatory component of the IDEEA evaluation process.	June 2026

Table E.1: Effective Solicitation Practices		
Emerging Effective Practice	IE Analysis	Initial Date
Effectively Organized and Implemented Scoring Process	SoCalGas's scoring process was organized and effective. The pre-scoring training adequately prepared evaluators. The scoring tools used to tally scores across the team were consistent and well-structured.	December 2025
Allow IE to review the Final Draft of IP After the Webinar	SoCalGas provided the IE with three versions of the Implementation Plan, which helped confirm that the implementer incorporated all corrections identified in the Implementation Checklist.	December 2025
Hold Informative Debriefing Sessions with Unsuccessful Bidders	SoCalGas provides non-selected bidders the opportunity to participate in individual debriefing sessions designed to explain the strengths and weaknesses of their proposals and help improve their competitiveness in future solicitations.	June 2025
Formation of the Evaluation Team	To account for the wide variation in program designs resulting from IDEEA's open-ended RFP scope, SoCalGas used smaller evaluation teams organized by customer segment. This structure allowed subject matter experts to assess proposals aligned with their expertise. It also improved scoring consistency across diverse program types. The approach supported a more accurate and criteria-based evaluation process.	June 2025
Attracting Smaller-sized Bidders to Participate in EE Solicitations	SoCalGas's IDEEA solicitation demonstrates an effective practice for sizing and scoping innovation-focused RFPs, as the smaller program budgets and open-ended design produced one of the highest response rates in five years and successfully attracted many smaller firms that IOUs have historically struggled to engage. By explicitly signaling that the IDEEA solicitation is intended to encourage participation from smaller bidders, SoCalGas created a more accessible entry point for emerging providers and broadened the pool of innovative concepts under consideration.	December 2024
Bidder Debriefs Presented by Program Subject Matter Expert	SoCalGas employed an effective practice by having program subject-matter experts lead bidder debriefings, which enabled bidders to receive informed, criteria-based feedback and supported a more constructive, conversational exchange than a standard report-out.	December 2024

Table E.1: Effective Solicitation Practices		
Emerging Effective Practice	IE Analysis	Initial Date
Timely Safety Certification of Implementer	SoCalGas demonstrated an effective practice by initiating the safety certification process for new implementers at the start of contract negotiations, helping avoid the multi-month delays that occurred when certification was initiated later in the process.	December 2024
Proposals Pre-screening	SoCalGas added a program-eligibility review by the program lead to its screening process. This review confirms that proposals fall within the prescribed scope of work. It also prevents the evaluation team from spending time scoring proposals that do not meet the required scope. The additional screening supports a more efficient and focused evaluation process.	December 2024
Monthly IE Coordination Meetings	SoCalGas convenes monthly meetings with its Independent Evaluators to review and act on IE recommendations across active solicitations, thereby driving continuous improvements to the solicitation process.	December 2024
Evaluation Team Check-in Meetings	The SoCalGas evaluation team met periodically to review evaluator progress, reinforce a steady scoring cadence, and address clarifying questions about the proper application of scoring criteria as evaluations advanced.	December 2024
Address Divergent Scores in Evaluator Calibration Sessions	On a five-point scale, a two-point spread reflects a material divergence among evaluators. SoCalGas uses this two-point threshold to trigger calibration discussions. The threshold highlights where evaluator perspectives differ in meaningful ways. It also supports a more consistent and defensible scoring process.	December 2024
Timely Debriefing Sessions	SoCalGas held bidder debriefing sessions immediately after making its proposal selections to explain each proposal's strengths and weaknesses and to gather bidder feedback on how to improve future solicitations.	June 2024
Contract Negotiations	SoCalGas adopted the effective practice of issuing written notes after each negotiation session, which kept parties aligned on progress, clarified outstanding items, and supported a more efficient negotiation process.	June 2023

Table E.1: Effective Solicitation Practices		
Emerging Effective Practice	IE Analysis	Initial Date
Solicitation Kickoff Meeting	SoCalGas hosts a solicitation kickoff meeting with the assigned IE, program staff, and solicitation staff to discuss the solicitation and understand the current program structure and SoCalGas's solicitation goals. The meeting helps align the SoCalGas team early in the solicitation and makes the RFA package review more efficient.	June 2021
Bidders' Conference	SoCalGas uses a conference system with enhanced features, including attendee tracking, recording, and integrated Q&A. This information is helpful and provides a good foundation for new market entrants.	June 2021
Scorer Training	IOU developed a process for training the scoring team for each solicitation. This is an effective way to ensure that all scorers have the same expectations and understanding of what they are scoring.	December 2020
Contract Negotiations	SoCalGas utilizes an Excel-based comment tracker to record proposed changes and responses to the initial draft of the Contract. The tracker lets both parties quickly identify proposed changes and record their outcomes and rationales.	December 2020
Multiple Rounds of Q&A	SoCalGas provides more than a single round of Q&A, allowing bidders to ask follow-up questions and affording them additional opportunities to do so.	December 2020
Collaborative Negotiations	Collaborative negotiations focus on improving the program offering, a primary consideration in contract negotiations.	December 2020

F. PRG Feedback

The IOU generally accepted the PRG recommendations during this reporting period. The individual reports document the specific PRG feedback provided and the IOU's corresponding responses. These reports offer the most detailed discussion of both PRG and IE recommendations. For full context, refer to the individual IE solicitation reports included in Attachment II.

G. Stakeholder Feedback from CPUC Workshops

Annual Workshop¹⁴

The CPUC, in Decision 18-01-004, requires that the Energy Division (ED) host semiannual workshops to "allow for information discussion and problem-solving among stakeholders about the progress of the third-party solicitations and for consideration of the Semiannual IE reports."¹⁵ Decision 23-02-002 later modified the requirement to at least once per year. The most recent stakeholder meeting was held on April 15, 2026, at SCE's Irwindale offices as a hybrid in-person and virtual event, running from 9:30 a.m. to 3:45 p.m., with 53 in-person attendees and approximately 50 participating virtually.

The workshop provided an opportunity for stakeholders to ask questions, offer comments, and receive updates on past and future solicitations, as well as on IOU and CPUC plans. Participants included PRG members, IEs, CPUC ED staff, IOUs, program implementers, prospective bidders, and other stakeholders. The meeting materials, including presentations, agenda, and notes, are available on the California Energy Efficiency Coordinating Committee (CAEECC) website.¹⁶ The topics presented included the following:

Energy Efficiency Policy Updates

ED staff provided an update on relevant EE policies and resources for Implementers. ED staff also provided an update on the recently filed 2028-2035 Business Plans, which included, among other requests, the following IOU policy proposals:

Third-Party Outsourcing Percentage

- SoCalGas: Change 60% requirement to 60% target
- PG&E: Reduce 60% requirement to 50% (soft target of 60%)
- SCE: Reduce 60% requirement to 20%

Third-Party Definition (currently "proposed, designed, implemented, and delivered")

- PG&E: Change the definition of "third party" to be implemented and delivered by non-utility personnel
- SCE: Change the definition of "third party" to "third-party delivered" by third parties

Third-Party Solicitation Process Changes

- SoCalGas: Sunset PRGs and IE roles, replace with ED-led oversight with each IOU
- SCE: Solicitations valued under \$25 million should undergo a streamlined PRG review
- SCE: Adjust PRG scope, clarify IE roles, and reduce the frequency of semiannual IE reports to annual IE reports

¹⁴Although this meeting occurred outside of the reporting period (April 2026) a summary is included here due to the timeliness and critical nature of the issues discussed by stakeholders.

¹⁵ Decision 18-01-004, OP 26.

¹⁶ <https://www.caeccc.org/cpuc-third-party-public-meetings>

- SCE: Modify the Tier 2 Advice Letter trigger so programs valued at \$25 million or more require an Advice Letter

Statewide Outsourcing Percentage

- SCE: Eliminate the statewide percentage requirement

IE Presentation on the Semiannual Reports

An IE representative from the IE pool presented a set of effective practices identified in the most recent Semiannual Reports covering October 2024 through September 2025.

IOU Portfolio Updates and Upcoming Solicitations

Each of the four IOUs provided updates on solicitation schedules and outlined proposed changes to the third-party program process reflected in their recently filed Business Plans. They also highlighted innovative features emerging from executed third-party contracts and discussed the ongoing challenges of fostering innovation within Resource Acquisition programs, particularly those delivered by third-party implementers. Some stakeholders asked whether the IOUs remained committed to investing in energy efficiency, given their proposed funding reduction for the future 2028-2031 funding cycle. Each IOU affirmed continued commitment. Several IOUs highlighted an ongoing focus on cost-effective energy efficiency investments. That focus was framed as a core obligation to ratepayers who invest in these programs.

Program Implementer Panel

A panel of third-party program implementers used a stakeholder survey and their own experiences to discuss challenges, recommendations, and policies with the current solicitation process, as well as how implementers can have greater influence on policy development. Barriers described by the panel included the following.

Barriers described by the panel included the following:

- **High Program Implementer Risk** - Implementers face financial, performance, and timing risks due to delayed approvals and shifting policies beyond their control.
- **Inconsistent Policy Application** - Unpredictable policy interpretations and subjective reviews lead to conservative savings estimates, thereby reducing program impact.
- **Lengthy Review Timelines** - Extended review cycles delay implementation, disrupt cash flow, and increase financing costs without improving savings accuracy.
- **Contract Amendment Delays** - Slow contract amendments hinder responsiveness and stall programs, limiting effective management and adaptation.

Policy areas that the panel discussed could benefit from program implementer feedback, and insights included the following:

- **Feasibility and Risk Insights** - Implementers provide valuable insights on policy feasibility, risk, and real-world delivery challenges based on practical experience.
- **Cost-Effectiveness Feedback** - Implementers critically inform how policies affect market

behavior, customer choices, and project viability through cost-effectiveness methodologies.

- **Attribution and Verification** - Implementer feedback improves net-to-gross ratio attribution and measurement accuracy, reducing the barriers posed by blanket assumptions.
- **Contract and Equity Design** - Engaging implementers in contract structures and equity-focused program design ensures realistic incentives and better participation outcomes.

Areas of action recommended to improve program delivery included the following:

- **Rebalance Implementer Risk** - Improving review timelines, policy stability, and amendment responsiveness reduces uncertainty, lowers costs, and encourages innovation.
- **Reform Cost-Effectiveness Frameworks** - Updating frameworks to reflect full customer savings, infrastructure benefits, and long-term value expands program offerings. Participants identified two significant barriers to advancing cost-effective programs: most IOUs apply a 1.0 TRC ratio threshold at the program level despite CPUC policy applying cost-effectiveness only at the Resource Acquisition portfolio level, and the TRC test itself is imbalanced because it counts total customer project costs while excluding all customer project benefits.
- **Implement Feedback Channels** - Creating safe, continuous channels for candid implementer feedback fosters early issue resolution and constructive improvements.
- **Enhance Policy Alignment** - Aligning energy efficiency policy with practical realities improves savings, equity, and grid reliability.

Cross-Cutting Panel

As recommended in the 2025 survey responses, the meeting convened a cross-cutting panel consisting of two IOU representatives, two implementers, and one IE (with an IE moderator). The panel was asked to address Balancing Trade-offs and Barriers to Achieve a Successful EE Portfolio. The panel focused on the following:

- Trade-offs among affordability, equity, innovation, and meeting CPUC requirements, such as cost-effective TSB or equity metrics
- Effects, alternatives, and proposed solutions

The discussion was robust, identifying barriers and potential solutions. The post-workshop survey indicated that respondents were interested in diving deeper into the issues and potential solutions in a follow-up workshop.

Custom Process Review Update

ED staff presented on the Custom Project Review Continuous Improvement Initiative, which is intended to streamline the process overall. The majority of the session focused on gathering stakeholder feedback, with implementers and IOUs sharing past experiences with the current review structure. Participants were generally encouraged by the updates, though concerns remained about the time and cost of the process or the need for it. A follow-up Initiative workshop is scheduled for June 16, 2026.

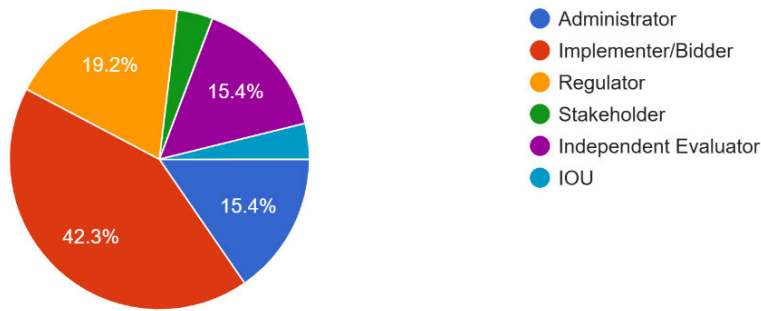
Post-Workshop Survey

Twenty-seven individuals completed the post-event survey, and responses were highly supportive of both the event and the information shared. Participants expressed strong support for each session, the overall timing, and the pre-event networking opportunity. Survey feedback also indicated interest in continued discussions on the role of Integrated Demand Side Management (IDSMS) and energy efficiency, along with other topics raised during the Implementer Panel and Cross-Cutting Panel. The next stakeholder meeting has not yet been scheduled, but it is expected to occur in early 2027.

Figure 1.1 – Post-workshop Participant Survey Results

What is your role in EE Solicitations?

26 responses



How productive do you think the meeting was?

26 responses



Attachment II: Individual EE Independent Evaluators' Semiannual Reports

Energy Efficiency Independent Evaluators' Semiannual
Report on the

**LOCAL INNOVATIVE DESIGN FOR ENERGY EFFICIENCY
APPLICATIONS SOLICITATION – ROUND 3**

Reporting Period: October 2025 through March 2026

Prepared by:
Don Arambula Consulting



Disclaimer: This Report includes sensitive and confidential information.

Local Innovative Design for Energy Efficiency Application Solicitation – Round 3

1. Solicitation Overview

SoCalGas’s IDEEA3 solicitation continues the utility’s structured approach to developing innovative energy efficiency solutions. It was launched immediately after the close of the IDEEA2 contract negotiations to maintain momentum and preserve opportunity for new concepts. This Semiannual Report provides a focused account of the IDEEA3 contracting phase. The following summary highlights the key steps and considerations that shaped the IDEEA3 process.

1.1 Overview

The IDEEA solicitation framework provides the energy efficiency bidder community with a structured, ongoing platform for piloting and refining innovative program concepts and technologies. Its continuous design accelerates customer adoption of energy efficiency by enabling real-time testing and market iteration. The framework also fosters active collaboration between SoCalGas and the broader industry, ensuring that promising ideas are evaluated and advanced under real operating conditions. Implementers who demonstrate measurable success through IDEEA programs may have the opportunity to expand their program scope and funding, creating a clear pathway from innovation to scale.

a. Scope

Interested bidders were invited to propose innovative energy efficiency programs using a broad range of strategies and tactics. They were encouraged to draw on approaches that advance long-term energy savings, expand customer participation in energy efficiency programs, and/or strengthen market delivery to advance energy efficiency products and services. The solicitation welcomed diverse program designs tailored to customer needs and market conditions. Examples of eligible strategies included, but were not limited to, the following:

- Providing comprehensive deep energy efficiency retrofits and whole-building improvements to achieve long-term savings (e.g., direct install with co-pay, custom measures, meter savings).
- Offering energy assessments and other forms of technical assistance designed to drive customer energy efficiency actions.
- Providing financial incentives to customers and targeted market actors to support project adoption.
- Leveraging available financing options to fund project co-pays (e.g., 0% On-Bill Financing for public institutions, private-sector financing).
- Coordinating with Regional Energy Networks (RENs) to deliver added customer support and complementary services.

- Stacking incentives from municipal utilities, water agencies, and other entities where available, including for jointly served customers.
- Partnering with local small business organizations and community-based organizations to strengthen outreach and delivery.
- Offering approaches that expand the use of local contractors and trade allies.
- Incorporating strategies that influence or improve customer organizational decision-making.
- Focusing on SoCalGas customers in rural, Hard-to-Reach, and Disadvantaged Communities.

b. Objectives

SoCalGas designed the IDEEA3 RFP to surface innovative approaches that address operational and market barriers. The intent was to identify program designs that deliver measurable energy savings for SoCalGas customers. Selected programs would operate as testbeds for new strategies that strengthen customer adoption of energy efficiency. Such efforts directly support SoCalGas in meeting its portfolio-level and sector-level performance metrics.¹⁷

Building on the foundation of previous IDEEA solicitations, the IDEEA3 solicitation encouraged exploration across all viable delivery channels and market-ready technologies. Its design invited bidders to craft programs tailored to SoCalGas customers' needs and characteristics. SoCalGas intentionally provided flexibility for bidders to target specific customer segments, whether by climate zone, income level, hard-to-reach status, or residence in disadvantaged communities. This approach enabled innovation to be paired with equity, expanding program accessibility across the full range of customer groups.¹⁸

1.2 Timing

SoCalGas released the IDEEA3 RFP on November 15, 2024. Strong interest from the bidder community prompted SoCalGas to extend the proposal review and selection period by several weeks. This extension also enabled the inclusion of optional bidder interviews, a key component of the IDEEA3 evaluation process.

Contract negotiations were significantly extended to accommodate the CPUC's approval of an energy efficiency measure package. The Commission's measure package review and approval process lasted more than a year, requiring both SoCalGas and the selected bidder to maintain an open negotiation window throughout. On March 31, 2026, the CPUC approved the measure package, clearing the way for final contract execution. Once negotiations are completed, the parties can proceed to execute the contract. Table 1.1 presents the major milestones for this solicitation.

¹⁷ See SoCalGas Portfolio And Sector-Level Metrics Compliance Filing, pp. 57-61, available at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M233/K545/233545545.PDF>.

¹⁸ See Decision 18-05-041, COL 26 and 27, available at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M215/K706/215706139.PDF>.

Table 1.1: Key Milestones		
Milestones	Completion (Proposed) Date	Duration
RFP Stage		
1. RFP Released	November 15, 2024	~26 weeks (from RFP release to Bidder Notifications)
2. Optional Bidder Conference	November 20, 2024	
3. Bidder Questions Due	December 11, 2024	
4. Responses to Bidder Questions	December 18, 2024	
5. Bidder’s Proposal Due	January 31, 2025 *	
6. Bidder Interviews, Optional	April 15 – 22, 2025	
7. Selected Bidders Notified	May 13, 2025	
8. Bidder Debriefing Sessions	May 20 – June 25, 2025	
Selections & Contracting Stage		
1. Contract Negotiations Begin	June 6, 2025	~48 weeks **
2. Contract Execution Date(s)	(May 2026) **	
Contract Approval and Program Rollout		
1. Implementation Plan Due	(July 2026) **	60 Days
2. Program Launch	(August 2026) **	
* - Delayed from the original schedule. ** - Estimated.		

1.3 Key Observations

During the proposal evaluation phase, the IE shared recommendations with the IOU and the PRG. The IOU had an opportunity to review, consider, and then accept or reject the IE recommendations. Table 1.2 presents the IE’s key recommendations and the IOU’s responses.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Contract Negotiations			
Delayed Measure Package Approval	The bidder had already advanced the high-efficiency window measure through the Statewide Electric Emerging Technologies process. It completed market studies and submitted several versions of the deemed-measure packages. The CPUC found each submission incomplete. That extended the approval timeline and delayed both the final program design and contract execution.	Because the CPUC’s formal review timelines apply only after a complete measure package is submitted, repeated determinations of incompleteness can reset the review clock and significantly extend approval timelines, delaying program development and implementation. The IE recommends that SoCalGas and the other IOUs work with the CPUC to refine this process and establish clearer, more efficient pathways for the timely approval of measure packages.	Under Consideration

2. RFP Stage

This solicitation activity was documented in the October–March 2025 Semiannual Report, issued in June 2025, and in the April–September 2025 Semiannual Report, issued in December 2025.

3. Contracting Process

SoCalGas and the bidder began contract negotiations in June 2025 for a Residential Window Retrofit Program designed to expand access to high-performance, ENERGY STAR Version 7 replacement windows. The Program will promote these advanced window technologies by partnering with distributors, manufacturers, and retailers, particularly those serving Disadvantaged Communities within SoCalGas’s service territory. The bidder proposes to lead overall program delivery, enroll eligible market actors, and provide participant training and support to encourage stocking and promotion of the new emerging technology residential window measure. By targeting purchasing decisions at the distributor level, the Program streamlines participation, simplifies claims through the bidder’s program platform, and enables automated quality control and near real-time performance tracking. In addition, enhanced incentives in Disadvantaged Communities and coordinated referrals to other programs help expand equitable access and support a scalable program model.



The bidder and SoCalGas had reasonably expected approval²⁰ by the second quarter of 2025, aligning with the anticipated start of IDEEA contract negotiations. However, the initial timeline proved inaccurate, and CPUC approval was ultimately delayed by a year, directly affecting the schedule for finalizing program design and contract execution.

The untimely approval process appears to stem from a conditional requirement in which the CPUC’s formal review periods do not apply if the CPUC reviewer determines that the IOU did not submit a

¹⁹ Southern California Edison’s Statewide Electric Emerging Technologies Program (Implementation Plan No. SCE-ETP-001) supports the identification, assessment, and market readiness of emerging electric technologies with potential to deliver future energy-efficiency savings. The program conducts technology assessments, field demonstrations, and market studies to inform measure development, codes and standards, and long-term portfolio planning.

²⁰ Resolution E-5152, Section B.4.1 Submittal of Updated Measure Packages (PY2023 and beyond, pp.13-14, [Resolution E-5152 complete.pdf](#))

complete measure package. Under the current process, the CPUC conducts a 20-day preliminary review followed by a 35-day review of a complete package. Yet, this schedule is triggered only when the sponsoring-IOU provides all required information in its resubmission. If the CPUC reviewer concludes that the initial submittal is incomplete, it may reset the review clock. This repeated submission and review cycle can occur several times, thereby significantly extending the overall approval timeline. As a result, the measure package review and approval process can experience substantial delays, spanning multiple months or years, as in this case, directly affecting program development and implementation schedules.

To avoid similarly lengthy delays in the future, SoCalGas, working collaboratively with the other IOUs, should engage with the CPUC to refine the existing review process and establish clearer, more efficient pathways for timely approval of measure packages. Reducing the review period seems appropriate for measures that have already undergone technical vetting through the IOUs' statewide emerging technology programs or peer review through the California Technical Forum (CalTF).²¹ Aligning the review process with these existing quality assurance steps would reduce duplicative evaluation and help prevent extended approval timelines. Such improvements would support more predictable program development schedules and accelerate the deployment of cost-effective energy efficiency measures.

Also, in its review of the draft measure package, the CPUC significantly increased the assumed cost of the residential efficient window measure by a factor of three. A measure's assumed cost significantly affects a measure's Total Resource Costs test ratio estimates. In response, the parties discussed the long-term viability of the efficient windows measure within an energy efficiency portfolio, given the CPUC's adjustments to the measure's proposed underlying assumptions. Despite these concerns, both parties ultimately agreed to continue pursuing the pilot to test whether intervening in the unique market channel combinations (i.e., distributor, manufacturer, retailer) would be effective. The pilot structure allows the parties to evaluate how these channels influence customer purchasing behavior and whether targeted combinations of up-, mid-, and downstream-channel engagements can drive adoption of residential high-performance windows. This shared commitment reflects the parties' interest in validating the measure's real-world performance and its potential role in future energy efficiency portfolio design.

While awaiting CPUC approval of the energy efficiency measure package, the parties continued negotiations to advance all other aspects of program design, program operations, contract terms and conditions, compensation, and budget. SoCalGas held periodic meetings supported by detailed agendas and a contract issue tracker to document open items, record resolutions, and monitor progress. The parties exchanged several contract turns to refine all components of the draft agreement

²¹ The California Technical Forum (CalTF) is the statewide technical body that develops and reviews standardized energy efficiency measure assumptions and supports the CPUC-approved eTRM to ensure consistent, transparent, and technically rigorous savings methodologies across all Portfolio Administrators.

that did not depend on the final approved measure package. Because the measure package defines not only energy savings estimates but also key operational requirements, such as data collection needs, the parties could not finalize program forecasts or compensation elements until the CPUC approved the new residential windows measure package. The prolonged delay in approving the measure package frustrated both parties and directly affected the timing of final contract execution and the start of program implementation.

On March 31, 2026, the CPUC approved the residential deemed efficient window measure package.²² With this approval in place, the parties will review the proposed program and the current draft contract to identify and incorporate any necessary modifications to ensure full compliance with the CPUC's new measure package requirements. This review will confirm alignment on data collection needs, program goals, operational requirements, and the compensation structure. The results of these contract negotiations will be presented in the next Semiannual IE reporting period.

4. Assessment of Final Contract

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.

5. Overall Assessment of Solicitation

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.

6. Implementation Plan Assessment

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.

²² <https://www.caetrm.com/measure/SWBE011/01/> [caetrm.com]

Energy Efficiency Independent Evaluators' Semiannual Report on the

SoCalGas Large Commercial Solicitation

Reporting Period: October 2025 through March 2026

Prepared by:
Apex Analytics



Disclaimer: This report includes sensitive and confidential information.

Large Commercial Solicitation

1. Solicitation Overview

This report summarizes the re-solicitation process and IE activities between October 2025 and March 2026 for the SoCalGas Large Commercial solicitation. The primary solicitation activities during this time included the contracting process and assessment of the final contract.

1.1 Overview

a. Scope

The purpose of the Large Commercial solicitation was to invite bidders to develop an innovative, natural-gas-focused resource acquisition program for Large Commercial sector customers in SoCalGas's service territory. A Large Commercial customer is defined as a customer whose annual gas consumption is at least 50,000 therms. The available budget for the solicitation was up to \$12.35 million across four years. The solicitation included a variety of market segments, including office, retail, healthcare, lodging, food service, laundry & dry cleaning, gymnasiums, family entertainment centers, and all other commercial segments. Bidders could submit programs to address all or, at the Bidder's discretion, a subset of Large Commercial customers in SoCalGas territory. Due to current active programs in the Large Commercial sector, Strategic Energy Management (SEM) and Retro-commissioning (RCx)-focused programs were excluded from the solicitation.

b. Objectives

Consistent with CPUC direction, SoCalGas requested in the RFP that the downstream commercial resource acquisition program rely on normalized metered energy consumption (NMEC) or other meter-based savings evaluation methodologies if feasible and cost-effective. The RFP also asked Bidders to demonstrate the overall cost-effectiveness of their proposed program using CPUC's Total Resource Cost (TRC) and Program Administrator Cost tests. Additionally, Bidders were asked to deliver a program with measurable Total System Benefit (TSB) that is consistent with CPUC-defined metrics and goals for the 2024–2035 program cycle. The RFP specified that SoCalGas prefers that the implementer's compensation be primarily based on pay-for-performance, tied to metered energy savings as measured in TSB.

1.2 Timing

The RFP was conducted as a one-stage solicitation. The RFP process received and scored [REDACTED] [REDACTED]. The re-solicitation began at the end of March, later in the year than SoCalGas had anticipated, because the existing contractor informed SoCalGas in late January that they would not continue in 2026. Additionally, the RFP evaluation process took longer than expected, which delayed the overall project timeline and impacted subsequent milestones. This delay was driven by the need to appropriately respond to PRG feedback. During this period, the IE held several

meetings with SoCalGas and Energy Division staff to further evaluate available options, including the rationale for the initial selection, potential paths forward, and opportunities to incorporate additional NMEC into the Large Commercial sector. These discussions also focused on strengthening the documentation of SoCalGas's selection rationale and refining stage-gate processes to better demonstrate how NMEC will be prioritized within the Large Commercial sector.

The key milestones for the solicitation are shown in Table 1.1. When the actual date deviates from the expected date outlined in the RFP, the table indicates when the actual date took place.

Table 1.1: Key Milestones		
Milestones	Completion (Expected) Date	Duration
RFP Stage		
1. RFP Released	May 9, 2025 (Expected) May 12, 2025 (Actual)	14 weeks (Expected) 21 weeks (Actual)
2. Bidders' Conference	May 14, 2025 (Expected) May 21, 2025 (Actual)	
3. Bidder Questions Due	May 26, 2025	
4. Responses to Bidder Questions Due	May 29, 2025	
5. Proposals Due	June 20, 2025	
6. Proposal Review and Evaluations	October 7, 2025	
7. Optional Bidder Interviews	N/A	
8. Bidder(s) Notified	August 12, 2025 (Expected) October 8, 2025 (Actual)	
Contracting Stage		
1. Contract Negotiations Begin	August 2025 (Expected) October 16, 2025 (Actual)	28 weeks (Expected)
2. Contract Negotiations Conclude	November 17, 2025 (Expected) December 31, 2025 (Actual)	
3. Contract Execution	December 31, 2025 (Expected) January 9, 2026 (Actual)	
4. Bidder Debriefs	January 13, 2026 (Actual)	
5. Company's Advice Letter Filing, if Required	February 20, 2026	
6. Notice to Proceed (Expected CPUC Approval)	March 9, 2026 (Expected) March 26, 2026 (Actual)	
7. Implementation Plan uploaded to CEDARS	May 26, 2026 (Expected)	

1.3 Key Observations

Key observations by the IE during this reporting period are shown in Table 1.2.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Timeline for Contract Review	The contract was completed by the end of the year, but doing this required an expedited review timeline for the PRG, limiting time to conduct a detailed review and provide thorough feedback. During the January PRG meeting, the PRG provided feedback that they would have liked more in-depth slides in the months leading up to contract revisions. This would have helped the PRG understand the key program metrics (TRC, PAC) earlier and allowed them to ask follow-up questions.	The IE agrees with PRG feedback that more in-depth slides in the months leading up to contract revisions would have helped the PRG provide more detailed and thoughtful feedback (rather than only during the expedited review).	SoCalGas responded that they plan to incorporate the feedback on more in-depth slides into future solicitations.

Effective practices noted by the IE during this reporting period are shown in Table 1.3.

Table 1.3: Effective Practices	
Effective Practice	IE Analysis
<p>Monthly Meetings with IEs and SoCalGas</p>	<p>The monthly meetings between IEs and SoCalGas have been an effective way to coordinate on best practices, understand key issues on which IEs are working, and ensure the timely delivery of monthly status reports. We find these meetings valuable to the IE processes and recommend they continue to be used.</p>

2. RFP Stage

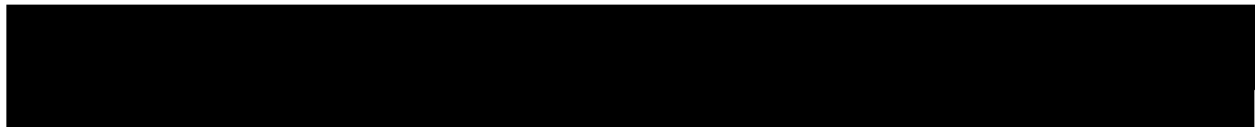
Activities during the RFP Stage were described in the April 2025 through September 2025 Semiannual Report.

3. Contracting Process

This section describes the contracting and negotiations stage of the Large Commercial Solicitation, which occurred between October 2025 and January 2026.

3.1 Collaboration on Final Program Design and Scope

A contract negotiations kick-off meeting was held on October 16, 2025. Prior to the meeting, SoCalGas sent EIP the initial contract package template and an overview of expectations and the proposed negotiations timeline. During this meeting, SoCalGas reported their aim was to expedite the contract negotiations process with a goal of having the contract executed by the end of the year. This proposed timeline included wrapping up discussion by mid-November to allow enough time for IE and PRG reviews of the final draft contract. EIP responded that, while the proposed timeline was tight, they believed they could meet it as EIP had already undergone contracting with SoCalGas before and was familiar with their standard contracting documents. The team (SoCalGas, EIP, and IE) agreed to meet weekly to discuss contract documents as they were reviewed.



[REDACTED]

[REDACTED]

[REDACTED]

3.2 Fairness of Negotiations

The IE perceived the negotiations as fair, unbiased, and transparent. SoCalGas provided a clear timeline and organized contract templates from the onset and was available for in-person meetings each week. With the expedited timeline and delays during negotiation, extensive resources were required during the review stage to complete the review in a very short turnaround. The contract was not finalized between SoCalGas and EIP until December 17, 2025 a month after the original plan. This delay led to a condensed review timeline for the IE and PRG to execute the contract prior to the end of the year.

3.3 Changes to Contract Terms and Conditions

[REDACTED]

3.4 Conformance with CPUC Policies and Objectives

The following table provides the IE assessment of how the contract conforms with CPUC Policies and Objectives.

Table 3.1: Contract Alignment with CPUC Policies and Objectives	
PRG Guidance and Other Considerations	IE Response
IOU should develop a standard contract template with CPUC standard terms to be compliant with applicable CPUC policies, decisions, or specific directives, consider PRG and IE feedback, and not use language/concepts that are inappropriate or typically not used in the EE industry. (PRG Guidance on Contracting, Section 6.1.1)	SoCalGas developed a contract negotiations template package, including CPUC standard terms. This was sent to EIP two days before the negotiations kick-off meeting. The language provided in the contract template was appropriate and typical of the language used in the EE industry.
The Contract must include all CPUC standard (non-modifiable) contract terms in the Contract (6.1.2)	The Contract included all CPUC standard (non-modifiable) contract terms.
The Contract includes CPUC modifiable contract terms as a starting point. (6.1.3)	SoCalGas provided CPUC modifiable contract terms to EIP as a starting point.
Other aspects of the contract template do not conflict with CPUC terms and conditions, policies, decisions, or direction. (6.1.4)	The contract template did not conflict with CPUC policies.
IOU proposed Contract did not advocate for altering the contract in the event of restructuring or bankruptcy (6.1.5)	The Contract did not advocate for this.
IE pool reviews the standard contract template and provides comments (6.1.6)	The IE pool reviewed the contract template in previous solicitation iterations. For this solicitation, SoCalGas provided time for the IE to review the contract, albeit under a tight timeline to execute the contract before the end of the year.
IOU must present its contracting negotiation process to the IE/PRG for review (6.2.1)	SoCalGas provided high-level negotiations updates to the IE/PRG during the November and December 2025 PRG meetings. The IE also attended all meetings between SoCalGas and EIP.
While third-party programs are defined as those proposed, designed, and implemented by third parties, the CPUC anticipated that IOUs would negotiate with bidders to optimize the program design before the Contract was finalized. Negotiations included discussions to optimize the program design and delivery. (6.2.2)	Negotiations included discussions on optimizing the program design and delivery. A focus of this was ensuring the program design prioritized NMEC throughout.
IEs monitored all bidder communications during the negotiation process (6.2.3)	The IE attended all meetings between SoCalGas and EIP and was copied on email exchanges

Table 3.1: Contract Alignment with CPUC Policies and Objectives	
PRG Guidance and Other Considerations	IE Response
	regarding negotiations.
IOUs explained to the bidder their contracting process to the selected bidder, including the role of IE and PRG in negotiations. (6.2.4.a)	During the negotiations kick-off, SoCalGas explained to EIP the contracting process and role of the IE and PRG.
IOU explained the steps in the negotiation and contracting process to the bidder, including the timeline. (6.2.4.b)	SoCalGas explained this information to EIP during the negotiations kick-off meeting.
IOU employed effective project management practices in review, revision and completion of contract documents. IOU provided a schedule acceptable to both negotiating parties that lays out the various documents and their current status, and reviewing and updating this in negotiation meetings is an effective practice to minimize confusion, rework and delays. (6.2.4.c)	SoCalGas employed effective project management practices. SoCalGas provided a proposed negotiation schedule and sent frequent emails laying out the status of contract package documents.
Before execution, the assigned IE and PRG reviewed the final contracts for each program recommended for award. (6.3.1)	The IE and PRG both reviewed the final contract; however, delays in the readiness of the contract led to tight review timelines for the IE and PRG during the last week of the year.
Other Contract Considerations	
The proposed changes [REDACTED] by the IOU and the bidder were reasonable and fair to both parties.	The changes proposed were reasonable and fair to both parties.
If the IOU proposed financial performance assurances in negotiations, did they present to its PRG and IE an analysis of the risk the contract may present to ratepayers and explain how a proposed performance security is appropriate to the contract size, scope, and associated risks?	Not applicable.
Does the contract explicitly allow the Implementer to receive necessary customer data from the IOU consistent with CPUC's direction?	[REDACTED]

Table 3.1: Contract Alignment with CPUC Policies and Objectives	
PRG Guidance and Other Considerations	IE Response
How does the contract demonstrate a balance of risk among program implementer, customer, and ratepayer regarding compensation structure?	[REDACTED]
The contract includes a reasonable number of KPIs, and KPIs make sense in terms of measurement, scale, and timeframe.	The contract includes a reasonable number of KPIs (eight), including TSB and NMEC-related metrics. Most KPIs are tracked monthly.
The contract clearly addresses IOU Support Services.	The contract clearly addresses SoCalGas Support Services in Attachment 2.
The contract retains the bidder’s proposed innovative aspects of the program.	The contract retains the innovative program design elements included in the proposal. This includes targeted analytics, channel partner activation, statewide emerging technologies coordination, design based on field experience, and real-time performance management.
The contract includes IDSM/DER components consistent with CPUC guidance if applicable.	Not applicable.
The contract includes EE/DR integration activities consistent with CPUC guidance, if applicable?	Not applicable.
The contract ensures adequate measurement and verification data requirements, such that source data (e.g., customer names and addresses where installations occurred) can be tracked and verified.	The measurement and verification plan will be included in the Implementation Plan. The IE expects this to include adequate M&V data collection requirements. The implementer agreed to comply with all M&V requests regarding Program and Project evaluation.

3.5 Uniformity of Contract Changes

This is not applicable as only one contract was negotiated.

3.6 IE and PRG Feedback to Contracting

The process for the IE and PRG to provide feedback throughout contract negotiations was as follows. SoCalGas sent EIP the contract package template, and EIP revised each document to reflect the

proposed program, in collaboration with SoCalGas. As documents were finalized, SoCalGas sent them to the IE for review. The IE revised each document as they came in and based on these SoCalGas made revisions in collaboration with EIP. After this process was completed for all documents, the full contract package was finalized and sent to the IE for review. SoCalGas and EIP then made edits based on IE feedback, and following this, sent the revised contract package to the PRG for their review. Finally, SoCalGas and EIP made edits based on the PRG feedback, and the contract package was finalized.

Table 3.2 and Table 3.3 describe key recommendations the IE and PRG made throughout the contract negotiations process. In addition to the key recommendations in the table, the IE provided minor feedback throughout the contract documents.

Table 3.2: IE Contract Recommendations		
Topic	Comment	IOU Response
[REDACTED]	[REDACTED]	[REDACTED]

Table 3.3: PRG Contract Recommendations		
Topic	Comment	IOU Response
[REDACTED]	[REDACTED]	[REDACTED]

Table 3.3: PRG Contract Recommendations		
Topic	Comment	IOU Response
		[REDACTED]
Timeline	During the December 2025 PRG meeting, concern was expressed about the expedited contract negotiations timeline, given the draft contract package was not ready for IE or PRG review yet. Given the large budget for the Large Commercial program, the Energy Division proposed having the review process spill into the following year.	SoCalGas responded that they are required to execute this contract before the end of the year to meet the 60% threshold for third party programs. Their plan was to continue to push for the contract to be complete by the end of the year.
More Detailed Updates During PRG Meetings	The contract was completed by the end of the year; however, doing this required an expedited review timeline for the PRG, which limited time to conduct a detailed review and provide thorough feedback. During the January 2026 PRG meeting, the PRG provided feedback they would have liked more in-depth slides in the months leading up to contract revisions during PRG meetings. [REDACTED]	SoCalGas responded they will apply this feedback to future solicitations.

3.7 Final Selection

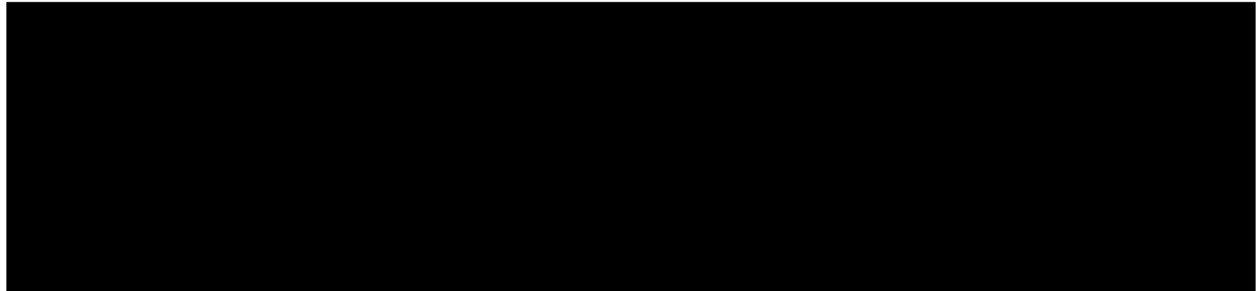
The contract package was finalized on December 31, 2025. [REDACTED]

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

3.8 Contract Execution

The contracting parties for the SoCalGas Large Commercial Sector Program were SoCalGas and EIP. The final contract was executed on January 9, 2026. The final contract was sent to the PRG on January 9, 2026.

3.9 Bidder Debriefs



4. Assessment of Final Contract

4.1 Bid Selection Respond to Portfolio Needs

The program proposed in the final contract package conforms to the IOU's stated solicitation needs and meets the IOU goals presented in its Business Plan. The program also conforms to PRG recommendations.

4.2 Bid Selection Provides Best Overall Value to Ratepayers

A summary of EIP's final program elements is included in Table 4.1. Refer to Table 3.4 for quantitative elements of the final contract.

Table 4.1: Program Supports CPUC Policies	
Policy	Final Assessment
How does the program advance the CPUC objectives for Resource Acquisition, Equity, Market Support ²³ and/or Codes & Standards segments of the EE portfolio?	The program furthers the CPUC’s objectives for Resource Acquisition programs. [REDACTED]
How is the Program innovative?	The program includes applying real-time analytics to tailor messaging and engage the highest impact customers, collaborating with channel partners to reach customers with portfolios, and using pre-launch testing to validate delivery timelines.
How does the program address Equity Customers (Hard-to-Reach Customers / Disadvantaged Communities/ Underserved Customers), if applicable?	During marketing and outreach, the program will use CalEnviroScreen to overlay DAC and HTR customer segments and target those customers. [REDACTED] The program includes goals for DAC and HTR, which are both included as KPIs.
How does the program recruit Disadvantaged Workers, if applicable?	The program plan for recruiting Disadvantaged Workers will be included in the Implementation Plan.
How does the program conform to the Workforce Standards, if applicable?	The program’s Workforce Standards will be included in the Implementation Plan.
How does this program support CPUC-approved metrics (e.g., portfolio and sector metrics, Equity, Market Support metrics, etc.)?	The program’s forecasted TSB significantly exceeds SoCalGas’s TSB goal for this program. The program reports the following KPIs on a monthly basis: therm savings, TSB achieved, TSB achieved (NMEC only), program spend, HTR projects, and DAC projects.
Does the program use meter-based energy savings methods for commercial and residential downstream resource acquisition retrofit programs, or what is the program’s rationale for alternate methodology?	[REDACTED]

²³ Decision 21-05-031, pp. 14-15.

Table 4.1: Program Supports CPUC Policies	
Policy	Final Assessment
How does the proposed program comply with CPUC-approved guidance on Custom and Deemed measures, NMEC, SEM, and other energy savings methodologies?	[REDACTED]

Across the submitted proposals, EIP’s program provides strong value to ratepayers. The program had the highest forecast energy savings, and TSB achieved projects at a similar cost to other proposals. The program also had the most robust customer engagement and contractor recruitment strategy. The program balances risk to the implementer, customers, and ratepayers by prioritizing meter-based measures and payments, while also including Deemed and Custom pathways for energy efficiency measures ineligible for NMEC.

a. Program Overview

EIP’s Large Commercial program includes commercial customers with an annual energy consumption of 50,000 therms or more. The program will target commercial real estate, private healthcare systems, hospitality, commercial laundry, retail, and restaurant customer segments. EIP will serve as [REDACTED]

[REDACTED]

b. Program Budget

Table 4.2 compares the key quantitative elements of the final contract with the original proposal. Changes between the proposed and final contract are primarily driven by the increase in NMEC projects incorporated into the final program design.

Program Element	As Proposed	Final Contract
Total Program Budget		\$12,575,276
Contract Term		2026-2030
Total System Benefit (TSB)		\$55,584,174
Energy Savings (kWh)		559,567
Energy Savings (kW)		68
Energy Savings (therms)		3,571,424

The budget breakdown for the program is provided in Table 4.3.

Cost Element	2026	2027	2028	2029	2030	Totals	% of Total
Administration	\$258,420	\$322,495	\$322,495	\$322,495	\$14,500	\$1,240,405	10%
Marketing/Outreach	\$185,240	\$185,250	\$185,250	\$185,250	\$0	\$740,990	6%
Incentives	\$221,805	\$975,206	\$944,285	\$951,346	\$41,600	\$3,134,242	25%
Direct Implementation	\$371,244	\$2,272,291	\$2,391,626	\$2,424,478	\$0	\$7,459,639	59%
Annual Total	\$1,036,709	\$3,755,242	\$3,843,656	\$3,883,569	\$56,100	\$12,575,276	100%

c. Program Performance and Goals

The TSB target for this program is \$24,030,844. The forecasted TSB for EIP's proposed program exceeds this target (Table 4.4). This forecast is based on 350 implemented projects, which result in total energy savings of over 3.5 million therms.

Performance Metric	2026	2027	2028	2029	Totals
TSB	\$2,914,444	\$17,221,602	\$17,053,826	\$18,394,302	\$55,584,174
TRC Ratio	-	-	-	-	3.14
PAC Ratio	-	-	-	-	5.21
Energy Savings (kWh)	120,283	132,047	152,786	154,451	559,567
Demand Reduction (kW)	14	16	19	19	68
Energy Savings (therms)	182,709	1,096,778	1,140,273	1,151,664	3,571,424
Number of Projects	20	110	110	110	350
Number of DAC Projects	2	11	11	11	35
Number of HTR Projects	2	11	11	11	35

d. Key Performance Indicators

An overview of the KPIs is provided in Table 4.5. The IE assesses that the number of types of KPIs is reasonable, and the KPIs will likely help EIP achieve a successful program. Based on feedback from the PRG, the KPI specific to NMEC was added. This will help with monthly tracking of the portion of NMEC projects relative to Deemed or Custom measures.

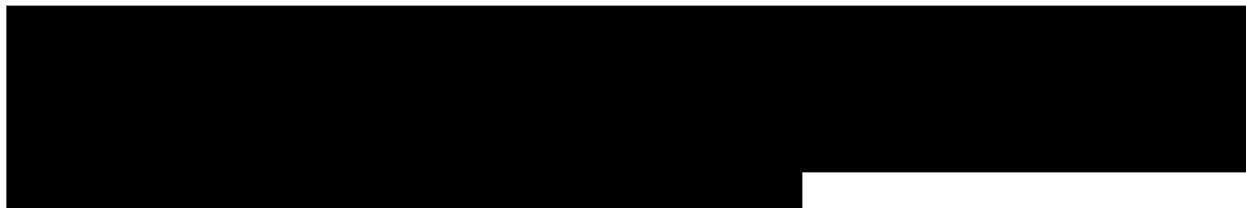


Table 4.5: Key Performance Indicators					
Weight	Category	KPI	Definition	Scoring	Tracking Cadence
20%	Program Performance	First Year Therm Savings Delivered	To date % achieved of energy savings goal split on an even pro rata basis ²⁴	0: less than 10 % 1: 10 – 39% 2: 40 – 69% 3: 70 – 100% 4: greater than 100%	Monthly
20%	Program Performance	TSB Delivery – All Program Pathways	To date % achieved of TSB goal split on an even pro rata basis	0: less than 10 % 1: 10 – 39% 2: 40 – 69% 3: 70 – 100% 4: greater than 100%	Monthly
20%	Program Performance	TSB Delivery - NMEC Program Pathway Only	To date % achieved of TSB from NMEC path	0: less than 10 % 1: 10 – 39% 2: 40 – 69% 3: 70 – 100% 4: greater than 100%	Monthly
10%	Program Performance	Goals/ Expenditure Alignment	To date % of energy savings goal / to date % of budget split on an even pro rata basis	0: less than 60% 1: 60 to 69% 2: 70 to 79% 3: 80 to 89% 4: 90 to 100%	Monthly

²⁴ Based on 1/12th of the respective year’s program goals.

Table 4.5: Key Performance Indicators					
Weight	Category	KPI	Definition	Scoring	Tracking Cadence
10%	Program Performance	Cost Effectiveness Alignment	Actual TRC Ratio/Pre-Program Approved TRC Ratio	0: less than 59% 1: 60% – 79% 2: 80% – 99% 3: 100% 4: greater than 100%	Annually
10%	Service Delivery	Program Administration and Implementation	Based on Contractor’s reporting/data quality, timeliness, invoicing issues, meeting expectations	0–Unsatisfactory 1–Below expectations 2–Meeting Expectations 3–Exceeding Expectations 4–Greatly exceeding expectations	Monthly
5%	Service Delivery	HTR Delivery	% of Projects delivered to HTR customers	0: less than 5% 1: 5% – 10% 2: 11% – 15% 3: 16% – 20% 4: greater than 20%	Monthly
5%	Service Delivery	DAC Delivery	% of Projects delivered to customers in DACs	0: less than 5% 1: 5% – 10% 2: 11% – 15% 3: 16% – 20% 4: greater than 20%	Monthly

5. Overall Assessment of Solicitation

Overall, the IE assesses that the solicitation process was conducted in a reasonable, fair, and transparent manner. The RFP documents aligned with SoCalGas’s Business Plan and CPUC TSB goals and metrics and preference for meter-based savings. The RFP also reflected the unique needs of this solicitation given it was a re-solicitation for a program where the current implementor had decided not to move forward in 2026.

[REDACTED]

[REDACTED]

Tight review timelines were a recurring challenge during the solicitation. The IE recommends that SoCalGas include in their planned timelines more time for reviews. Typically, feedback provided by the PRG or IE required thoughtful consideration to incorporate changes, and multiple rounds of back and forth. It would be helpful to extend the expected time for reviews to account for this.

[REDACTED]

6. Implementation Plan Assessment

The Implementation Plan has not been developed at the time of writing this report.

Energy Efficiency Independent Evaluators' Semiannual
Report on the

**LOCAL INNOVATIVE DESIGN FOR ENERGY EFFICIENCY
APPLICATIONS SOLICITATION – ROUND 4**

Reporting Period: October 2025 through March 2026

Prepared by:
Don Arambula Consulting



Disclaimer: This Report includes sensitive and confidential information.

Local Innovative Design for Energy Efficiency Application Solicitation – Round 4

1. Solicitation Overview

SoCalGas’s IDEEA4 solicitation continues the utility’s disciplined yet forward-looking approach to cultivating innovative energy efficiency solutions and attracting new program providers into the California energy efficiency ecosystem. Launched in the fourth quarter of 2025, SoCalGas designed the IDEEA4 competitive program solicitation to sustain the strong momentum of prior IDEEA solicitations and opens the door to a new wave of creative program concepts.

This IE Semiannual Report provides a focused account of the IDEEA4 RFP phase, capturing both the development of the solicitation and the breadth of responses received from bidders. Collectively, these elements highlight the key steps, insights, and considerations that shaped the IDEEA4 process and reinforce the utility’s commitment to advancing next-generation energy efficiency programs.

1.1 Overview

The IDEEA solicitation framework provides the energy efficiency bidder community with a dynamic, annual platform to pilot bold new program concepts and advance the market adoption of emerging energy efficiency technologies. Its continuous design accelerates customer adoption by enabling real-time testing, rapid iteration, and fast learning in the market. The framework also sparks active collaboration between SoCalGas and the broader industry, creating a space where promising ideas can be refined, validated, and advanced under real operating conditions. Bidders who demonstrate measurable success through IDEEA pilots may earn the opportunity to expand their scope and funding, turning breakthrough concepts into scalable, high-impact energy efficiency solutions.

a. Scope

As with previous IDEEA solicitations, SoCalGas invited interested bidders to submit their most imaginative and forward-leaning energy efficiency program concepts, drawing on a broad spectrum of strategies and tactics. They were encouraged to tap into approaches that not only deliver long-term energy savings but also widen customer participation and strengthen the market’s capacity to deliver results. The solicitation embraced a diversity of program designs, each tailored to real customer needs and evolving market conditions, creating space for both bold ideas and finely tuned solutions. Examples of eligible strategies included, but were not limited to, the following:

- Providing comprehensive deep energy efficiency retrofits and whole building improvements to achieve long-term savings (e.g., direct install with co-pay, custom measures, meter-energy savings).
- Offering energy assessments and other forms of technical assistance designed to drive customer energy efficiency actions.
- Providing financial incentives to customers and targeted market actors to support project adoption.
- Leveraging available financing options to fund project co-pays (e.g., 0% On-Bill Financing for public institutions, private-sector financing).
- Coordinating with Regional Energy Networks (RENs) to deliver added customer support and complementary services.
- Stacking incentives from municipal utilities, water agencies, and other entities where available, including for jointly served customers.
- Partnering with local small business organizations and community-based organizations to strengthen outreach and delivery.
- Offering approaches that expand the use of local contractors and trade allies.
- Incorporating strategies that influence or improve customer organizational decision-making.
- Focusing on SoCalGas customers in rural, Hard-to-Reach, and Disadvantaged Communities.

b. Objectives

SoCalGas designed the IDEEA4 RFP to surface innovative approaches that address operational and market barriers. The intent is to identify program designs that deliver measurable energy savings for SoCalGas customers. Selected programs will operate as testbeds for new strategies that strengthen customer adoption of energy efficiency. These efforts directly support SoCalGas in meeting its portfolio-level and sector-level performance metrics.²⁵

Building on the foundation of previous IDEEA solicitations, the IDEEA4 solicitation encouraged exploration across all viable delivery channels and market-ready technologies. Its design invited bidders to craft programs tailored to the needs and characteristics of SoCalGas customers. SoCalGas intentionally provided flexibility for bidders to target specific customer segments, whether by climate zone, income level, Hard-to-Reach status, or residence in Disadvantaged Communities. This approach enables innovation to be paired with equity, expanding program accessibility across the full range of customer groups.²⁶

²⁵ See SoCalGas Portfolio And Sector-Level Metrics Compliance Filing, pp. 57-61, available at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M233/K545/233545545.PDF>.

²⁶ See Decision 18-05-041, COL 26 and 27, available at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M215/K706/215706139.PDF>.

1.2 Timing

SoCalGas released the IDEEA4 RFP on October 31, 2025. Because several bidders experienced technical issues during submission, SoCalGas extended the proposal due date from January 16, 2026, to January 31, 2026. Although the Independent Evaluator supported providing additional time, the length of the extension exceeded what was necessary. For future solicitations, SoCalGas should offer a focused 24-hour window for bidders to resolve technical issues or address clarifications. This approach should provide sufficient flexibility without enabling bidders to improve their proposals or causing material delays to the overall schedule. Table 1.1 presents the major milestones for this solicitation.

Table 1.1: Key Milestones		
Milestones	Completion (Proposed) Date	Duration
RFP Stage		
1. RFP Released	October 31, 2025	pending
2. Optional Bidder Conference	November 5, 2025	
3. Bidder Questions Due	December 10, 2025	
4. Responses to Bidder Questions	December 17, 2025	
5. Bidder's Proposal Due	January 31, 2026 *	
6. Bidder Interviews, Optional	March 10 – 16, 2026 *	
6. Selected Bidders Notified	(April 15, 2026)	
7. Bidder Debriefing Sessions	(April 20 – 24, 2026)	
Selections & Contracting Stage		
1. Contract Negotiations Begin	(April 7, 2026)	pending
2. Contract Execution Date(s)	(July 2026)	
Contract Approval and Program Rollout		
1. Implementation Plan Due	(September 2026)	pending
2. Program Launch	(October 2026)	
* - Delayed from the original schedule. ** - Estimated.		

1.3 Key Observations

During the proposal evaluation phase, the IE shared recommendations with the IOU and the PRG. The IOU had an opportunity to review, consider, and then accept or reject the IE recommendations. Table 1.3 presents the IE's key recommendations and the IOU's responses.

Table 1.3: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
RFP			
Optional 24-hour Clarification Period for Submission	During the proposal screening process, SoCalGas asked a bidder to clarify whether it intended to target program outreach to low-income customers.	SoCalGas should include an optional 24-hour period for bidders to correct administrative errors or respond to clarifying questions that might otherwise disqualify a proposal.	Under Consideration
Encourage Innovation in Non-IDEEA Solicitation	Bidders proposed new tactics, such as AI-generated customer recruitment, that could be tested within existing programs.	Future non-IDEEA RFPs and contracts should encourage bidders to propose new tactics and technologies without exposing them to significant financial risk.	Under Consideration
Mandatory Bidder Interviews	SoCalGas invited all bidders to the optional interviews. Given the open-ended scope of the IDEEA solicitation, these interviews substantially strengthened the evaluation team's understanding of each proposal.	Bidder interviews should be a mandatory component of the IDEEA evaluation process.	Under Consideration
Mentorships for New EE Market Entrants	Some bidders demonstrated limited understanding of how to enter the California energy efficiency industry.	Bidder debriefing sessions should offer deeper discussions and additional resources to support new market entrants, and SoCalGas should also encourage CEDMC to develop a mentorship program or workshop for firms seeking to expand into California's energy efficiency industry.	Under Consideration
Allow Flexibility in Selecting Proposals	Because proposals varied widely in customer targets, technologies, and program tactics, selecting awards based solely on scores could limit the opportunity to test promising concepts.	Future IDEEA solicitations should include a 'management override' process that considers portfolio needs for specific program types in addition to the assigned score (RFP Instructions, Section 1.E).	Under Consideration

Table 1.3: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
[REDACTED]	[REDACTED]	[REDACTED]	Under Consideration
Increase Future IDEEA Program Budget Limits	SoCalGas has administered the IDEEA RFPs for several cycles, and the PRG’s understanding is that the per-contract cap has remained unchanged throughout that period.	SoCalGas should evaluate increasing the program-level budget limits for future IDEEA solicitations to better reflect current market conditions, support a broader range of innovative pilot concepts, and ensure sufficient funding headroom for high-value proposals.	Under Consideration

During the solicitation, the IE observed several emerging practices by the IOU that improved the effectiveness, efficiency, and transparency of the process, as shown in Table 1.3 below. The IE recommends that the IOU continue applying these practices in future solicitations and share them with other IOUs for their consideration and potential adoption.

The IE notes that prior IDEEA solicitations have also produced a set of Effective Practices that remain relevant to ongoing process improvements. These previously identified practices are summarized in the Executive Summary of this Semiannual Report.

Table 1.3: Effective Practices	
Effective Practice	IE Analysis
Require Mandatory Pre- and Post-Interview Calibration Meetings	The IOU held pre- and post-interview calibration sessions. This allowed the team to develop bidder questions and to discuss the bidder’s response. The IOU should continue to require a calibration meeting before and after the bidder interviews.
Make Bidder Interviews a Required Step in IDEEA Proposal Evaluations	The bidder interviews greatly strengthened the evaluation team’s understanding of each proposal and should be a mandatory component of the IDEEA evaluation process.

2. RFP Stage

SoCalGas designed the IDEEA solicitation to provide a clear, accessible, and bidder-friendly process that aligns with CPUC expectations for transparency, fairness, and innovation. Its approach emphasized balanced information requirements, reasonable bidder effort, and meaningful opportunities for participation. The RFP structure, schedule, and support features were intentionally crafted to reduce administrative burden while maintaining the rigor needed for effective proposal evaluation. The following sections summarize the key elements of this design and the steps SoCalGas took to support a competitive and inclusive solicitation.

2.1 RFP Development

The RFP balanced the information needed for proposal evaluation with the effort required of bidders. It provided clear instructions, a structured narrative and data response form, and all CPUC-required standard and modifiable contract terms, along with SoCalGas's Company-specific terms for review. To balance information needs with bidder effort, SoCalGas limited the number of required questions and applied reasonable page limits that still enabled complete, well-supported responses. These design choices streamlined proposal preparation while preserving the quality of information necessary for a fair, efficient, and accessible solicitation process.

SoCalGas employed various channels to inform the bidder community of the upcoming solicitation, including performing DBE/SBE outreach, posting a notice on the CAEECC and PEPMA websites, informing the CPUC's energy efficiency service list, and sending invitations to bidders who registered through the Ariba platform. Through this outreach, SoCalGas secured strong market engagement,

2.2 RFP Bidders' Conference

SoCalGas scheduled the bidder conference to provide bidders adequate time to incorporate information shared during the session into their proposals. The RFP was released on October 31, 2025, and the bidder conference was held on November 5, 2025, placing the conference squarely within the PRG's recommended 5–10 business-day window following issuance. This timing provided bidders a meaningful opportunity to refine or revise their developing proposals based on clarifications received. Table 2.1 summarizes conference attendance and provides the full participant count. The approach aligned with CPUC guidance and supported a fair, transparent, and well-informed solicitation process.

The bidders' conference provided bidders with essential information needed to prepare complete and compliant proposals. During the session, SoCalGas presented an overview of the Ariba platform and provided contact information for technical assistance, outlined CPUC DBE policies, encouraged partnerships with DBE subcontractors, and promoted SBE participation by sharing certification resources.

The conference also addressed cybersecurity and Safety ISNetworkd (ISN)²⁷ requirements. SoCalGas emphasized these requirements because prior third-party program implementers had experienced significant delays in program start-up while completing the necessary SoCalGas security and safety reviews. By highlighting this obligation during the bidders' conference, SoCalGas signaled early that the security and safety review processes would begin in parallel with contract negotiations. This approach is expected to avoid delays in program implementation.

SoCalGas also presented the scope of work, budget parameters, contract terms, and the definition of innovation. SoCalGas also identified the programs and measures that were ineligible, including the prohibition on expanding current offerings, an issue that had surfaced in prior IDEEA solicitations. In addition, SoCalGas walked bidders through the RFP schedule, the full RFP package, and all bidder requirements to ensure participants clearly understood the solicitation framework.

Table 2.1: RFP Bidders' Conference	
Bidders' Conference Date	November 5, 2025
Number of Attendees	30

2.3 RFP Responses

SoCalGas provided bidders thirteen weeks to prepare and submit their proposals. This exceeded the typical eight-week window to account for the extended holiday season and year-end business activities, which are typically experienced by many organizations. The schedule also included a one-week extension granted by SoCalGas to address technical issues encountered by several bidders as previously discussed in Section 1.2 of this Report. These schedule adjustments were reasonable, as they provided bidders sufficient time to prepare and submit complete, competitive proposals.

Table 2.2 summarizes the proposals received and reflects continued strong market interest in SoCalGas's IDEEA solicitation. Several bidders were new to SoCalGas's IDEEA process, demonstrating the solicitation's ability to attract fresh market entrants. Also, the solicitation's iterative design encourages previous bidders to apply IOU feedback from prior IDEEA solicitations, improve program concepts, and resubmit more competitive proposals. As expected, returning bidders submitted refined versions of prior concepts, reflecting lessons learned from earlier debriefing sessions.

Overall, the bidders' participation demonstrates that the IDEEA structure is working as intended, broadening market engagement and strengthening proposals over successive solicitations. Continuing recurring IDEEA solicitations will likely further attract new market entrants and elevate overall proposal quality.

²⁷ A platform for verifying that contractors meet SoCalGas's safety, insurance, and compliance standards before they are allowed to perform work under the Contract.

Table 2.2: Bidder Response	
Activity	Number
Proposals Expected	[REDACTED]
Proposals Received	[REDACTED]
Proposals Disqualified	[REDACTED]
Proposal Withdrawn	[REDACTED]
New Market Entrants	[REDACTED]
Returning Proposals	[REDACTED]

The IDEEA4 solicitation generated a strong and encouraging response from the market. It attracted a diverse mix of new and returning bidders who submitted strengthened, more refined program concepts. The RFP’s open-ended scope invited proposals spanning multiple customer groups, portfolio sectors, and innovative strategies. Table 2.3 summarizes the proposals received and provides a brief description of each proposed program.

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

[Redacted]			
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted]		[Redacted]	
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

2.4 Proposal Selection Process

Section 2.4 summarizes SoCalGas’s proposal selection process, including the bid-screening approach, evaluator training and team structure, scoring rubric design, and the calibration and interview procedures used to assess proposals. It provides an overview of how SoCalGas applied the RFP requirements, incorporated IE guidance, and ensured a consistent and transparent evaluation framework.

a. RFP, Bid Screening Process, and Management of Deficient Bids

SoCalGas implemented a bid screening process consistent with the approach outlined in the RFP package. As previously described in Section 1.2 of this Report, SoCalGas extended the proposal due date from January 16, 2026, to January 31, 2026, [Redacted] to address perceived deficiencies in their proposals related to administrative or technical challenges that prevented them from submitting complete proposals within the required timeframe. The extension was reasonable, as SoCalGas provided all registered bidders an opportunity to submit or resubmit their proposals and accommodated a federally recognized holiday. However, for future solicitations, the IE recommends offering a bidder a 24-hour window to resolve technical issues or administrative errors, which provides sufficient time to correct them without allowing time to make substantive changes to their proposals.

On January 31, 2026, SoCalGas [Redacted] SoCalGas’s 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 on a pass/fail basis, as presented below. SoCalGas only evaluated proposals for content that received a “Pass” on the threshold assessment.

Threshold Assessment Criteria

- On-time submittal via Ariba
- Proposal responsiveness

The bidder’s proposed Program was eligible if the bidder met the RFP requirements and the proposal did not include the following:

- Programs that directly overlap with statewide programs.²⁸
- Energy efficiency programs designed exclusively for Income-Qualified customers.
- Non-EE programs/services and services that support other EE programs.
- EM&V consulting services and program support services.²⁹
- Programs that significantly overlap or duplicate the Regional Energy Networks' efforts.³⁰
- Proposals that consist solely of a service offering and do not represent a comprehensive program.
- Proposals from an existing SoCalGas contractor or third-party program provider seeking to expand the scope of a current program under contract with SoCalGas.

SoCalGas initially identified [REDACTED]

b. Proposal Evaluation Team Profile and Evaluation Training

Table 2.4 lists the SoCalGas evaluation team rosters. The team consisted of experienced subject matter experts drawn from the IOU's staff. To improve upon prior IDEEA solicitations and to recognize the varied program designs resulting from the open-ended RFP scope, SoCalGas created unique evaluation teams, albeit smaller in size, based on the proposals' targeted customer groups (e.g., residential, industrial, contractor training, etc.). In certain proposal reviews, such as nonresidential reviews, there were fewer evaluators. SoCalGas should have at least two evaluators who score all program proposal categories.

²⁸ A listing of current statewide program implementation plans is provided in CPUC's Cedars website [Statewide Programs - CEDARS \(sound-data.com\)](#)

²⁹ Services that propose to support other energy efficiency programs with services and/or tools.

³⁰ See Decision 18-05-041, OP 30, "The investor owned utilities must work with Local Government Partnership partners to improve cost-effectiveness and to meet the local governments' needs with respect to data sharing and contract terms that align with local government budgeting, legal, and other constraints; quantify co-benefits and local economic benefits of Local Government Partnerships in hard-to-reach and disadvantaged communities; and support local governments' efforts to increase local capacity to conduct energy efficiency activities." See also Joint Cooperation Memorandum of SoCalGas, PG&E, SCE, and 3C-REN, pp. 1-2, "D.18-05-041 acknowledged the potential overlaps between IOU PAs and non-IOU PAs and directed PAs with overlapping service areas to submit annual JCMs that show how the PAs would avoid or minimize duplication for programs that address a common sector in overlapping service territories. Specifically, OP 38 of D.18-05-041 directed the IOU PAs and Non-IOU PAs to submit their first annual JCMs for approval via Tier 2 advice letters no later than August 1, 2018, noting that the IOU PAs and Non-IOU PAs shall: (1) summarize all the programs they intend to run and indicate which programs may overlap; (2) describe how each will work with the other so that customers are informed of all options and not steered simply to their own programs; and (3) describe how each will ensure customers are also aware of the others' programs, where that administrator does not have a similar offering.

SoCalGas or individual team members reported no conflicts of interest. Before evaluating the proposals, SoCalGas held a group training session for the evaluators. The training included a review of the solicitation schedule, RFP scope, RFP scoring process, calibration meeting objectives, and a detailed scorecard review, including a detailed discussion of the scoring guides for each bidder question.

c. Proposal Scoring Rubric Design

The scoring categories and weighting aligned with applicable PRG and IE guidance, and Table 2.5 presents SoCalGas’s scoring rubric for the RFP stage. Overall, SoCalGas’s scoring rubric and its application aligned with PRG guidance because the evaluation framework was structured around clear, non-overlapping attributes that were easy for evaluators to use and were designed to limit individual bias. The rubric employed a defined multi-level scoring scale rather than binary scoring, provided all criteria and methodologies to the IE before scoring began, and avoided unnecessary complexity or duplicative attributes. Consistent with PRG direction, the scoring rubric did not consider proposed contract term modifications.

Consistent with an IE recommendation from the prior IDEEA solicitation, SoCalGas did not assign points to bidder interviews; instead, interviews were used solely to clarify responses and inform evaluators’ final scores.

Also, SoCalGas did not consider bidders’ DBE status but did account for Small Business Enterprise (SBE) participation, consistent with the CPUC’s preference to encourage SBE involvement in third-party program solicitations.

Table 2.5: Scoring Rubric		
Category	Category	Weight, Pts.
Program Design & Strategies	Program Design & Objectives	
	Strategic Partnering	
	Program Outreach	
	Program Operations	
	Program Innovation	
	Measurement & Verification	

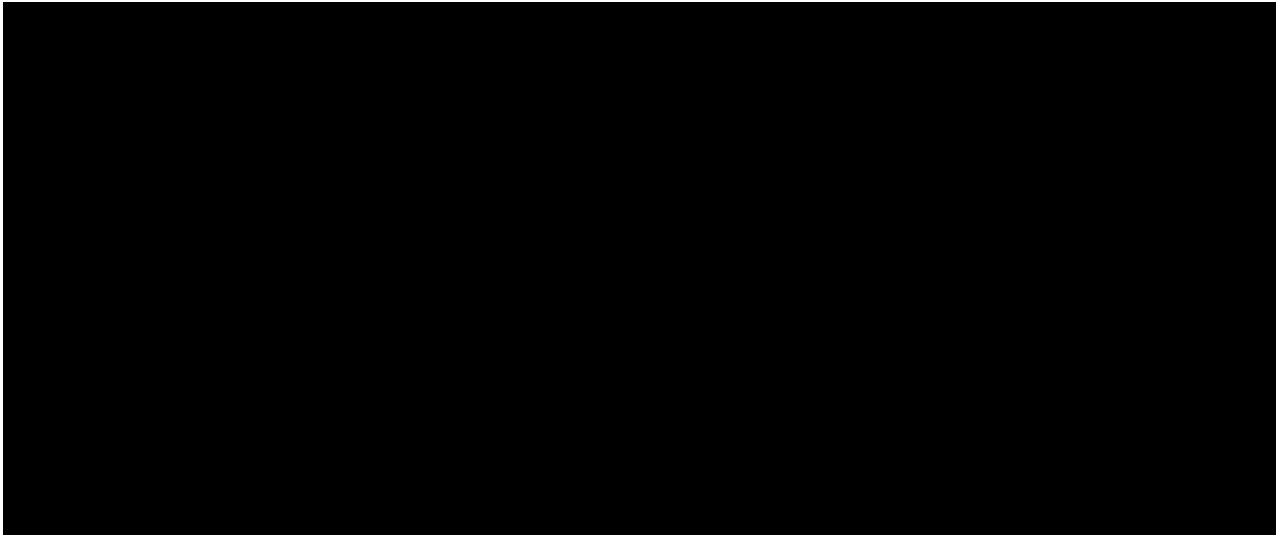
Category	Category	Weight, Pts.
Costs & Feasibility	Customer Motivation and Incentive Design	
	Program Feasibility & Forecast	
	Program Budget	
Skills & Experience	Program Experience and Results	
	Staffing Plan	
Social Responsibilities	Small Business Enterprises	
	Social Responsibility Questionnaire	
Total		

d. Proposal Evaluation Processes and Scoring Calibration

SoCalGas began evaluations [REDACTED] passed the threshold screening on February 3 and concluded on February 24, 2026. The three-week period seemed reasonable given the number and diversity of the proposals. SoCalGas held its pre-interview calibration session on February 27, 2026. The pre-interview calibration sessions enabled the team to develop interview questions for bidders.

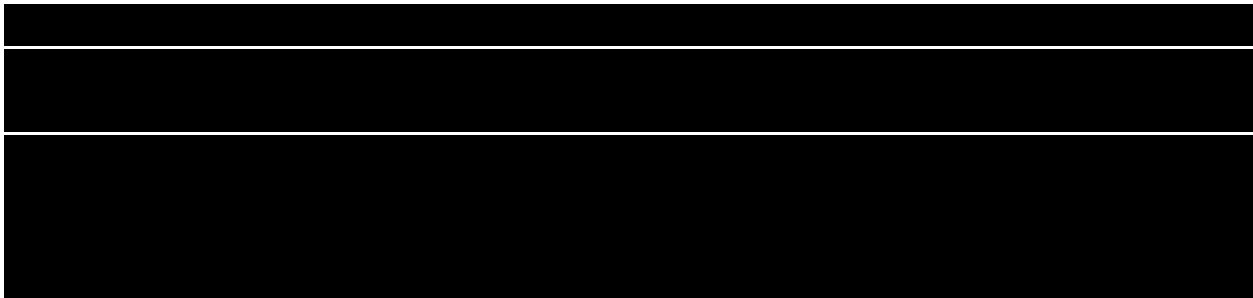
Optional bidder interviews were conducted March 10–17, 2026, [REDACTED] SoCalGas provided each bidder with a tailored set of questions 48 hours before their scheduled meeting. The questions focused on the written proposal and sought clarification on key elements. Bidders presented during the first 30 minutes, followed by SoCalGas's structured question period. Meetings included follow-up questions from the evaluation team to deepen the evaluation team's understanding of each proposal. SoCalGas requested each bidder's presentation and written responses afterward to support post-interview calibration. Bidders were creative with their presentations, including an AI-driven voice-over.

SoCalGas held a post-interview calibration meeting on March 25, 2026, to review potential score adjustments, focusing on technologies, prior implementer performance, and customer outreach and recruitment. The interviews substantially improved the evaluation team's understanding of each proposal and were a critical component of the IOU evaluation process. The discussion led to selective adjustments to individual evaluators' preliminary scores for specific proposals. The adjustments were reasonable. Figure 2.1 below shows the proposal final scores and ranking after final calibration.



2.5 Proposal Selection Process

On April 2, 2026, SoCalGas convened its selection meeting to review final scores, rankings, and recommendations, confirming alignment between evaluators and the solicitation’s objectives. After completing this review, SoCalGas [REDACTED] to contract negotiations based on their innovation, portfolio fit, and strong potential for customer and energy savings impacts.



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2.6 PRG and IE Feedback to Proposal Process and Selections

Section 2.6 summarizes the PRG’s and Independent Evaluator’s feedback on the IDEEA proposal process and SoCalGas’s selections, including how SoCalGas incorporated recommendations, how the evaluation process evolved in response to that input, and the additional guidance offered during the review and award phases.

a. Response to IE Feedback

SoCalGas incorporated substantial IE feedback after the IE completed its review of the draft RFP materials and the PRG Checklist on October 22, 2025, issuing 17 recommendations spanning eligibility rules, SBE criteria, CET forecast requirements, the purpose of the bidder interview, page-limit enforcement, Ariba support, and program-experience scoring. SoCalGas clarified that proposals seeking to extend existing contracts are ineligible, retained and standardized SBE criteria using the CPUC-adopted definition and state certification process, and strengthened page-limit enforcement by specifying that content beyond the limit will not be evaluated.

The RFP was



During the evaluation and selection phase of the RFP, the IE made several additional recommendations. SoCalGas's response and these IE recommendations are listed in Table 2.6.a.

³¹ This clause means SoCalGas can subtract any money the implementer owes SoCalGas under *any* other existing contract, not just this program, from payments SoCalGas would otherwise make under this agreement. SoCalGas may also withhold payments due under another contract with the implementer to cover any costs arising from the implementer's failure to meet its obligations under this agreement.

Table 2.6.a: IE Recommendations			
Topic	Comment	Recommendation	IOU Response
Optional 24-hour Clarification Period for Submission	SoCalGas asked a bidder to clarify its approach to targeting low-income customers during the screening process.	SoCalGas should include an optional 24-hour period for bidders to correct administrative errors or respond to clarifying questions that might otherwise disqualify a proposal.	Under Consideration
Encourage Innovation in Non-IDEEA Solicitation	Bidders proposed new tactics, [REDACTED] that could be tested within existing programs.	Future non-IDEEA RFPs and contracts should encourage bidders to propose new tactics and technologies without exposing them to significant financial risk.	Under Consideration
Mandatory Bidder Interviews	SoCalGas [REDACTED] The bidder interviews greatly strengthened the evaluation team's understanding of each proposal.	Bidder interviews should be a mandatory component of the IDEEA evaluation process.	Under Consideration
Mentorships for New EE Market Entrants	Some bidders demonstrated limited understanding of how to enter the California energy efficiency industry.	Bidder debriefing sessions should offer deeper discussions and additional resources to support new market entrants, and SoCalGas should also encourage CEDMC to develop a mentorship program or workshop for firms seeking to expand into California's energy efficiency industry.	Under Consideration
Allow Flexibility in Selecting Proposals	Because proposals varied widely in customer targets, technologies, and program tactics, selecting awards based solely on scores could limit the opportunity to test promising concepts.	Future IDEEA solicitations should include a 'management override' process that considers portfolio needs for specific program types in addition to the assigned score (RFP Instructions, Section 1.E).	Under Consideration

Table 2.6.a: IE Recommendations			
Topic	Comment	Recommendation	IOU Response
[REDACTED]	[REDACTED]	[REDACTED]	Under Consideration

b. Adherence to PRG Guidance and Feedback

The Independent Evaluator reviewed the RFP and confirmed that SoCalGas incorporated the full set of PRG recommendations into the solicitation. Consistent with the PRG’s guidance, the RFP addressed required elements, including bidder scheduling, confidentiality protections, complete bidder instructions, page limits, scoring alignment, subcontractor disclosures, and CPUC-adopted contract terms.³² It also included the necessary policy background, links to governing CPUC decisions, and a clear bidder feedback process to ensure transparency and compliance. These components collectively demonstrate that the RFP met the PRG’s expectations for clarity, completeness, and adherence to PRG guidance.

Because this solicitation is for Market Support-funded programs, SoCalGas did not require bidders to submit a cost-effectiveness forecast as part of their proposals. The cost-effectiveness requirements are typically applied only to Resource Acquisition solicitations and are not mandatory for Market Support solicitations. SoCalGas will instead address cost-effectiveness considerations, if applicable to the proposed program design, during contract negotiations. This approach aligns with CPUC policy and maintains that bidder requirements remain proportional to the solicitation type.

During the evaluation and selection phase of the RFP, the PRG made an additional recommendation. SoCalGas’s response and the PRG recommendation are listed in Table 2.6.b. Also, a PRG member asked SoCalGas to describe lessons learned from earlier IDEEA 365 rounds. SoCalGas explained that it had clarified the proposal page-limit requirements to reduce ambiguity. It also emphasized that

³² Decision 23-02-002, OP 1.

bidders may not use IDEEA to propose enhancements to existing SoCalGas contracts, which must follow standard procurement channels. Finally, SoCalGas reiterated that IDEEA proposals must represent full, end-to-end energy efficiency programs rather than isolated components or services to the IOU.

Topic	Comment	Recommendation	IOU Response
Increase Future IDEEA Program Budget Limit	SoCalGas has administered the IDEEA RFPs for several cycles, and the PRG's understanding is that the per-contract cap has remained unchanged throughout that period.	SoCalGas should evaluate increasing the program-level budget limits for future IDEEA solicitations to better reflect current market conditions, support a broader range of innovative pilot concepts, and ensure sufficient funding headroom for high-value proposals.	Under Consideration

2.7 Bidder Debriefs

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.

3. Contracting Process

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.

4. Assessment of Final Contract

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.

5. Overall Assessment of Solicitation

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.

6. Implementation Plan Assessment

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.