

# **Energy Efficiency Independent Evaluators'** **Semiannual Report**

Southern California Gas Company

Third-Party Energy Efficiency Program Solicitations

Reporting Period: October 2021 through March 2022

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**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) Semi-Annual Report (Semi-Annual Report or Report) provides an assessment of the Southern California Gas Company's (SoCalGas or the Company) third-party energy efficiency (EE) program solicitation process and progress by SoCalGas' assigned 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).<sup>1</sup> 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.<sup>2</sup> 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) directs that a semiannual report on the overall process and conduct of the third-party solicitations be filed in the relevant EE rulemaking proceeding.<sup>3</sup> This Report is provided in response to this requirement and represents an assessment of the program solicitation activities conducted from October 1, 2021, through March 31, 2022. This Report provides feedback to the CPUC on the progress of the SoCalGas' EE program solicitations.

This Report identifies improvement areas and highlights effective practices recognized by the IEs based on SoCalGas' current 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' entire 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 program administrator. In January 2018, the CPUC adopted Decision 18-01-004 directing the four California IOUs—SoCalGas, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E)—to ensure that their EE portfolios contain a minimum percentage of third-party designed and implemented programs by predetermined dates over the next three years.<sup>4</sup> Further directions were included in Decision 18-05-041, which states:

*The third-party requirements of Decision (D.) 16-08-019 and D.18-01-004 are required to be applied to the business plans of the investor-owned utilities approved in this decision. All utility program administrators shall have at least 25 percent of their 2020 program year forecast budgets under Contract for programs designed and implemented by third parties by no later than December*

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<sup>1</sup> Decision 18-01-004, OP 2.

<sup>2</sup> Id, p. 38.

<sup>3</sup> OPN 5.c.

<sup>4</sup> Decision 18-05-041, the CPUC extended the original target date for the 25 percent threshold from December 31, 2018, to December 19, 2019.

19, 2019.<sup>5</sup>

## Two-Stage Solicitation Approach

The CPUC requires the IOUs to conduct a two-stage solicitation approach for soliciting third-party program design and implementation services as part of the EE portfolio. All IOU solicitations must include a Request for Abstract (RFA) stage, followed by a full Request for Proposal (RFP) stage.<sup>6</sup>

The CPUC also requires each IOU to assemble an EE PRG. The IOU's PRG, a CPUC-endorsed entity, is composed of non-financially interested parties such as advocacy groups, utility-related labor unions, and other non-commercial, energy-related special interest groups. The 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 briefs its PRG periodically throughout the process on topics including RFA and RFP language development, abstract and proposal evaluation, Contract negotiations, and development of the program's Implementation Plan.

## Extension Request

In October 2019, SoCalGas requested an extension of time from the CPUC for the 25 percent threshold target date to fully execute its planned solicitation schedule to procure new third-party programs and to account for the newness of the program solicitation process. On November 25, 2019, the CPUC's Energy Division granted SoCalGas an extension of time to meet the 25 percent threshold by September 30, 2020.<sup>7</sup>

The CPUC further stated that, consistent with Decision 18-05-041, the IOUs must meet at least 40 percent of their EE portfolios under Contract for programs designed and implemented by third parties by December 31, 2020. The CPUC will grant no further extensions of time to the IOUs for meeting the third-party percentage requirements specified in Ordering Paragraph 4 of Decision 18-05-041.

## Guidance Letter from the Energy Division

On March 11, 2020, the Energy Division provided additional guidance to the IOUs in response to specific challenges experienced in the market, as raised through the semiannual CPUC-hosted public workshops to identify process improvements directed at the following issues:

### Solicitation Schedules

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

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<sup>5</sup> OPN 4.

<sup>6</sup> Decision 18-01-004, p. 31.

<sup>7</sup> CPUC Letter to IOUs regarding the "Request for Extension of Time to Comply with Ordering Paragraph 4 of Decision 18-05-041", November 25, 2019.

- Execute Contract 12 weeks after an invitation to Contract negotiation unless the IOU is conducting 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 made in response to stakeholder requests.
- Provide non-advancing bidders 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 June 30 and September 30, 2020, deadlines are met, 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.

**C. Overview of Solicitations**

This Report represents a collection of individual IE assessments for each of SoCalGas’ active program solicitations. The Report also provides an overview of solicitation activities and a high-level summary of issues and potential recommendations gleaned from the individual IE assessments for ease of review. The Report does not address program solicitations for which SoCalGas has yet to release an RFA.

Table C.1 lists each of SoCalGas’ current third-party solicitations, including a breakdown of each solicitation, assigned IE, and status.

Table C.1: Solicitations Overview		
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	Apex Analytics	Contract Executed (Residential)
	Apex Analytics	Contracting (Commercial)
Local Industrial	Don Arambula Consulting	Contracting
Local Large Public	Apex Analytics	Contracting

Table C.1: Solicitations Overview		
Solicitations	Assigned IEs	Solicitation Status
Local Marketplace	Don Arambula Consulting	RFP
Local Outreach	Apex Analytics	Contracting
Local Multifamily Whole Building	Apex Analytics	RFA
Energy Advisor	MCR Corporate Services	Pre-RFP
HERS Rater Training	MCR Corporate Services	Pre-RFP
<b>Legend:</b> <b>Pre-RFA:</b> Activities conducted before RFA release. <b>RFA:</b> Includes bid preparation and evaluation period. <b>Pre-RFP:</b> Activities conducted before RFP release. <b>RFP:</b> Includes bid preparation and evaluation period. <b>Contracting:</b> Contract negotiations are being held. <b>Contract Executed:</b> Both parties signed the Contract. <b>Completed:</b> All solicitation activities have concluded and reported in prior Semi-Annual Reports. <b>Suspended:</b> Solicitation held until a later date. <b>Canceled:</b> Solicitation was withdrawn; scope may be included as part of a future solicitation.		

As of the conclusion of this reporting period, the Contracts shown in Table C.2 have been executed and applied to the IOU’s minimum third-party program threshold requirement as directed by the CPUC in Ordering Paragraph 4 of Decision 18-05-041.

Table C.2: Summary of Executed Contracts					
Solicitation	Implementer	Program Name	Contract Execution Date	Total Contract Value	Diverse Business Enterprise (DBE) % <sup>8</sup>
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, LLC	C-BEST Program	August 31, 2020	\$5,996,023	10.4%
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, LLC	Multifamily Energy Alliance Program	September 21, 2020	\$5,999,990	12.4%
Local Residential Multifamily	Energx Controls, Inc.	Multi-Family 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%

<sup>8</sup> The DBE spend is an estimate from the Contracts to show the percentage of the budget that is forecasted to be subcontracted with DBE firms. Actual DBE spend will be reported by the IOU per General Order 156. These programs may contain significant levels of customer incentives that are not eligible for DBE classification.

Table C.2: Summary of Executed Contracts					
Solicitation	Implementer	Program Name	Contract Execution Date	Total Contract Value	Diverse Business Enterprise (DBE) % <sup>8</sup>
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, LLC	Agriculture Energy Efficiency (AgEE) 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, LLC	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%
Local Behavioral	Bidgely	Performance-Based Next Gen HERs for All	November 1, 2021	\$2,078,883	0%
<b>Total</b>				<b>\$180,231,592</b>	<b>20.0%</b>

\* Implementer is a certified DBE.

#### D. IE Assessment of Solicitations

Table D.1 presents key observations gleaned from the individual IE reports on specific solicitations, as further detailed in Attachment II. Corresponding details about each observation are also provided in Table D.1, including a summary of IE recommendations and outcomes.

Table D.1: IE Observations and Outcomes			
Topics	Key Observations	IE Recommendations	Outcomes
<b>RFA</b>			

Table D.1: IE Observations and Outcomes			
Topics	Key Observations	IE Recommendations	Outcomes
<b>Bidder Conference Attendees</b>	SoCalGas held an optional RFP Bidders Conference. [REDACTED] representatives attended. It was not clear from the attendance sheet what bidders they represented.	SoCalGas should ask attendees to identify what bidder they represent in future solicitations.	SoCalGas will work with its IT group to address the issue.
<b>Related Programs in the Field</b>	The MF Whole Building Program must work in a complex field of interrelated programs. SoCalGas added language and clarity into the RFA based on IE and PRG feedback. Yet, it seems that more thought and clarity can be developed, especially given that this may become more prevalent as third-party programs become more widespread.	SoCalGas should add additional detail on potentially overlapping programs and the Bidder's responsibilities related to that interaction, and SoCalGas' role in the connection among third-party programs.	New recommendation.
<b>RFP</b>			
S			



Table D.1: IE Observations and Outcomes			
Topics	Key Observations	IE Recommendations	Outcomes
<b>Interview Process</b>	SoCalGas developed and refined interview process guidance. Although it was the first interview process for SoCalGas, it was an effective, efficient process. The interview plan was thorough and	SoCalGas should Conduct interviews again in the future in similar competitive situations for the top bidders. In any future interview processes, clarify for bidders and scorers what to do if a bidder changes their proposal during the interview process.	New recommendation.

Table D.1: IE Observations and Outcomes			
Topics	Key Observations	IE Recommendations	Outcomes
	focused on being fair and transparent with bidders.		
<b>Project End-to-End Processes</b>	Bidders misunderstood the question on end-to-end project processes and all of them provided an answer about program (not project) processes.	The IE recommends reconsidering the usefulness of this scoring metric, especially for a non-resource program, and, if determined useful, to clarify by example or further explanation what is needed.	New recommendation.
<b>KPIs</b>	The question and workbook about proposed KPIs were unclear that the RFP requested actual values of the KPIs. Bidders proposed KPI items but didn't specify the actual goals.	The IE recommends adding another column to the worksheet specifying "KPI goal values" and explaining how the spreadsheet should be completed for one KPI.	New recommendation.
Contracting and Implementation			
<b>Contract Negotiations Timeline</b>	A reason for extended negotiations with the most recent commercial behavioral bidder is a change that affected the program design: the number of available commercial accounts eligible for the program was unknown. The final number of eligible participants dropped by more than half, which resulted in significantly higher per-participant program costs.	For future RFPs that rely on accurate counts, provide data upfront to allow bidders to forecast eligible customers better and provide a more accurate bid price.	New recommendation.
<b>Contract Template</b>	The initial draft for Outreach contained many of the traditional terms for resource programs.	The IE recommended modifications for clarity and removal of RFP elements focused on the resource-type program. The IE recommends that SoCalGas update the template to remove non-applicable clauses prior to negotiations to improve Contract clarity.	SoCalGas incorporated all the suggested changes for this solicitation. The IE recommended updating the template prior to the RFP and prior to negotiations, but SoCalGas did not implement the recommendation.

Table D.1: IE Observations and Outcomes			
Topics	Key Observations	IE Recommendations	Outcomes
Balanced Risk	While the IE does not conduct a legal review, we noticed that some terms appear to be more favorable to SoCalGas. For example, the IE has recommended, and SoCalGas accepted to change the “Excusable Delays” section from SoCalGas “sole” determination to “reasonable” on every Contract we have reviewed in the past two years.	SoCalGas should conduct a legal review of Contract templates to achieve a more balanced risk.	This has been recommended before, and SoCalGas has chosen not to implement it. While it does not deter bidders significantly, it may be a greater burden on small bidders without legal resources.
<b>Implementation Plan</b>			
Review of Draft Implementation Plan (IP)	The IE did not receive a final IP from SoCalGas before the final IP was uploaded to CEDARS.	To improve the IP review process, the IE recommends that the IOU create a timely feedback loop with the IE before the IP upload. The IE can confirm actions were taken in response to the IE recommendations and that the IOU can address any remaining issues.	New recommendation.
Implementation Plan	While the IE had minor comments on the draft IPs for [REDACTED] the final plans aligned with the CPUC template and adequately described the program plans and requirements.	SoCalGas should compare the draft IP against the template before sending it to the IE for review.	New recommendation.

## E. IOU Emerging Effective Practices

During the implementation of the solicitations, individual IEs observe emerging effective practices that, when adopted, can make the process more effective, efficient, and more transparent for future solicitations. Table E.1 provides a list of ongoing effective practices by SoCalGas that have been identified by one or more IEs in their ongoing monitoring of various solicitations.

Table E.1: Effective Solicitation Practices		
Emerging Best Practice	IE Analysis	Initial Date
<b>Scorer Training</b>	IOU develops a process for training the scoring team for each solicitation and holds mock scoring sessions. This is an effective way to ensure that all scorers have the same expectations and understanding of what they are scoring.	December 2020
<b>Collaborative Negotiations</b>	Collaborative negotiations focus on improving the program offering, a primary consideration in Contract negotiations.	December 2020
<b>Multiple Rounds of Q&amp;A</b>	SoCalGas provides more than a single round of Q&A, allowing bidders to provide follow-up questions and allowing bidders more opportunities to ask questions.	December 2020
<b>Contract Negotiations</b>	SoCalGas utilizes an Excel-based comment tracker to record proposed changes and responses to the initial draft Contract. This allows both parties to quickly identify proposed changes and record the outcome and rationale for each proposed change.	December 2020
<b>Bidders' Conference</b>	SoCalGas uses a new conference system (Teams Live) that allows for improved features such as attendee tracking, recording, and integrated Q&A. It is helpful information and provides a good foundation for any new market entrants.	June 2021
<b>Solicitation Kickoff Meeting</b>	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' solicitation goals. This helps align the SoCalGas team early on the solicitation and makes the RFA package review more efficient.	June 2021

## F. PRG Feedback

The IOU generally accepted the PRG recommendations during this reporting period. Individual reports reflect specific PRG feedback and the IOU's responses. For a greater discussion of the PRG and IE recommendations, refer to the individual IE solicitation reports presented in Attachment II.

## G. Stakeholder Feedback from CPUC Workshops

### January 2022 Stakeholder Meeting

The CPUC, in Decision 18-01-004, requires that its Energy Division host semi-annual workshops through the end of 2022 to “allow for information discussion and problem-solving among stakeholders about the progress of the third-party solicitations and for consideration of the semi-annual IE reports.”<sup>9</sup> The Energy Division held the last Stakeholder workshop on January 31, 2022, and 133 people attended via Webex. The session focused on recapping all EE third-party solicitations from both the IOUs' and the IEs' perspectives. It provided an opportunity for stakeholders to ask questions, provide comments, and receive updates on the solicitations. Participants included PRG members, IEs, CPUC Energy Division staff, IOUs, program

<sup>9</sup> Decision 18-01-004, Ordering Paragraph 26

implementers, prospective bidders in solicitations, and other stakeholders. The meeting presentations and agenda are available on the California for Energy Efficiency Coordinating Committee's (CAEECC) website.<sup>10</sup>

The topics presented to stakeholders included the following:

**IOU Portfolio Updates and Upcoming Solicitations:** Each of the four IOUs provided updates on the following:

- Executed contracts and how they fit into their portfolios
- Status of contracts meeting the 2022 threshold requirement
- Progress on EE Business Plan Applications
- Innovative program strategies
- Approaches to contract renewals
- One-stage summer reliability solicitations process

Stakeholders expressed general concern on several issues related to the process including:

- Extending, re-soliciting, or terminating contracts and implementing improvements to solicitations before the next tranche of contracts are executed;
- Reducing solicitation timelines or removing the RFA stage from the process, especially in meeting the urgent need being addressed in summer reliability solicitations and expanding on that single stage solicitation process;
- Diversity of suppliers (SBE and DBE) in the overall portfolios, in current contracts<sup>11</sup> and in future solicitations;
- Restrictive contract terms, including requirements for 100 percent pay-for-performance, requiring implementers to carry the costs of services and incentives sometimes for several years, requirements for performance assurance payments to the utilities upfront, very high liability limits and other insurance requirements that are barriers to smaller and diverse businesses entering into contracts.

The IOUs commented that multiple factors would be considered to decide extension, re-solicitation, or termination of contracts that include program performance, portfolio metrics, customer impact, changing portfolio needs, and diverse and small business enterprise markets. Issues related to specific contract terms were not addressed given the confidential nature of IOU/Implementer contracts.

**IE Presentation:** The IEs presented observations and effective practices noted from the most recent Semi-Annual Reports (April 1, 2021 through September 30, 2021) on how the IOUs were conducting solicitations. Major topics included promotion of supplier diversity, risk sharing, and efforts to focus on continuous improvement at each stage of the solicitations<sup>12</sup>.

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<sup>10</sup> <https://www.caeccc.org/cpuc-third-party-public-meetings>

<sup>11</sup> The Energy Division and Stakeholders noted that two large firms make up a large percentage of contracts.

<sup>12</sup> More IE observations can be found in past Reports and in this Report in the Observations and Effective Practices sections.

**Opinion Dynamics Evaluation Report on Third-Party Solicitations:** The evaluation report<sup>13</sup> on third-party solicitations analyzed some of the specific issues raised by the IOUs and IEs. There were questions and discussions from stakeholders on these topics, with a specific focus on lengthy 2-stage solicitation timelines and imbalanced allocation of risk to Implementers, including the difficulty faced by bidders in contract negotiations.

**Cost-Effectiveness Tool (CET):** Energy Division presented the history of CET, regulatory function and uses, and CET outputs. Energy Division reviewed all the updates and processes from CET changes implemented in 2021. ED staff presented which versions to use and where to find them. Energy Division also provided links to resources for those seeking to use the CET and agreed to request follow-up training sessions.

**Cultivating Small and Diverse Businesses as Third-Party EE Implementers:** The PRG's SBE and DBE Improvements working group reported improvements made since the July 2021 Stakeholder Forum. The working group had developed recommendations that reflected and addressed prior stakeholder feedback on this topic. In collaboration with the IOUs, IEs, and PRG members, the group implemented operational improvements that could be completed quickly (within 2-4 months). These included clarifying eligibility for DBE and SBE certification in solicitation documents, increasing ways to foster connections between SBE/DBEs and with Primes through networking events and solicitation contact lists sharing, greater transparency in bid scoring for supplier diversity, ongoing efforts to reduce the complexity of solicitation processes and requirements, and IE monitoring for contract terms that could adversely impact SBE/DBE.

**Bidder Feedback:** The IOUs reported on their recent experience with bidder debriefs following solicitations and how the information they provide to bidders has evolved in response to stakeholder concerns and requests. Each IOU presented its specific improved methods and processes related to individual bidder feedback. All of the IOUs except for SCG provide options for one-on-one feedback with unsuccessful bidders. It was specifically noted by a stakeholder that PG&E's recently enhanced feedback process was more useful with the addition of relative scoring feedback because it provided a lot more clarity and additional subcategories.

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<sup>13</sup> [Opinion Dynamics Report on CPUC Public Document Area \(energydataweb.com\)](#)

## Attachment II: Individual Energy Efficiency Independent Evaluators' Semi-Annual Reports

Energy Efficiency Independent Evaluators' Semi-Annual  
Report on the

**STATEWIDE GAS EMERGING TECHNOLOGIES PROGRAM**

Reporting Period: October 2021 through March 2022

*Prepared by:*  
Don Arambula Consulting



**Disclaimer: This Report includes sensitive and confidential information.**



# Statewide Gas Emerging Technologies Program

## 1. Solicitation Overview

This Report on the Statewide Gas Emerging Technologies (GET) Program (Statewide GET Program or Program) solicitation covers the solicitation in its entirety from the development of the RFA through Contract execution.

### 1.1. Overview

The Statewide GET Program is a cross-cutting, non-resource program designed to help California IOU-funded EE programs meet the state's EE needs by identifying emerging technologies that can deliver cost-effective energy savings. The Program will allow program administrators and program implementers to receive actionable market information to inform program delivery and help technology manufacturers understand what measures are needed for California EE program portfolios.

#### a. Scope

On behalf of PG&E, SDG&E, and itself, SoCalGas sought program proposals from entities to propose, design, implement, and deliver innovative approaches addressing GET's vision and needs as detailed in the natural gas IOUs' Energy Efficiency Business Plans (Business Plans).<sup>14</sup>

#### b. Objectives

The GET Program solicitation seeks programs with innovative design approaches, cost-efficient implementation, and timely introduction of new EE emerging technologies by performing the following activities:

- Identify, screen, assess, demonstrate, showcase, and pilot emerging, underutilized, commercially-available gas EE emerging technologies, products, and services (including those identified by the California Energy Commission and the IOU Statewide Codes & Standards Programs for adoption in upcoming codes and standards) as appropriate for inclusion in California EE program portfolios.<sup>15, 16</sup>
- Provide information about program portfolio EE measure needs to technology, product, and service developers, manufacturers, technology development actors, and other stakeholders that engage in the California technology development pipeline so they may

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<sup>14</sup> See Emerging Technologies sector presentations within the IOUs' EE Business Plans.

<https://www.caeecc.org/business-plans-1>

<sup>15</sup> Decision 12-05-015 OP 99: "Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall coordinate with the Codes and Standards program and the California Energy Commission's Codes and Standards programs to (a) support the advancement of emerging technologies and approaches, including demonstration of technologies, that are candidates for adoption into future codes and standards as well as Reach Codes, and (b) identify critical early planning workforce training needs for advanced technologies."

<sup>16</sup> Decision 12-05-015 OP 91: "In the Codes and Standards program implementation plan sections of their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include a detailed description for the statewide "Planning and Coordination Subprogram" that implement the "integrated dynamic approach." The program implementation plan should include an outline of the relevant roles of each of the Codes and Standards sub-programs relative to other IOUs programs and non-IOUs initiatives, as well as program objectives, strategies, expected outcomes, and program budgets."

tailor their offerings accordingly.<sup>17</sup>

- Identify the non-energy benefits of emerging and underutilized energy-saving technologies, products, and services to help utility customers better understand the product's value proposition, thus stimulating their adoption.

## 1.2. Timing

The GET Program solicitation was delayed several times during 2019 while SoCalGas discussed the program scope and approach with the other IOUs and the Energy Division. Ultimately, the GET RFA was released on February 12, 2020.<sup>18</sup> The RFP was initially scheduled for release in July 2020 but was delayed until August 2020 due to extended discussions among the IOU and the PRG/IE.

The table below presents a list of key solicitation milestones and estimated completion dates. Unless otherwise noted, all milestone dates as of this Report were met or are on schedule.

Table 1.1: Key Milestones		
Milestones	Completion Date	Duration
<b>RFA</b>		
RFA Released	February 12, 2020	13 weeks
Optional Bidder Webinar	February 19, 2020	
Questions Due from Bidders	February 26, 2020	
Responses Provided by SoCalGas	March 4, 2020	
Bidder Abstracts Due	March 25, 2020	
Stage One Abstract Review Period Ends	April 10, 2020	
Calibration Meetings Held	April 16–17, 2020	
Shortlist Meetings Held	April 23, 2020	
Shortlist Presented to PRG	May 2020	
Bidder Notifications	May 15, 2020	
<b>RFP</b>		
RFP Released	August 21, 2020	15 weeks
Optional Bidder Webinar	August 28, 2020	
Questions Due from Bidders – Round 1	September 4, 2020	
Responses Provided by SoCalGas – Round 1	September 14, 2020	
Questions Due from Bidders – Round 2	September 17, 2020	
Responses Provided by SoCalGas – Round 2	September 22, 2020	
Bidder's Proposal Due in PowerAdvocate	October 2, 2020	
Calibration Meetings Held	November 2020	
Shortlist Meetings Held	November 2020	
Shortlist Presented to PRG	December 2020	
<b>Contracting &amp; Implementation</b>		
Selected Bidder(s) Notified	December 7, 2020	28 weeks
Contracts Presented to PRG	Quarter 2 2021	
Contract Executed	June 24, 2021	

<sup>17</sup> Decision 12-05-015, p. 270: "The Emerging Technologies Program is well suited to take on a leadership role to bring all market actors together in order to increase coordination and to leverage the R&D opportunities, funds, and collaborative prospects."

<sup>18</sup> Joint IOU Program Solicitation Schedule, dated December 2018. Subsequently, the IOUs updated the Joint IOU Program Solicitation Schedule to reflect changes to other solicitations. Solicitation schedules are updated periodically by the IOUs and the current schedule can be found at [caeecc.org](http://caeecc.org).

Milestones	Completion Date	Duration
Advice Letter Filed	July 23, 2021	4 weeks
Advice Letter Approved	August 24, 2021	
Contract Begins (Notice to Proceed)	August 25, 2021	60 days
Implementation Plan Uploaded to CEDARS*	October 25, 2021	
Program Launch	October 25, 2021	

\* California Energy Data and Reporting System

### 1.3. Key Observations

Overall, we find that the solicitation successfully procured a program that can identify, screen, assess, demonstrate, showcase, and pilot underutilized, commercially available GET EE products and services for inclusion in the IOUs’ EE program portfolios. SoCalGas’ conduct and management of the EE program solicitation were fair, equitable, and transparent.

The IOU conducted the solicitation consistent with the CPUC’s guidance. As presented in SoCalGas’ Solicitation Plan, the IOU made its final selection after assessing the bidders’ proposals. The IOU did not conduct competitive Contract negotiations.

SoCalGas allowed the IE to monitor all aspects of the solicitation, from developing the initial RFA materials to contract negotiations. Throughout the solicitation, the IE provided feedback to the IOU on various activities such as RFA and RFP development, bidder instructions, scorecards, and bidder questions and answers. SoCalGas was responsive to the IE’s feedback.

Table 1.2 presents key observations made by the IE during the solicitation. The IE shared these key recommendations and others with the IOU and the PRG throughout the solicitation. The IOU was provided an opportunity to review, consider, accept, or reject these recommendations. The IOU responses are also included below.

Topics	Key Observations	IE Recommendations	Outcomes
<b>Implementation Plan</b>			
<b>Review of Draft Implementation Plan (IP)</b>	The IE did not receive a final IP from SoCalGas before the final IP was uploaded to CEDARS*.	To improve the IP review process, the IE recommends that the IOU create a timely feedback loop with the IE before the IP upload. The IE can confirm actions were taken in response to the IE recommendations and that any remaining issues can be addressed at this time.	The recommendation is under consideration by SoCalGas.

\* California Energy Data and Reporting System

## 2. RFA Bidder Response and Selection

This solicitation activity was reported in the April 2020 through September 2020 Semi-Annual Report.

## 3. RFP Bidder Response and Selections

This solicitation activity was reported in the April 2020 through September 2020 Semi-Annual

Report.

#### 4. Contracting Process

This solicitation activity was reported in the April 2021 through September 2021 Semi-Annual Report.

#### 5. Assessment of Final Contract

This solicitation activity was reported in the April 2021 through September 2021 Semi-Annual Report.

#### 6. Overall Assessment of Solicitation

This solicitation activity was reported in the April 2021 through September 2021 Semi-Annual Report.

#### 7. Implementation Plan Assessment

The Statewide GET solicitation concluded with the CPUC’s approval of the executed Contract on August 24, 2021. The IE reported on the solicitation process from RFA development through Contract execution in the IE Final Solicitation Report filed as part of SoCalGas’ advice letter filing seeking Contract approval. As requested by the PRG, this IE Semi-Annual Report only addresses the IE’s review of the Implementation Plan (IP) for alignment with the CPUC-approved Contract. The IE review did not address whether the draft IPs were compliant with the CPUC’s IP requirements.

##### a. Results of the Draft IP Review

The IE did not receive a final IP from SoCalGas before the final IP was uploaded to the California Energy Data and Reporting System (CEDARS). To improve the IP review process, the IE recommends that the IOU create a timely feedback loop with the IE before the IP upload. The IE can confirm actions were taken in response to the IE recommendations and that any remaining issues can be addressed. Table 7.1 summarizes the results of the draft IP review compared to the standard PRG Checklist.

Topic	Consistent	IE Notes
Program Overview	Yes	The draft IP was complete and consistent with the executed contract.
Program Summary (incl. budget, impacts, cost-effectiveness, sector, etc.)	Unknown	The draft IP did not include this information. The IOU plans to have such details directly included in CEDARS. IE recommends the IOU include such information in the final IP for ease of review.
Program Delivery (incl. program offerings, target market)	Partial	Key elements from the Contract were missing or incomplete, such as using six sigma in technology screening and TPM (technology mapping). The final IP was later revised to address.
Program Design (incl. strategies, tools, methods, innovation, integrated demand side management [IDSM], Program Logic Model [PLM], etc.)	Partial	Key elements from the Contract were missing or incomplete, such as the timeliness of technology transfers or program vision. The final IP was later revised to address these issues.

Table 7.1: Draft Implementation Plan Comparison with Executed Contract – Statewide GET Contract		
Topic	Consistent	IE Notes
Compliance (workforce standards, disadvantaged workers, etc.)	Yes	The IP addressed all necessary compliance policies.
Metrics	Yes	Metrics were consistent with the executed contract.
Program Rules (incl. customer eligibility, contractor eligibility, eligible measures, QA/QC Plan, etc.)	Partial	The QA Plan was incomplete. The draft IP included activities, noting that the QA Plan will evolve.
Program Logic Model (PLM)	Yes	The PLM was consistent with the executed contract. The PLM lacks a timeline for outcomes, which should be addressed in future updates to the IP.
Incentive Levels & Workpapers	N/A	Non-resource program.
Workshop	October 15, 2021	The workshop included 40+ attendees. Comments included a lack of details in the draft IP, how the program will recruit program advisory group members, and an inquiry about gas heat pump technologies.

The IOU, the Energy Division, and the IE met to discuss these shortcomings with the draft IP. The IOU explained that it had addressed these issues in the final IP.

**b. Public Workshop Overview Summary**

SoCalGas held a public workshop on the draft IP on October 15, 2021. The webinar was well attended, with over 40 attendees. ICF Resources LLC (ICF) made a detailed presentation of their respective programs. Attendees made comments that included concern about the lack of details in the draft IP, recruiting for the advisory group, and an inquiry about gas heat pump technologies. SoCalGas indicated that it would consider the feedback when finalizing the IP.

# Energy Efficiency Independent Evaluators' Semi-Annual Report on the

## **LOCAL BEHAVIORAL PROGRAM**

Reporting Period: October 2021 through March 2022

*Prepared by:*  
Apex Analytics, LLC



**Disclaimer: This Report includes sensitive and confidential information.**

# Local Behavioral Program

## 1. Solicitation Overview

This Report covers the activities associated with the Behavioral Program solicitation for the period of October 2021 through March 2022. During this period, SoCalGas [REDACTED] [REDACTED] completed an implementation plan for the Residential Behavioral Program and held negotiations [REDACTED].

The IE monitored the negotiations for the Commercial Contract.

### 1.1. Overview

The objective of this solicitation is for the EE industry to collaborate with SoCalGas in offering an innovative and cost-efficient program for continuing and expanding the existing Residential Behavioral Program and developing a cost-effective Commercial Behavioral Program.

#### a. Scope

This solicitation targeted both residential and commercial customers for cost-effective Behavioral Programs that meet the CPUC definition of Behavioral Programs: (1) must employ comparative energy usage and disclosure, (2) must be measured ex post, and (3) must utilize an experimental design (Random Control Trial, or RCT). The solicitation scope outlined these CPUC requirements, but also encouraged innovation to drive cost-effective therm savings. This solicitation encouraged the exploration of all relevant delivery channels and program strategies to produce a cost-effective program to maximize natural gas efficiency savings. Program RFA abstracts were requested to address residential and/or commercial sectors for a natural gas-focused resource program and invited bidders to submit proposals separately for one or both of the separated Residential and Commercial RFP solicitations.

#### b. Objectives

The solicitation is based on the goals identified in SoCalGas' approved business plan<sup>19</sup>. The solicitation is designed to promote behavioral-related EE solutions through intelligent outreach, expanding to more customers and using innovative approaches to increase therm savings over historical programs.

### 1.2. Timing

The Behavioral Program solicitation negotiations took longer than the original plan, which anticipated negotiations occurring over a three-month period and being complete by the end of July 2021. The Residential Contracts were completed in July 2021 for [REDACTED] September 2021 [REDACTED]

[REDACTED]

continued through April 2022.

The RFA and RFP processes followed the planned schedule as the Behavioral Program RFA was

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<sup>19</sup> [https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas\\_Business\\_Plan-1.17.17-FINAL.PDF](https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas_Business_Plan-1.17.17-FINAL.PDF)

released in August 2020 and the RFP was released in January 2021 with an anticipated program launch in the fourth quarter of 2021. RFA screening, scoring, and calibrating all occurred in October 2020 with the RFA Shortlist released on October 28, 2020. The RFP development took place in December 2020 and January 2021 with the RFP launch mid-January and the proposal selection at the end of March 2021. The detailed timing of the Behavior Program solicitation is outlined in Table 1.1 below including the updated timing for negotiations.

Table 1.1: Key Milestones		
Milestones	Completion Date	Weeks to Complete
<b>RFA Stage</b>		
Solicitation Launch	August 21, 2020	13.5 weeks
Bidders' Conference	September 2, 2020	
Offer Submittal Deadline	September 25, 2020	
RFA Shortlist to PRG	October 30, 2020	
Shortlisting Notification	November 17, 2020	
<b>RFP Stage</b>		
Residential Solicitation Launch	January 15, 2021	12.5 weeks
Commercial Solicitation Launch	January 22, 2021	
Bidders' Conference	January 20 and 27, 2021	
Residential Offer Submittal Deadline	February 22, 2021	
Commercial Offer Submittal Deadline	March 1, 2021	
RFP Shortlists to PRG	March 31, 2021	
Shortlisting Notification	April 13, 2021	
<b>Selections and Contracting Stage</b>		
Residential Negotiation & Contracting	May 4, 2021–September 2, 2021	Residential: 16.5 weeks
Commercial Negotiation & Contracting	October 8, 2021–June 2, 2022*	
Residential [REDACTED] Presented to PRG	July 30, 2021	Commercial: 35 weeks*
Residential [REDACTED] Presented to PRG	September 3, 2021	
Commercial Contract Presented to PRG	June 2, 2022*	

\* Expected

### 1.3. Key Observations

Table 1.2 represents a collection of key IE issues, observations, and outcomes, where applicable, from the assigned IE for the Local Behavioral Solicitation. The Contract negotiations for the Residential Behavioral Program and early on for the Commercial Behavioral Program were discussed in the previous Semi-Annual Report. For this Semi-Annual Report period, key observations [REDACTED]

[REDACTED] Overall, the SoCalGas solicitation team effectively managed the remaining negotiation process and implementation plan development.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
<b>Residential Program Implementation Stage</b>			
Implementation Plan (IP)	While the IE had minor comments on the draft IPs [REDACTED] the final plans aligned with the CPUC template and adequately described the program	SoCalGas should compare the draft IP against the template prior to sending to the IE for review.	New recommendation.



Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
	plans and requirements.		
<b>Commercial Contract Negotiations</b>			
<b>Contract Negotiations Timeline</b>	A major reason for extended negotiations with the most recent commercial bidder is due to a change that affected program design: the number of available commercial accounts eligible for the program was unknown. The final number of eligible participants dropped by more than half, which resulted in significantly higher per-participant program costs.	For future RFPs that rely on accurate counts, provide data upfront that will allow bidders to better forecast eligible customers and provide a more accurate bid price.	New recommendation.
<b>Contract Template</b>	The Contract template implies a traditional program of incentives and installations rather than a software-as-a-service program. This program has no on-site work, no direct contact with customers, and no materials. It also relies on proprietary software from the contractor. Many terms and conditions due to these traditional issues were in the Contract.	SoCalGas should conduct a detailed review and modification of the template when negotiating about non-traditional programs prior to any similar non-traditional contracting process to facilitate a smoother process.	Prior recommendation that has not been implemented.

## 2. RFA Bidder Response and Selections

This solicitation activity was reported in the previous Semi-Annual Report.

## 3. RFP Bidder Response and Selections

This solicitation activity was reported in the previous Semi-Annual Report.

## 4. Contracting Process

The contracting process for the Residential Behavioral Programs were discussed in the previous Semi-Annual Report. This Report discusses the Commercial Behavioral Program contracting process between [REDACTED]

### 4.1. Contract Negotiations

As was the case for the Residential Behavioral Program Contracts discussed in the previous Semi-Annual Report, Contract negotiations for the Commercial Behavioral Programs were challenging since the Contract template was designed for a typical incentive/measure installation program rather than the unique design of a behavior program that relies on mailed or emailed reports and analysis. A further challenge for the Commercial Contract was that this program is new and has not been successfully implemented elsewhere in the country. [REDACTED] SoCalGas used the negotiation sessions to discuss the program design, reviewed data from SoCalGas customer data system, and had the program evaluator perform analysis to inform the program size. Due to vacations over the holidays, these discussions were delayed until after the new year. Significant progress has occurred,

and the outlook is positive that SoCalGas [REDACTED] agree on terms and program design during the next month. Significant issues that were discussed in these meetings included the size of the treatment group and control group needed to ensure statistically significant savings estimates, eligible business sectors, sizes, and outlier filtering criteria, how to handle multi-premise and multimeter accounts, potential attrition, language on how the comparative analysis will be communicated to participants, data flow and ingestion, identifying the appropriate contact, and overall design images of the report.

As of this report writing, SoCalGas and [REDACTED] agreed the program will target 20,000 small and medium customers. Table 4.1 lists the eligible sectors by those recommended to be treated through the program and those that are not.

<b>Treated</b>	<b>Non-Treated</b>
Accommodation and Food Services	Other Services (except Public Administration)
Educational Services	Other
Real Estate and Rental and Leasing	Agriculture, Forestry, Fishing and Hunting
Health Care and Social Assistance	Administrative and Support and Waste Management and Remediation Services
Retail Trade	Professional, Scientific, and Technical Services
Arts, Entertainment, and Recreation	Manufacturing
Public Administration	Utilities
Wholesale Trade	Management of Companies and Enterprises
Finance and Insurance	
Transportation & Warehousing	
Information	
Construction	

**a. Collaboration on Final Program Design and Scope**

Residential Contracts were discussed in the previous Semi-Annual Report.

SoCalGas has [REDACTED] final Commercial Program design to accommodate commercial challenges such as determining treatable sectors and the required size of the control group, along with identifying the appropriate contact [REDACTED] program design is consistent with what was proposed. We believe the collaboration with both bidders met the CPUC’s definition of a third-party program per OPN 10 of Decision 16-08-019: “the program must be proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility program administrator.” Conclusions of Law 57 from the same Order clarifies that “utilities may consult and collaborate, using their expertise, on the ultimate program design implemented by the third party.” The collaboration and consultation [REDACTED] SoCalGas did not result in a violation of the requirement that the program be designed by the third party.

**b. Fairness of Negotiations**

Residential Contracts were discussed in the previous Semi-Annual Report.

The Commercial Program Contract negotiations between SoCalGas [REDACTED] have been transparent and effectively run. Contract negotiations have taken over five months so far; however, significant discussion and analysis on the program size and design were required before agreeing on price and other terms.

**c. Changes to Contract Terms & Conditions**

Residential Contracts were discussed in the previous Semi-Annual Report.

Commercial negotiations have yet to significantly discuss changes to Contract terms and conditions.

**d. Conformance with CPUC Policies and Objectives**

This section was addressed in the previous Semi-Annual Report for the Residential Contracts. The Commercial Contract is not yet final, so the conformance is not yet addressed.

**e. Uniformity of Contract Changes**

This section was addressed in the previous Semi-Annual Report for Residential Contracts. The Commercial Contract is not yet final, so this section is not applicable at this time.

**4.2. Final Selection**

This section was addressed in the previous Semi-Annual Report for Residential Contracts. The Commercial Contract is not yet final, so this section is not applicable at this time.

**4.3. Contract Execution**

This section was addressed in the previous Semi-Annual Report for Residential Contracts. The Commercial Contract is not yet final, so this section is not applicable at this time.

**4.4. PRG and IE Feedback to Contracting**

This section was addressed in the previous Semi-Annual Report for Residential Contracts. The Commercial Contract is not yet final, so this section is not applicable at this time.

**5. Assessment of Final Contract**

This section was addressed in the previous Semi-Annual Report for Residential Contracts. The Commercial Contract is not yet final, so this section is not applicable at this time.

**6. Overall Assessment of Solicitation**

This section is not applicable.

**7. Implementation Plan Assessment**

During this Semi-Annual Report period, the IE provided comments on the Residential draft IPs from [REDACTED] to clarify the discussion of the program design and how the program will be implemented and ensure the plan aligns with the CPUC template. For both Residential Programs, some information was initially missing or in the wrong location of the template. The first drafts contained more discussion on the evaluation, measurement, and verification (EM&V) approach rather than how the report delivery would occur and how the content would be determined or designed. [REDACTED] an unreadable diagram. The [REDACTED] needed clarification on its areas of innovation and did not address how it would reach hard-to-reach (HTR) customers and disadvantaged community (DAC) customers. All the IE comments were satisfactorily addressed, and final IPs conformed with the CPUC template.

# Energy Efficiency Independent Evaluators' Semi-Annual Report on the

## **LOCAL INDUSTRIAL SECTOR SOLICITATION**

Reporting Period: October 2021 through March 2022

*Prepared by:*  
Don Arambula Consulting



**Disclaimer: This Report includes sensitive and confidential information.**

# Local Industrial Sector Solicitation

## 1. Solicitation Overview

The Semi-Annual Report on the Local Industrial (Industrial) program solicitation covers the period between October 2021 through March 2022.

### 1.1. Overview

The Industrial solicitation seeks qualified Bidders to propose, design, implement, and deliver an innovative, resource-based program(s) that provides comprehensive, long-term natural gas EE results for existing industrial customers.

#### a. Scope

The purpose of this solicitation is to invite the EE industry to develop a resource-based, innovative, and comprehensive EE program(s) for the Industrial customer sector in SoCalGas' service territory. The Industrial sector accounts for approximately 25 percent of the annual energy usage of all SoCalGas customers.<sup>20</sup>

#### b. Objectives

The Industrial solicitation aims to solicit innovative, resource-based programs to address various market barriers and drivers, as identified in SoCalGas' Business Plan, resulting in more comprehensive, deeper, and longer-term energy savings. The selected Bidder(s) will assist SoCalGas in achieving various portfolio and sector metrics<sup>21</sup> through a comprehensive set of program strategies and tactics.

### 1.2. Timing

The Industrial program solicitation was released as scheduled on March 19, 2021.<sup>22</sup> Table 1.1 below presents a list of key solicitation milestones and expected completion dates. Unless otherwise noted, all milestone dates as of this Report were met or are on schedule.

Milestones	Completion Date	Duration
<b>RFA</b>		
RFA Released	March 19, 2021	11 weeks
Optional Bidder Webinar	March 24, 2021	
Questions Due from Bidders	March 31, 2021	
Responses Provided by Company	April 7, 2021	
Bidder Abstracts Due	April 23, 2021	
Bidders Invited to RFP Stage	June 8, 2021	
<b>RFP</b>		
RFP Released	June 16, 2021	10 weeks
Optional Bidder Web-Conference	July 21, 2021	
Questions Due from Bidders – Round 1	July 27, 2021	
Responses Provided by SoCalGas – Round 1	August 2, 2021	
Questions Due from Bidders – Round 2	August 5, 2021	

<sup>20</sup> See SoCalGas Business Plan, p. 152-158 available at [Business Plan](#).

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

<sup>22</sup> Solicitation schedules are updated periodically by the IOUs and the current schedule can be found at [caeecc.org](#).

Milestones	Completion Date	Duration
Responses Provided by SoCalGas – Round 2	August 10, 2021	
Bidder’s Proposal Due	August 27, 2021	
<b>Contracting &amp; Implementation</b>		
Successful Bidder(s) Notified	December 14, 2021	Pending the conclusion of contract negotiations
Negotiation & Contracting*	Quarter 3 2022	
Contract Executed*	Quarter 3 2022	
Advice Letter Approved*	Quarter 3 2022	
Notice to Proceed with Work*	Quarter 3 2022	
Implementation Plan Uploaded to CEDARS*	Quarter 4 2022	
Anticipated Program Launch*	Quarter 4 2022	
* - estimate		

### 1.3. Key Observations

During the reporting period, the IOU began contract negotiations. Due to the size and complexity of the industrial sector program portfolio, SoCalGas dedicated the early part of 2022 to assigning various industrial segments and budgets to the selected bidders. The IOU presented its approach to the PRG and IE prior to beginning contract negotiations. The start of contract negotiations across bidders was staggered, beginning in mid-February 2022 to allow SoCalGas an opportunity to prepare the initial draft contracts for negotiations. After contract negotiations, a complete discussion of the contracting process will be presented in the following semiannual report. As a result, there were no significant observations for this reporting period.

### 2. RFA Bidder Response and Selections

This solicitation activity was reported in the April 2021 through September 2021 Semi-Annual Report.

### 3. RFP Bidder Response and Selections

This solicitation activity was reported in the April 2021 through September 2021 Semi-Annual Report.

### 4. Contracting Process

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

### 5. Assessment of Final Contract

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

### 6. Overall Assessment of Solicitation

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

### 7. Implementation Plan Assessment

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

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

**LOCAL LARGE PUBLIC SECTOR PROGRAM**

Reporting Period: October 2021 through March 2022

*Prepared by:*  
Apex Analytics LLC



**Disclaimer: This Report includes sensitive and confidential information.**

# Local Large Public Sector Program

## 1. Solicitation Overview

This Report covers the activities associated with the Local Large Public Sector (Large Public) solicitation for the period from October 2021 through March 2022. During this period, SoCalGas reissued the RFP and conducted scoring and selection; the IE (Apex) monitored all steps in this process and provided feedback.

### 1.1. Overview

The purpose of the Large Public solicitation was to invite bidders to develop an innovative and comprehensive EE program(s) for Large Public customer segments in SoCalGas' service territory.<sup>23</sup> The solicitation was based on the needs and strategies provided in SoCalGas' Business Plan as a tactic to achieve deeper EE savings. One of SoCalGas' portfolio goals is to achieve, at a minimum, 60 percent third-party programs by the year 2022. Working towards this goal, the Large Public solicitation is for third-party Program Implementers to design and implement innovative programs that address EE savings.

This program includes the local government, federal government, K-12 education, Special Districts and Public-Owned Utilities segments, but excludes public buildings covered by statewide programs (i.e., Statewide Water/Wastewater Pumping, Statewide Higher Education and Statewide State of California) or previously solicited SoCalGas programs (i.e., Small & Medium Public). With limited access to capital and performance uncertainty regarding future benefits, many public eligible customers have difficulty investing in EE retrofits. Paired with market barriers such as high first cost, capital expenditure approval processes, and limited awareness of efficient technologies and EE programs, the public sector is challenged to pursue EE retrofits. SoCalGas solicited third-party Program Implementers to propose, design and implement new and innovative programs to help SoCalGas achieve its portfolio goals including cost-effectiveness obligations.

#### a. Scope

The SoCalGas Public Sector market is defined as essentially "tax-based" government organizations. The public sector is further defined by four segments: local government, state government, federal government, and education. The solicitation excluded those segments that are already covered by Statewide programs, such as correctional facilities, hospitals, state agencies, and California community colleges and state universities. A large public customer is defined as a customer whose maximum annual demand is greater than 50,000 therms.<sup>24</sup>

This solicitation aimed to solicit innovative, comprehensive, resource-based program ideas, which include non-resource components to address various segment barriers and drivers identified in SoCalGas' Business Plan and assist SoCalGas in the achievement of various portfolio and sector metrics,<sup>25</sup> through comprehensive tactics which may include but are not limited to: deep retrofits, direct install, custom measures, energy assessments and other forms of technical assistance; leverage

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<sup>23</sup> See SoCalGas Business Plan, Pg. 244 (Public Sector Vision) & Pg. 256-258 (Public Sector Energy Usage), available at [https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas\\_Business\\_Plan-1.17.17-FINAL.PDF](https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas_Business_Plan-1.17.17-FINAL.PDF).

<sup>24</sup> See SoCalGas Business Plan, Pg. 258 (Table 7 – Energy Consumption by Customer Size), available at [https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas\\_Business\\_Plan-1.17.17-FINAL.PDF](https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas_Business_Plan-1.17.17-FINAL.PDF).

<sup>25</sup> See SoCalGas Portfolio and Sector-Level Metrics Compliance Filing, Pg. 76-80, available at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M233/K545/233545545.PDF>.



of available financing options; leverage of available Regional Energy Networks (RENs), which provide added support to public sector customers; partnerships with non-governmental organization and other entities (e.g., Municipal Utilities and Water Agencies); partnerships with local small business organizations and community-based organizations; use of local technical consultants, contractors and vendors; focus on modifying organizational decision-making; and/or focus on adoption by public customers who serve rural communities, HTR communities, and DACs.

SoCalGas encouraged interested bidders to submit abstracts that address all or, at the bidder’s discretion, a subset of all public sector customers including large and very large public sector customers throughout SoCalGas’ service territory, the exception being Statewide Programs and commercial-sector customers (these customer groups were addressed in separate RFAs). Bidders were encouraged to propose flexible local program designs that can address customers across multiple public segments and/or groups cost-efficiently and effectively. Abstracts were requested to include the flexibility to target specific customers based on criteria such as, but not limited to, specific climate zones, customer site-specific energy savings potential, facility size, distribution system needs, and members of DACs.

The program is expected to have a budget up to \$1.65 million per year for three years (mid to late 2022 to 2025).

**b. Objectives**

The solicitation was designed to achieve comprehensive, long-term energy savings and program opportunities that will assist SoCalGas in achieving portfolio and sector-level metrics<sup>26</sup> related to the Large Public sector. This solicitation encouraged the exploration of all relevant delivery channels and program strategies to implement a cost-effective program to maximize natural gas efficiency savings for the large- and very large-sized public sector customer.

**1.2. Timing**

The Large Public RFA was released in May 2021 and the RFP was released in September 2021, with an anticipated program launch in the second to third quarters of 2022. RFA screening, scoring, and calibrating all occurred in July 2021 with the RFA Shortlist released on July 30, 2021. The RFP development took place in August 2021 and September 2021 with the RFP launch on September 27.

During this reporting period, SoCalGas, based on feedback from the PRG, issued an open RFP, received and scored [REDACTED] conducted an interview process and selected [REDACTED].

Overall, the Large Public solicitation has been slower than planned due to the RFA relaunch (a result of low bidder participation, described in previous Semi-Annual Reports) and the interview process for the RFP selection, which required another calendar month to complete. Key milestones are summarized in Table 1.1.

Table 1.1: Key Milestones		
Milestones	Completion Date	Weeks to Complete
<b>RFA Stage</b>		
Round 1 Solicitation Launch	April 23, 2021	25 weeks
Round 2 Solicitation Re-Launch	July 16, 2021	
Bidders’ Conference	April 28, 2021	

<sup>26</sup> See SoCalGas Business Plan, Pg. 244 (Public Sector Vision) & Pg. 256-258 (Public Sector Energy Usage), available at [https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas\\_Business\\_Plan-1.17.17-FINAL.PDF](https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas_Business_Plan-1.17.17-FINAL.PDF).

Table 1.1: Key Milestones		
Milestones	Completion Date	Weeks to Complete
Offer Submittal Deadline	August 13, 2021	
RFA Shortlist to PRG	August 31, 2021	
Shortlisting Notification	October 14, 2021	
<b>RFP Stage</b>		
Solicitation Launch	November 8, 2021	17 weeks
Bidders Conference	November 10, 2021	
Offer Submittal Deadline	December 17, 2021	
Bidder Interviews	February 15–16, 2022	
RFP Selection to PRG	March 1, 2022	
Shortlisting Notification	March 8, 2022	
<b>Selections &amp; Contracting Stage</b>		
Contracting and Negotiations Period	April 2022	12 weeks*
Contracts Presented to PRG	June 2022*	
Contract Execution	June 2022*	

\* Estimated, not yet occurred

### 1.3. Key Observations

During this reporting period, SoCalGas has managed the Large Public solicitation effectively. SoCalGas upheld its internal policies [REDACTED]

[REDACTED] Table 1.2 represents key IE issues, observations, and outcomes, where applicable, from the assigned IE for the Large Public Sector.

Table 1.2: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
[REDACTED]			

Table 1.2: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
[Redacted Content]			

Table 1.2: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
Interview Process	SoCalGas developed and refined interview process guidance. Although it was the first interview process for SoCalGas, it was an effective, efficient process. The interview plan was thorough and focused on being fair and transparent with bidders.	SoCalGas should: <ul style="list-style-type: none"> <li>• Conduct interviews again in the future in similar competitive situations for the top bidders.</li> <li>• In any future interview processes, clarify for bidders and scorers what to do if a bidder changes their proposal during the interview process.</li> </ul>	New recommendation.

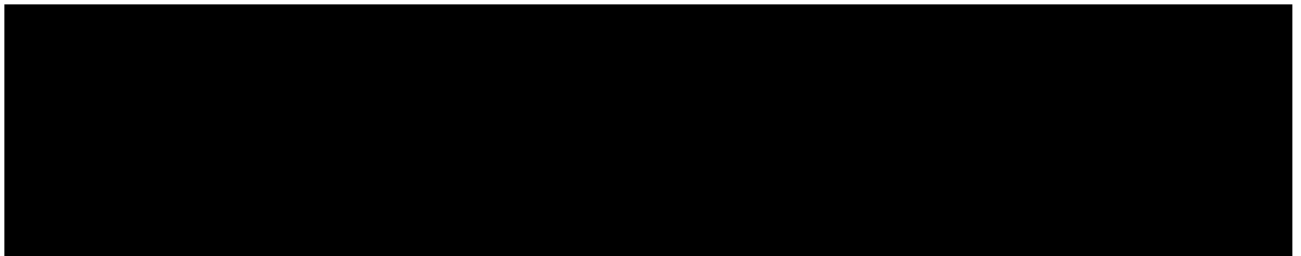
## 2. RFA Bidder Response and Selections

This solicitation activity was reported in the April 2021 through September 2021 Semi-Annual Report.

## 3. RFP Bidder Response and Selections

### 3.1. RFP Development

Similar to the RFA, the RFP solicitation design met SoCalGas’ intention to procure a resource-based programs targeted at the Large Public sector, consistent with the CPUC-approved Business Plan and Solicitation Plan. The solicitation requested that bidders propose programs that would help achieve SoCalGas’ savings goals and applicable portfolio and sector-level metrics as incorporated into the IOU’s Annual Budget Advice Letter.



The RFP design was a relatively smooth process due to SoCalGas’ development of templates for solicitation documents. SoCalGas leveraged the recent Industrial RFP to develop the Large Public RFP. In general, the RFP documents were high quality and well written. IE made several recommended changes, which were all accepted by SoCalGas, including:

- Remove all references to similarity between RFA and RFP (not a requirement given the open nature of the process).
- Increase page limits for program design.
- Ensure the questions are specific to the Public sector. Add detailed questions to encourage bidders to address key public sector customers’ barriers and related program design elements. Add a more specific list of steps in the project process and request information on each step such as what is the work, who (specifically) will conduct the work, etc.



For the RFP stage of the Large Public solicitation, SoCalGas released a total of six documents, including the RFP main document, four attachments for the bidders to populate (three Word files and one Excel file), and one document containing all informational exhibits (e.g., program reporting requirements, safety manual, CET instructions, Measurement and Verification guidelines, Standard and Modifiable Contract Terms and Conditions, Information security requirements, and cybersecurity assessment). This represented a more streamlined set of documents than previous solicitations; we believe this was a reasonable number of documents for the RFP.

### 3.2. RFP Outreach

Given the open nature of the RFP, SoCalGas conducted outreach to ensure that bidders were made aware of the open nature of the solicitation. SoCalGas outreach included:

- DBE/SBE outreach
- CAEEC Posting and strategic sourcing communication
- Service list R.13-11-005
- Direct PowerAdvocate invitations (sent to previous large public bidders, previous large commercial bidders, applicable DBE/SBE organizations).

SoCalGas’ outreach approach using PEPMA, supplemented with additional communications, was fair, transparent, and equitable. SoCalGas led the solicitation outreach without IE involvement. We tracked the progress of the outreach efforts based on abstracts and proposals received, as well as questions from bidders.

### 3.3. RFP Bidders’ Conference

As shown in Table 3.1 below, SoCalGas held the Bidder webinar on November 10, 2021. There were [REDACTED]. No questions were asked during the webinar. Bidders submitted two questions during subsequent Q&A rounds. One question was related to whether a bidder could submit a bid even though they did not submit an RFA, and the other question was related to the CET and use of avoided costs. The IE reviewed SoCalGas responses and agreed with the responses.

Table 3.1: Bidders’ Conferences	
RFP Bidders Conference Date	November 10, 2021
No. of Attendees (via Teams)	4 attendees/3 firms
No. of Q&A Received	0 during meeting, 2 after meeting

### 3.4. RFP Bidders’ Response

For the RFP, 115 bidders registered in PowerAdvocate, and 101 bidders accessed the RFA documents. Bids were received on December 17, and [REDACTED]



both cases, the number of registered bidders and number of bidders accessing the materials was

large (i.e., 115) and therefore indicated high awareness in the bidding community of the RFA.

	No.
Abstracts Expected	3-4
Proposals Received	6

### 3.5. Proposal Selection Process

#### a. Bid Screening Process and Management of Deficient Bids

For the RFP issue, SoCalGas performed a threshold assessment in which the Company evaluated abstracts to ensure bidders provided all required information and were eligible for scoring. Then, the SoCalGas supply team reviewed proposals to ensure they were eligible based on the minimum RFA requirements. As noted above, [REDACTED] were disqualified due to lack of information or proposing ineligible designs.

#### b. Scoring Rubric Design

SoCalGas' evaluation criteria (scoring rubric) [REDACTED] for the RFP stage was generally consistent with CPUC direction and the Company's approved Business and Solicitation Plans. Prior to issuance of the RFP, SoCalGas shared the scoring weights and scorecard with the IE for review and feedback. Table 3.3 provides the RFP Scoring Rubric for the Large Public solicitation.

Category	
Program Implementation and Feasibility	[REDACTED]
M&V Plan	[REDACTED]
Cost and Energy Savings	[REDACTED]
Skills and Experience	[REDACTED]

Table 3.3: RFP Scoring Rubric	
Category	
Social Responsibilities	

**c. Evaluation Team Profile**

SoCalGas conducted scorer training for the RFP on December 14, 2021, which included detailed information on the scoring rubric, weights, and FAQs. The IE provided input into the scorer training materials and attended the session. The scoring training was well attended and was useful for discussing scoring approaches and aligning expectations across the organization. The training provided helpful overviews of general processes and each scorecard item. In addition, SoCalGas requested that reviewers attest there was no Conflict of Interest related to performing their evaluation responsibilities; there were no Conflicts of Interest reported by scorers. Table 3.4 provides information about the scoring team.

Table 3.4: IOU Evaluation Team	

**d. Evaluation Processes and Scoring Calibration**

The SoCalGas process for scoring includes individual scoring of each bid for each scorecard item and a calibration meeting to discuss scores of deviance for the SoCalGas scorers, with the IE in attendance. Prior to the meeting, the solicitation team flagged scores that had more than a two-point deviation among scorers. At the meeting, an overview of each bid was presented, then each score that had more than a two-point deviation was discussed. The order of these discussions was organized by scorecard topic (rather than bid), which helped to improve consistency of scores across bids. The IE conducted shadow scoring of bids, shared those scores with SoCalGas, and attended the scoring calibration meeting.

The scoring processes were fair, transparent, and effective in gaining multiple perspectives on bid scoring. The calibration team meetings were well planned and well facilitated. During the meeting, scorers were respectful and open to incorporating new information and changing scores, as appropriate. SoCalGas conducted its RFP evaluation in conformance with its established scoring criteria and process for the RFP.

[REDACTED]

The calibration meetings included

[REDACTED]

[REDACTED]

Before and after calibration, the ranking of IE and SoCalGas scores were in the same order. For all proposals, the IE scores were lower than that of SoCalGas. Additionally, the IE had a larger spread between the first and second-ranked bids.

[REDACTED]

Topics to address in the future include:

- Proof of strategic partnerships needs to be clarified in the RFP and scorecard, as scorers were unsure whether RFP statements of partnerships was sufficient proof.

[REDACTED]

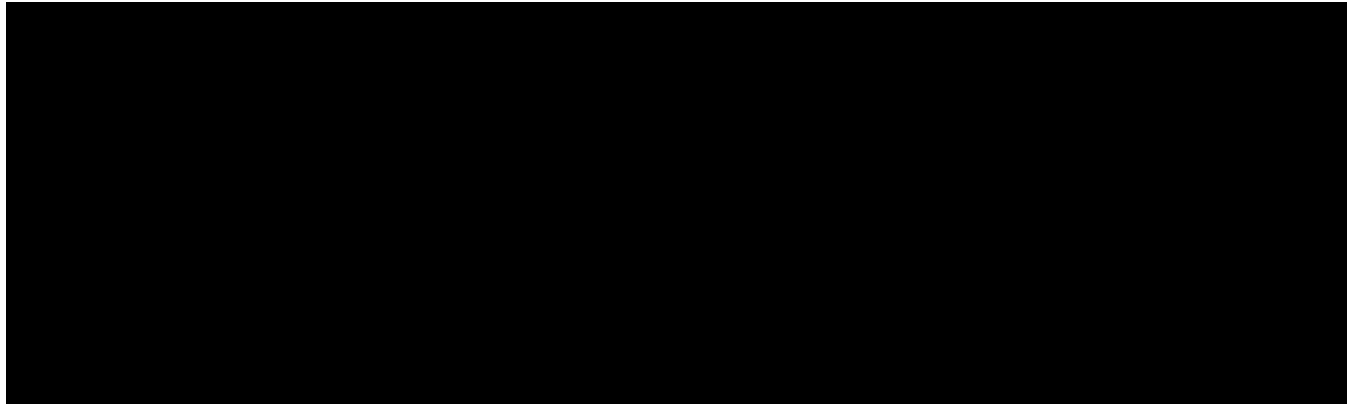
In terms of the CET, SoCalGas conducted [REDACTED]

[REDACTED]

**e. Abstract Selections and Interview Process**

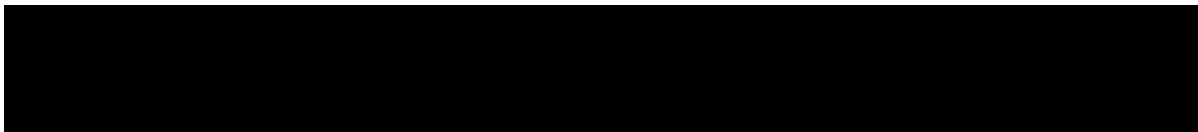
[REDACTED]







Based on this recommendation, the PRG responded with a recommendation to conduct interviews (see below). Given the importance of a quick interview process, the IE developed high-level recommendations on the interview process and met with SoCalGas. Based on this, SoCalGas developed and refined interview-process guidance. As this was the first interview for SoCalGas' third-party solicitation process, SoCalGas developed an interview planning document. This included topics such as:

- Agenda for 90-minute interview, including identification of SoCalGas staff to lead during Q&A session and approach to discussion among team to identify questions.
- Questions sent to bidders ahead of the meeting with request to answer them during the interview and related scorecard elements that may be changed.
- Requirement that bidders provided presentations on the same date, several days prior to the interviews.
- Attendance guidance for bidder and SoCalGas staff.
- Preparatory meeting with SoCalGas scoring team prior to interviews to discuss interview process.



The IE found the interview plan developed by SoCalGas to be thorough and focused on being fair and transparent with bidders. The resulting interview process was smooth and efficient; it was an effective practice. The interviews were helpful in gaining more insight into bidders' proposals and capabilities. Yet, the interviews mostly confirmed existing scores achieved by bidders; relatively few scores were changed by scorers. Individual scores increased by one point where they did change.

Based on the interviews, SoCalGas met and   
 The IE supported this decision.

In the future, the IE recommends that SoCalGas:

- Conduct interviews again in the future in similar competitive situations for the top bidders.
- In any future interview processes, clarify for bidders and scorers what to do if a bidder changes their proposal during the interview process.

### **3.6. PRG and IE Feedback to Proposal Process and Selections**

#### **a. Adherence to PRG Guidance and Feedback**

Generally, PRG checklists for solicitation documents showed that SoCalGas followed the PRG guidance regarding solicitation materials. Additionally, after the February PRG meeting, Energy Division staff recommended that SoCalGas conduct an interview with [REDACTED], with additional recommendations including:

- Include subcontractors in the interview process.
- Clarify and report to the PRG the plan on how SoCalGas will incorporate the interviews into the final RFP score and the selection of a bidder to advance to Contract negotiations.

[REDACTED]

After the March PRG meeting, no PRG members had comments or expressed concerns regarding the SoCalGas selection.

#### **b. Response to IE Feedback**

The IE provided feedback throughout the process, and SoCalGas was responsive in all cases to IE input.

### **4. Contracting Process**

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

### **5. Assessment of Final Contract**

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

### **6. Overall Assessment of Solicitation**

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

### **7. Implementation Plan Assessment**

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

# Energy Efficiency Independent Evaluators' Semi-Annual Report on the

## **LOCAL MARKETPLACE SOLICITATION**

Reporting Period: October 2021 through March 2022

*Prepared by:*  
Don Arambula Consulting



**Disclaimer: This Report includes sensitive and confidential information.**

# Local Marketplace Solicitation

## 1. Solicitation Overview

The Semi-Annual Report on the Local Marketplace program (Marketplace) solicitation covers the period between October 2021 through March 2022.

### 1.1. Overview

The Marketplace solicitation seeks qualified Bidders to propose, design, implement, and deliver a fresh, updated, innovative, non-resource Marketplace program(s) directed at all customer sectors (residential, commercial, industrial, agricultural, and public).

#### a. Scope

The IOU seeks an innovative and comprehensive Marketplace program to increase participation in SoCalGas' EE programs applicable to all sectors, including HTR customers, DACs, smaller-sized customers, and larger customer groups in nonresidential sectors. The Marketplace program should: follow the guidelines set forth by the state-mandated Assembly Bill 793; promote SoCalGas EE programs for all customer sectors; and not duplicate efforts of statewide EE programs, Energy Savings Assistance (ESA) programs, or previously solicited SoCalGas EE third-party programs. SoCalGas encourages innovative proposals to drive greater uptake of EE opportunities.

#### b. Objectives

The CPUC, in Resolution E-4820,<sup>27</sup> directed SoCalGas to launch an online energy marketplace to comply with AB793 to educate customers on products, services, or software that allows a customer to better understand and manage energy usage in the customer's home or place of business. SoCalGas envisions the Marketplace program as a compliant and complementary component of all SoCalGas EE programs targeting all customer sectors, including HTR customers, DACs, smaller-sized customer groups, and larger customer groups in nonresidential sectors. The Marketplace program should promote SoCalGas' existing offerings and increase participation by educating customers and local market actors on energy management technologies and other EE products and services.

The Marketplace program should benefit SoCalGas' EE portfolio by:

- Increasing general market and customer awareness of EE rebate programs, energy-saving education, energy savings tips, and opportunities;
- Providing outreach education and support for customers, including residential, smaller-sized customers, large customer groups in nonresidential sectors, and market actors to develop knowledge, skills, and abilities to participate in various programs and EE opportunities;
- Driving eligible customers to participate in SoCalGas' EE rebate program offerings and guiding eligible customers to the ESA program and California Alternate Rates for Energy (CARE) and other DSM opportunities; and
- Supporting customers and market actors with technical and EE information and advice

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<sup>27</sup> OP 1.b, pp. 34-35.

in adopting EE technologies and services.

## 1.2. Timing

The Marketplace program solicitation was released as scheduled on August 20, 2021.<sup>28</sup> Table 1.1 below presents a list of key solicitation milestones and expected completion dates. Unless otherwise noted, all milestone dates as of this Report were met or are on schedule.

Table 1.1: Key Milestones		
Milestones	Completion Date	Duration
<b>RFA</b>		
RFA Released	August 20, 2021	11 weeks
Optional Bidder Webinar	August 25, 2021	
Questions Due from Bidders	September 1, 2021	
Responses Provided by Company	September 8, 2021	
Bidder Abstracts Due	September 24, 2021	
Bidders Invited to RFP Stage	November 9, 2021	
<b>RFP</b>		
RFP Released	January 14, 2022	6 weeks
Optional Bidder Web-Conference	January 19, 2022	
Questions Due from Bidders – Round 1	January 25, 2022	
Responses Provided by SoCalGas – Round 1	January 31, 2022	
Questions Due from Bidders – Round 2	February 3, 2022	
Responses Provided by SoCalGas – Round 2	February 8, 2022	
Bidder's Proposal Due	February 25, 2022	
<b>Contracting &amp; Implementation</b>		
Successful Bidder(s) Notified*	April 11, 2022	Pending
Contract Executed*	July 2022	
Advice Letter Approved*	September 2022	Pending
Notice to Proceed with Work*	September 2022	
Implementation Plan Uploaded to CEDARS*	December 2022	
Anticipated Program Launch*	January 2023	Pending

\* Estimated

## 1.3. Key Observations

Table 1.2 presents key observations made by the IE during the reporting period on the solicitation. The IE shared these key recommendations and others with the IOU and the PRG throughout the solicitation. The IE provided the IOU an opportunity to review, consider, accept, or reject these recommendations. The IOU responses to IE recommendations considered but not adopted by the IOU are below.

<sup>28</sup> Solicitation schedules are updated periodically by the IOUs and the current schedule can be found at [caeecc.org](http://caeecc.org).

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
<b>RFA</b>			
<b>RFA Weighting</b>	[REDACTED]		[REDACTED]
<b>Bidder Conference Attendees</b>	SoCalGas held an optional RFP Bidders Conference. [REDACTED] representatives attended. It was not clear from the attendance sheet what bidders they represented.	SoCalGas should ask attendees to identify what bidder they represent in future solicitations.	SoCalGas will work with its IT group to address the issue.

## 2. RFA Bidder Response and Selections

### 2.1. RFA Development

The IE reported this solicitation activity in the April 2021 through September 2021 Semi-Annual Report.

### 2.2. RFA Outreach

The IE reported this solicitation activity in the April 2021 through September 2021 Semi-Annual Report.

### 2.3. RFA Bidders' Conference

The IE reported this solicitation activity in the April 2021 through September 2021 Semi-Annual Report.

### 2.4. RFA Bidders' Response

The IE reported this solicitation activity in the April 2021 through September 2021 Semi-Annual Report.

### 2.5. Abstract Selection Process

#### a. RFA Bid Screening Process and Management of Deficient Bids

Before scoring the bidder abstracts, SoCalGas conducted a bid screening process that consisted of two threshold reviews: (1) minimum requirements (timeliness and completeness of submissions) and (2) program eligibility (consistency with the prescribed scope of work [SOW]). SoCalGas' Supply Management group conducted the minimum requirement screening, and the IOU's program lead conducted the program eligibility review. The program eligibility review confirms abstracts meet the prescribed SOW. This review is an effective practice as it prevents the evaluation team from expending time and effort to score an abstract that does not conform to the prescribed SOW. [REDACTED] passed the initial minimal requirements screening. The IE agreed with the IOU's assessment for both threshold reviews.

**b. RFA Evaluation Team Profile**

The SoCalGas evaluation team roster is listed below. The team consisted of experienced subject matter experts drawn from the IOU’s staff. There were no conflicts of interest reported by SoCalGas or its team members. Before evaluating the abstracts, SoCalGas held a group training session for the scoring team. The training included an overview of the RFA, conformance with the Company’s code of conduct, including the conflict of interest policies, IE and PRG roles, scoring criteria, and the scorecard.

Training included a detailed review of the scorecard and how to apply it in evaluating the abstracts. SoCalGas did not perform a mock scorecard exercise due to the amount of effort and time it takes to create an exercise plan and the lack of viable examples to apply to such training. The IE believes SoCalGas’ detailed review of the scorecard and guidelines during the evaluator training session adequately substituted for a mock exercise. Table 2.1 presents SoCalGas’ evaluation team roster during the solicitation.

**Table 2.1: RFA - IOU Evaluation Team**

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**c. RFA Scoring Rubric Design**

The IOU applied the scoring rubric shown in Table 2.2 to review the bidder’s abstracts. Overall, the scoring rubric properly supported the evaluation of the abstracts received. The assigned category weights are consistent with the PRG recommendations.

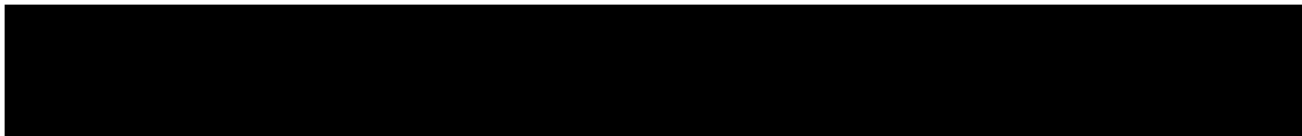
**Table 2.2: RFA Scoring Rubric**

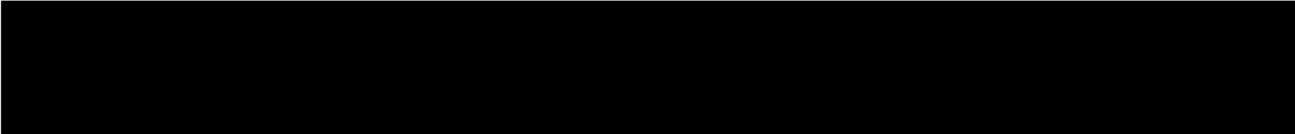
Category		
Program Design		
Compliance		
Cost and Pricing		
Experience and Capability		

The evaluation team applied a standard scorecard to evaluate the responses to nine bidder questions. This number of questions was far less than previous solicitations, which helped reduce the burden on both the IOU’s evaluation team and the participating bidders. The number of questions was sufficient to identify the bidder’s abstract’s quality and determine a shortlist at the RFA stage.

**d. RFA Evaluation Process and Scoring Calibration**

In response to the RFA, SoCalGas received [REDACTED] September 25, 2021. [REDACTED] passed SoCalGas’s initial screening. [REDACTED] This abstract was advanced to the evaluation team for review to confirm the bidder’s proposed approach. SoCalGas applied the same scoring methodology to all proposals without exception. The evaluation team completed its review and scoring by October 15, 2021. Overall, the SoCalGas evaluation approach was neutral and conducted in a fair and transparent manner.

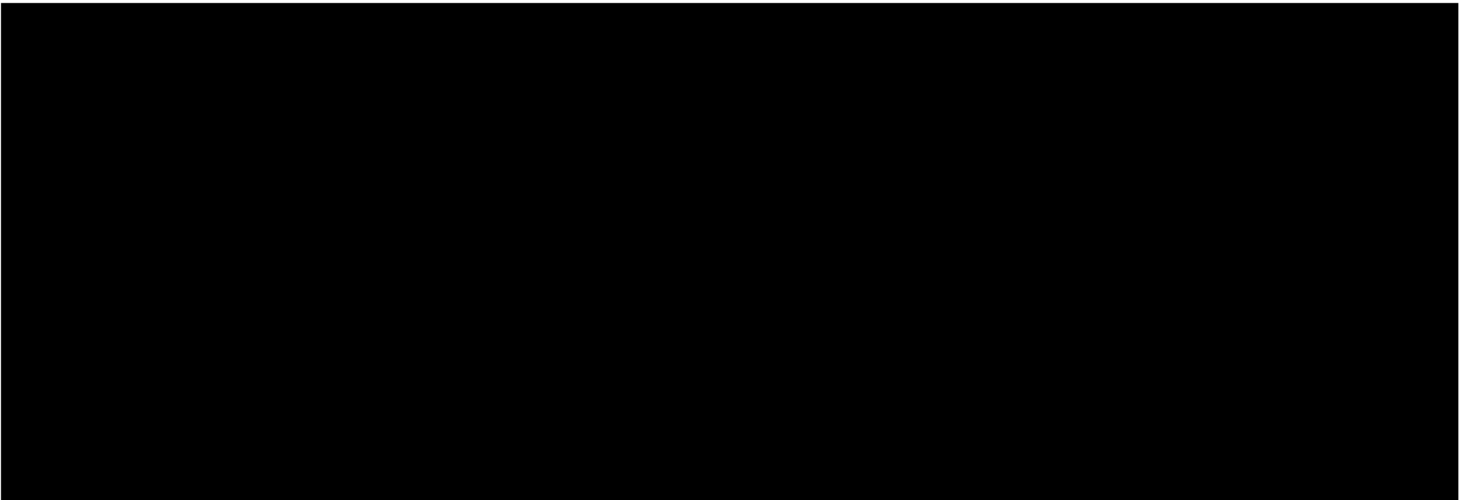
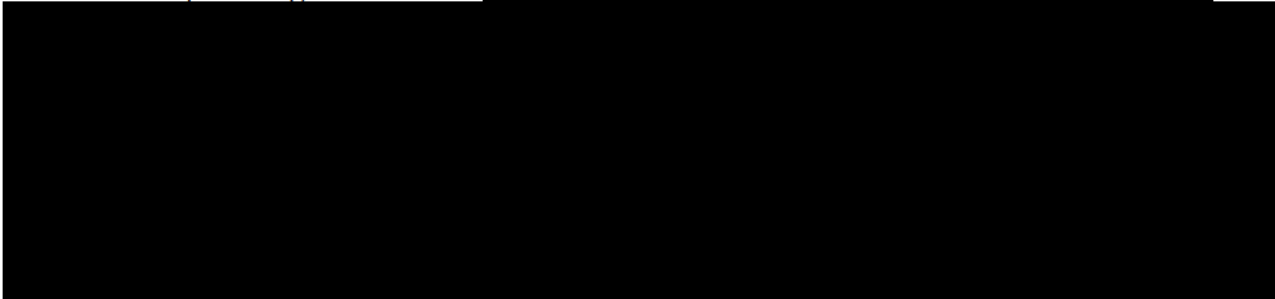




At their discretion, team members could adjust their initial score to correct for misapplication of the scoring guidelines or misunderstanding of the bidder's response. In some instances, team members elected to adjust scores. All adjustments seemed reasonable and well-founded. Discussions were well reasoned and professional, and at no time was any team member coerced/encouraged into changing their scores.

**e. RFA Abstract Selections**

SoCalGas held the Final Selection meeting on October 26, 2021. The IOU relied on the final aggregate team scores to rank the abstracts. SoCalGas decided to [REDACTED] as each has unique strengths and focus. [REDACTED]



**2.6. PRG and IE Feedback to Abstract Process and Selection**

SoCalGas allowed the PRG and the IE to review and comment on the RFA materials. The PRG asked the IOU to consider the PRG Guidance document to prepare the IOU's RFA materials. The IOU's response to the PRG's guidance and the IE feedback is discussed below.

**a. Adherence to PRG Guidance**

In support of the IOUs' EE program solicitations, the PRG created a PRG Guidance document that



listed various PRG recommendations regarding all aspects of the IOUs' solicitations, including the RFA stage. The PRG Guidance document included over 80 discrete PRG recommendations regarding the RFA stage. As confirmed by the IE, the IOU incorporated all applicable PRG recommendations into the RFA materials and scoring rubric, with one exception. The PRG recommends that IOUs include a standard Contract in the RFA for bidders as information only. SoCalGas did not provide a standard Contract but included the Company's proposed terms and conditions and the CPUC standard and modifiable terms and conditions. This approach offers potential bidders an understanding of the CPUC's standard and modifiable terms and conditions and the IOU's proposed changes to the CPUC's modifiable terms and conditions.

The PRG did seek more information [REDACTED]

[REDACTED] The PRG also requested that bidders self-identify whether they are an SBE and/or DBE during the RFA stage. SoCalGas stated it would address this in future solicitations. The PRG requested that, during the RFP stage, SoCalGas ask bidders about how their proposal will address HTR customers as defined by the CPUC. SoCalGas agreed to address this at the RFP stage.

#### **b. Response to IE Feedback**

The IE provided 14 recommendations to SoCalGas on the draft RFA materials and scorecard. The recommendations addressed various aspects of the draft RFA, including improved RFA instructions, promotion of IDSM, Statewide program coordination, scoring rubric, refinements to bidder questions, updates to reference documents, and various PRG recommendations previously not adopted. The IOU accepted all comments.

### **3. RFP Bidder Response and Selections**

#### **3.1. RFP Development**

Overall, the RFP did not impose excessive requirements upon the bidder. The RFP balanced the need for information to evaluate bidder proposals with the burden placed on the bidder in responding to the RFP. The RFP included general instructions, a response form (narrative and data), and the applicable CPUC standard and modifiable Contract terms and conditions. SoCalGas also presented its proposed Company-specific terms and conditions for the bidder's consideration. SoCalGas asked bidders to provide responses to 20 questions and to populate program-related data in a workbook template. The RFP imposed reasonable page limits that allowed ample opportunity for bidders to provide a clear and complete response.

The IE provided 25 discrete comments and corresponding recommendations; all but one recommendation was accepted by SoCalGas. The recommendation related to PRG's general guidance is to make available a standard Contract for bidders to review during the preparation of their proposals. SoCalGas indicated that, although it does not include a standard Contract, it does include its proposed additional terms and conditions along with the CPUC's standard and modifiable terms and conditions. The approach seems reasonable as SoCalGas uses these documents as the basis of its proposed Contract at the start of negotiations.

#### **3.2. RFP Bidders' Conference**

On January 19, 2022, SoCalGas held an optional RFP Bidders Conference. [REDACTED] representatives attended. It was not clear from the attendance sheet what bidders they represented.

SoCalGas should ask attendees to identify what bidder they represent in future solicitations. Attendance at the bidders’ conference was optional. Invited bidders had ample time during the conference to ask questions. However, bidders did not ask any questions during the conference. After the conference, SoCalGas provided bidders two opportunities to provide written questions by January 25 and February 3, 2022. SoCalGas received seven questions covering various topics, including the availability of customer incentives in other programs, marketing support, IOU scoring, and appliance sales data. The IOU provided the IE an opportunity to review SoCalGas’ draft response to each question before releasing it to the bidders. The responses were complete and accurate. The IE recommended minor adjustments to a few draft responses, and SoCalGas accepted the IE’s recommendations. SoCalGas provided answers to bidders on all questions by February 8, 2022.

### 3.3. RFP Bidders’ Response

All invited bidders responded to the RFP. The table below summarizes the actual response to the RFP released by SoCalGas.

	Number
Proposals Expected	
Proposals Received	
Proposals Disqualified	

### 3.4. Proposal Selection Process

#### a. Bid Screening Process and Management of Deficient Bids

SoCalGas implemented a bid screening process that was generally consistent with the approach presented to bidders in the RFP package. The 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). All proposals passed the bid screening review.

As presented below, SoCalGas first evaluated the threshold assessment criteria (Items A, B, and C) on a pass/fail basis. SoCalGas only evaluated the bidder’s proposal if the submission received a “Pass” on the threshold assessment.

#### Threshold Assessment Criteria

- A. On-time submittal via PowerAdvocate
- B. Proposal responsiveness
- C. Bidder and proposed program are eligible if the bidder meets the RFP requirements and the proposal does not include the following:
  - Programs that are primarily resource-based;
  - Programs that are primarily based on behavioral measures;
  - Unproven new technologies, demonstration, pilot or “proof of concept” projects, R&D prototypes, or limited production technologies that cannot support an effective EE program;
  - Income Qualified energy efficiency programs;
  - Non-EE programs outside of and not related to AB793;
  - EM&V consulting services; and/or
  - Programs that overlap or duplicate the efforts of Regional Energy Networks.

**b. Scoring Rubric Design**

The scoring rubric design in Table 3.2 was included in the previous Semi-Annual Report (October 2020 through March 2021) as a reference.

Table 3.2: Scoring Rubric	
Category	
Program Design & Strategies	[REDACTED]
Costs & Energy Savings	[REDACTED]
Skills & Experience	[REDACTED]
Social Responsibilities	[REDACTED]

**c. Evaluation Team Profile**

The SoCalGas evaluation team roster is listed below. The team consisted of experienced subject matter experts drawn from the IOU’s staff. There were no conflicts of interest reported by SoCalGas or individual team members. SoCalGas held a group training session for the scoring team prior to evaluating the proposals. The training included a review of the solicitation schedule, RFP scope, RFP scoring process, calibration meeting objectives, and detailed scorecard review, including a detailed discussion of the scoring guides for each bidder question.

Table 3.3: IOU Evaluation Team
[REDACTED]

**d. Evaluation Processes and Scoring Calibration**

[REDACTED]

SoCalGas held an evaluator check-in meeting on March 11, 2022. Evaluators reported on the progress of their reviews. Evaluators completed their reviews on March 18, 2022.

SoCalGas held an evaluation team calibration meeting from March 23-24, 2022. The team addressed those scores with a two-point or greater deviation among individual scorers.

[REDACTED]

**e. *Shortlist and Final Selections***

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

**3.5. PRG and IE Feedback to Proposal Process and Selections**

**a. *Adherence to PRG Guidance and Feedback***

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

**b. *Response to IE Feedback***

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

**4. Contracting Process**

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

**5. Assessment of Final Contract**

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

**6. Overall Assessment of Solicitation**

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

**7. Implementation Plan Assessment**

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

# Energy Efficiency Independent Evaluators' Semi-Annual Report on the

## **LOCAL OUTREACH PROGRAM**

Reporting Period: October 2021 through March 2022

*Prepared by:*  
Apex Analytics, LLC



**Disclaimer: This Report includes sensitive and confidential information.**

# Local Outreach Program

## 1. Solicitation Overview

This Report covers the activities associated with the Local Outreach Program solicitation for the period of October 2021 through March 2022. During this period, SoCalGas completed the RFP scoring, shortlist, and completed negotiations with the chosen bidder. The IE monitored and independently scored the bids, monitored the short list discussions and Contract negotiations, and then reviewed the Contract.

### 1.1. Overview

The objective of this solicitation is for the EE industry to collaborate with SoCalGas in offering an innovative and cost-efficient program for conducting an outreach program to increase participation in SoCalGas' EE programs with a focus on DACs and HTR communities by addressing segment barriers and drivers identified in SoCalGas' business plan.<sup>29</sup>

#### a. Scope

This solicitation encourages bidders to target both residential and commercial customers to expand program awareness and improve participation through comprehensive tactics which may include but are not limited to:

- Collaborating with key pertinent stakeholders on EE to enhance and develop EE outreach approaches with a focus on DACs and HTR communities.
- Providing assistance to customers in HTR markets by offering services to help this targeted segment overcome traditional barriers to completing building energy upgrades.
- Partnering with local small business organizations and community-based organizations.
- Promoting existing workforce education and training efforts that support underserved Disadvantaged Workers (DAW) and SBEs.
- Promoting existing efforts to introduce career pathways and enrichment to HTR workers and those in identified DACs.
- Providing energy assessments and other forms of technical assistance to customers and market actors in DACs and HTR communities.
- Leveraging available financing options to connect programs to fund project co-pays (e.g., 0% On-Bill Financing, private sector financing etc.).
- Leveraging available RENs.
- Coordinating with other entities with programs, such as Municipal Utilities and Water Agencies where customers that are dually served by both an IOU and a Municipal Utility.
- Collaborating with non-governmental organizations.

#### b. Objectives

The objective of this solicitation is to seek qualified Bidders to propose, design, implement and deliver an innovative Outreach program(s) to encourage customers in DACs and HTR communities to participate in SoCalGas' portfolio of EE programs.

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<sup>29</sup> [https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas\\_Business\\_Plan-1.17.17-FINAL.PDF](https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas_Business_Plan-1.17.17-FINAL.PDF)

## 1.2. Timing

The Outreach solicitation is generally on schedule as planned. The Outreach RFA was released in May 2021 and the RFP was released in September 2021, with an anticipated program launch in the second to third quarters of 2022. RFA screening, scoring, and calibrating all occurred in July 2021 with a RFA Shortlist released on July 30, 2021. The RFP development took place in August 2021 and September 2021 with the RFP launch on September 27. Table 1.1 outlines key milestones for this solicitation.

Table 1.1: Key Milestones		
Milestones	Completion Date	Weeks to Complete
<b>RFA Stage</b>		
Solicitation Launch	May 21, 2021	11.5 weeks
Bidders' Conference	May 26, 2021	
Offer Submittal Deadline	June 25, 2021	
RFA Shortlist to PRG	July 30, 2021	
Shortlisting Notification	August 10, 2021	
<b>RFP</b>		
Solicitation Launch	September 17, 2021	12.5 weeks
Bidders' Conference	September 22, 2021	
Offer Submittal Deadline	October 29, 2021	
RFP Shortlist to PRG	December 3, 2021	
Shortlisting Notification	December 14, 2021	
<b>Selections &amp; Contracting Stage</b>		
Contracting and Negotiations Period	January 21–March 31, 2022	14 weeks*
Contracts Presented to PRG	April 1, 2022	
Contract Execution	April 29, 2022*	

\* Expected

## 1.3. Key Observations

The solicitation process from RFP scoring through contracting has been transparent and well-managed by SoCalGas. SoCalGas allowed for IE input into every step of the process and integrated feedback where relevant. Table 1.2 outlines key issues and observations during this period.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
<b>RFP Stage</b>			
<b>Project End-to-End Processes</b>	Bidders misunderstood the question on end-to-end project processes and all of them provided an answer about program (not project) processes.	The IE recommends reconsidering the usefulness of this scoring metric, especially for a non-resource program and, if determined useful, to clarify by example or further explanation what is needed.	New recommendation.
<b>KPIs</b>	The question and workbook about proposed KPIs were unclear that the RFP requested actual values of the KPIs. Bidders proposed KPI items but	The IE recommends adding another column to the worksheet specifying “KPI goal values” and provide an example of how the spreadsheet should be completed for one KPI.	New recommendation.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
	didn't specify the actual goals.		
<b>Contracting</b>			
<b>Contract Template</b>	The initial draft contained many of the traditional terms for resource programs.	The IE recommended modifications for clarity and removal of RFP elements focused on resource type program. The IE recommends that SoCalGas update the template to remove non-applicable clauses prior to negotiations to improve Contract clarity.	SoCalGas incorporated all the suggested changes for this solicitation. The IE recommended updating the template prior to the RFP and prior to negotiations, but SoCalGas did not implement.
<b>Balanced Risk</b>	While the IE does not conduct a legal review, we noticed that some terms appear to be more favorable to SoCalGas. For example, the IE has recommended and SoCalGas accepted to change the [REDACTED] reviewed in the past two years.	SoCalGas should conduct a legal review of Contract templates to achieve more balanced risk.	This has been recommended before and SoCalGas has chosen not to implement. While it doesn't appear to significantly deter bidders, it may be a greater burden on small bidders without legal resources.

## 2. RFA Bidder Response and Selections

This section was addressed in the previous Semi-Annual Report.

## 3. RFP Bidder Response and Selections

### 3.1. RFP Development

This section was addressed in the previous Semi-Annual Report.

### 3.2. RFP Bidders' Conference

This section was addressed in the previous Semi-Annual Report.

### 3.3. Proposal Selection Process

#### a. Bid Screening Process and Management of Deficient Bids

For the RFP, SoCalGas performed a threshold assessment in which the Company evaluated abstracts to ensure bidders provided all required information and were eligible for scoring. Then, the SoCalGas supply team reviewed proposals to ensure they were eligible based on the minimum RFA requirements. The IE monitored the bid screening process conducted by SoCalGas. All the proposals passed the eligibility screening and the IE agreed with the analysis and outcome.



**b. Scoring Rubric Design**

SoCalGas’ evaluation criteria (scoring rubric) [REDACTED] for the RFP stage was generally consistent with CPUC direction and the Company’s approved Business and Solicitation Plans. Prior to issuance of the RFP, SoCalGas shared the scoring weights and scorecard with the IE for review and feedback. Table 3.1 details the scoring rubric design.

Table 3.1: Scoring Rubric	
Category	
Social Responsibilities	[REDACTED]
Program Design & Strategy	[REDACTED]
Cost & Budget	[REDACTED]
Skills & Experience	[REDACTED]
[REDACTED]	[REDACTED]

**c. Evaluation Team Profile**

SoCalGas conducted scorer training for the RFP on October 19, 2021, which included detailed information on the scoring rubric, weights, and FAQs. The IE provided input into the scorer training materials and attended the session. The scoring training was well attended and was useful for discussing scoring approaches and aligning expectations across the organization. The training provided helpful overviews of general processes and each scorecard item. In addition, SoCalGas requested that reviewers attest there was no Conflict of Interest related to performing their evaluation responsibilities; there were no conflicts of interest reported by scorers. Table 3.2 provides information about the scoring team. The SoCalGas scoring team included [REDACTED] included the appropriate subject matter expertise to score the proposals. Position titles, roles, and areas scored are listed in Table 3.2.

Table 3.2: IOU Evaluation Team	
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

**d. Evaluation Processes and Scoring Calibration**

The SoCalGas process for scoring includes individual scores of each bid for each scorecard item and

an in-person calibration meeting to discuss scores of deviance. [REDACTED]

[REDACTED] The IE conducted shadow scoring of bids, shared those scores with SoCalGas, and attended the scoring calibration meeting. The scoring calibration session was effectively managed, and the scoring team was engaged and willing to adjust scores based on discussions among the group.

Initially, [REDACTED]

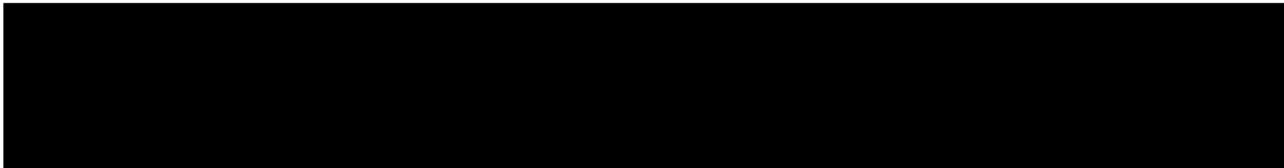
[REDACTED] The discussion among scorers was respectful and balanced; scorers discussed the merits of the proposals without obvious bias and were open to adjusting their scores after feedback from other scorers. [REDACTED]

[REDACTED] IE scores were within the range of final individual scores for all bids and metrics. [REDACTED]

[REDACTED]

The RFP scorecard worked relatively well, however certain areas of the score card and related RFP questions could be improved. Topics to address in the future include:

**e. Shortlist and Final Selections**



**3.4. PRG and IE Feedback to Proposal Process and Selections**

**a. Adherence to PRG Guidance and Feedback**

Generally, PRG checklists for solicitation documents showed that SoCalGas followed the PRG Guidance document regarding solicitation materials. SoCalGas followed PRG guidance. No PRG feedback was received for the RFP process.

**b. Response to IE Feedback**

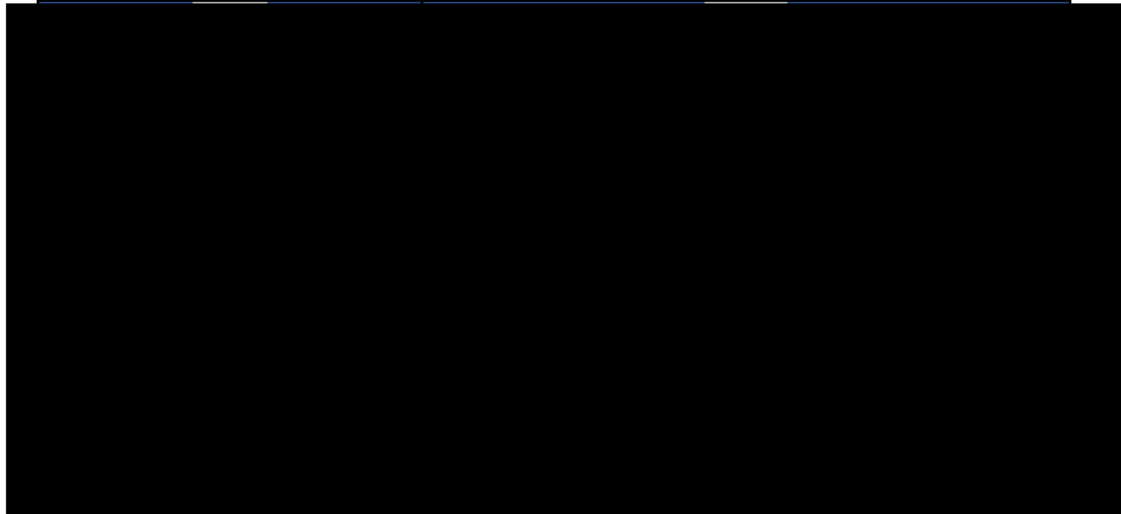
SoCalGas considered IE feedback throughout the RFP scoring process, and SoCalGas was responsive in all cases to IE input.

**4. Contracting Process**

**4.1. Contract Negotiations**

SoCalGas provided the bidder a draft Contract based on its template on January 21, 2022. While the Contract template was designed for a traditional incentive/measure installation program, the bidder had very few objections to the terms and conditions and the contracting process was relatively smooth. After negotiations, the IE made numerous comments to eliminate or flag terms that would not be applicable to the program of which both SoCalGas and the bidder agreed. Table 4.1 summarizes the key terms of the Contract.

Table 4.1 Contract Summary



**a. Collaboration on Final Program Design and Scope**

The [redacted] design did not change substantially from what was proposed. We believe the collaboration with both bidders met the CPUC’s definition of a third-party program per OPN 10 of Decision 16-08-019: “the program must be proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility program administrator.” Conclusions of Law 57 from the same Order clarifies that “utilities may consult and collaborate, using their

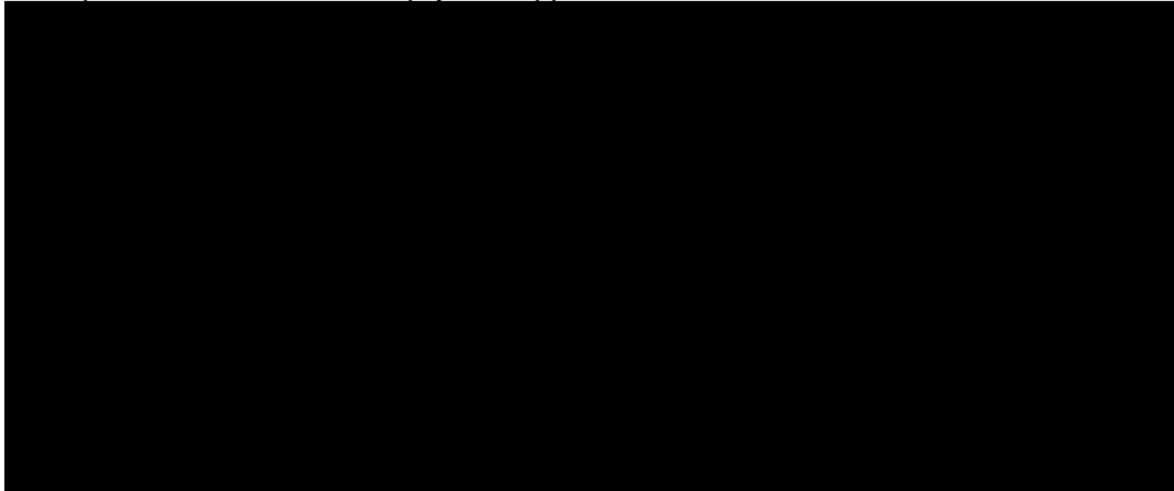
expertise, on the ultimate program design implemented by the third party.” The collaboration and consultation between [REDACTED] did not result in a violation of the requirement that the program be designed by the third party.

**b. Fairness of Negotiations**

The Contract negotiations between SoCalGas [REDACTED] transparent, and effectively run. Contract negotiations occurred over a nine-week period. SoCalGas used a Contract mark-up for ease of tracking information and met multiple times with the bidder.

**c. Changes to Contract Terms and Conditions**

The final Contract included changes made in the following Contract sections to accommodate the IE comments discussed above and the specific payment terms and deliverables associated with the fixed-fee-per-deliverable structured payment approach.



**d. Conformance with CPUC Policies and Objectives**

Table 4.2 provides a summary of the way elements of the program align with CPUC Policies and Objectives.

Table 4.2: Contract to Guidance Comparison	
PRG Guidance and Other Considerations	IE Comment
IOU should develop standard contract template. (PRG Guidance on Contracting, Section 6.1.1)	Confirmed. SoCalGas developed Contract template and received review from PRG.
Contract must include all CPUC standard (non-modifiable) contract terms in the contract. (6.1.2)	Confirmed. Final Contract includes all CPUC standard (non-modifiable) Contract terms.
Contract includes CPUC modifiable contract terms as a starting point. (6.1.3)	Confirmed. [REDACTED]
Other aspects of the contract template do not conflict with CPUC terms and conditions, policies, decisions or direction. (6.1.4/5)	Confirmed. IE reviewed the Contract in entirety for conflicts.

Table 4.2: Contract to Guidance Comparison	
PRG Guidance and Other Considerations	IE Comment
IE pool reviews standard contract template and provides comment. (6.1.6)	Confirmed. IE pool reviewed Contract template.
IOU must present its contracting negotiation process to the IE/PRG for review. (6.2.1)	Confirmed. IE was informed of the IOU process and approach to Contract.
IEs should monitor all bidder communications during the negotiation process. (6.2.2)	Confirmed. IE was included in all bidder communications and invited to all meetings.
IOU should explain its contracting process to selected bidders. (6.2.3)	Confirmed. The IOU met with the bidder early in the process to explain the contracting process.
Prior to execution, the assigned IE and PRG should review final contracts for each program recommended for award. (6.3.1)	Confirmed, the IE reviewed the final Contract on 3/31/2022.
Reasonable number of KPIs.	Confirmed. [REDACTED]
KPIs make sense in terms of measuring, scale, timeframe.	Confirmed. IE provided comments on the initial draft to ensure Company, and Contractor ensured that KPI metrics were clearly specified in the KPI table.
Contract includes appropriate performance issue remedies.	Confirmed. [REDACTED]
Contract clearly addresses Support Services.	Confirmed. [REDACTED]
Innovative aspects of program are retained.	The original program design of the proposal was retained.
If applicable, IDSM components are included.	NA
If applicable, program considerations for HTR and DAC are incorporated.	NA
Changes proposed by SoCalGas and Contractor were reasonable and fair.	Confirmed. Very few changes were discussed by SoCalGas and Contractor, but the IE made 37 recommendations to ensure Contract applicability to the Outreach program which were all accepted by SoCalGas and Contractor.

**e. Incentive Design**

As this program is outreach only, incentive design is not applicable.

**f. Innovative Program Features**

This program includes the following innovative aspects.

- Engaging wholesalers who sell energy-efficient equipment to contractors in DAC/HTR areas.
- Partnering with trade associations, food service organizations, local governments, water

districts, municipalities, and wholesalers.

- Developing multi-lingual initiatives that communicate in English, Chinese, Spanish, Korean, or Vietnamese to address language barriers.

**g. Uniformity of Contract Changes**

SoCalGas started with the same Contract template as it does for all contracts and made very few changes. The IE recommended changes similar to those in the Behavioral Program contracts that also do not involve incentives or installations.

**4.2. Contract Execution**

As the Contract is not executed as of the timing of this Semi-Annual Report, this section will be covered in a future Semi-Annual Report.

**4.3. PRG and IE Feedback to Contracting**

As the Contract is not executed as of the timing of this Semi-Annual Report, this section will be covered in a future Semi-Annual Report.

**5. Assessment of Final Contract**

As the Contract is not executed as of the timing of this Semi-Annual Report, this section will be covered in a future Semi-Annual Report.

**6. Overall Assessment of Solicitation**

As the Contract is not executed as of the timing of this Semi-Annual Report, this section will be covered in a future Semi-Annual Report.

**7. Implementation Plan Assessment**

As the Contract is not executed as of the timing of this Semi-Annual Report, this section will be covered in a future Semi-Annual Report.

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

## **LOCAL MULTIFAMILY WHOLE BUILDING**

Reporting Period: October 2021 through March 2022

*Prepared by:*  
Apex Analytics LLC.



**Disclaimer: This Report includes sensitive and confidential information.**

# Local Multifamily Whole Building

## 1. Solicitation Overview

This Report covers the activities associated with the Local Multifamily Whole Building (MF Whole Building) solicitation for the period from October 2021 through March 2022. During this period, SoCalGas issued the RFA and held the Bidder webinar; the IE (Apex) monitored all steps in this process, reviewed, and provided feedback.

### 1.1. Overview

The purpose of the MF Whole Building solicitation is to invite bidders to develop innovative, resource-based program ideas and solutions to address specific segment barriers, resulting in more comprehensive and deeper, longer-term sustained energy savings innovative.<sup>30</sup> The solicitation is based on the needs and strategies provided in SoCalGas' Business Plan as a tactic to achieve deeper EE savings. One of SoCalGas' portfolio goals is to achieve, at a minimum, 60 percent third-party programs by the year 2022. Working towards this goal, the MF Whole Building solicitation is for third-party Program Implementers to design and implement innovative programs that deliver EE savings.

This solicitation was designed to work in collaboration with other SoCalGas and Statewide multifamily EE programs such as no-cost direct install, appliance rebates, ESA<sup>31</sup>, financing, whole building incentives, etc.<sup>32</sup> Therefore, the solicitation defines that Bidders would be required to collaborate with other programs and be knowledgeable about all multifamily EE programs and to inform and educate potential participants of all program options so customers can select the program/service(s) best-suited for their needs.

#### a. Scope

In the SoCalGas territory, the multifamily customer segment represents 1.8M units and almost 30% of residential energy consumption across SoCalGas territory. The MF Whole Building program will be open to property owners and/or managers of existing multifamily construction with two or more units and may include the common area of Home-Owners Associations. Multifamily properties in the territory are diverse and vary by many characteristics, including but not limited to, energy consumption, type of building construction, age of building, climate zone, metering configuration among other factors.

The budget of this solicitation is expected to be between \$6,000,000 and \$8,000,000 per year for 2023–2027. The program is expected to serve predominately market rate properties, yet also be able to serve properties that are affordable or low-income housing, that either do not meet the Multifamily ESA program requirements or properties that opt not to participate in Multifamily ESA.

This solicitation encourages the exploration of all relevant implementation tactics to produce a cost-

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<sup>30</sup> See SoCalGas Business Plan, Pg. 244 (Public Sector Vision) & Pg. 256-258 (Public Sector Energy Usage), available at [https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas\\_Business\\_Plan-1.17.17-FINAL.PDF](https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas_Business_Plan-1.17.17-FINAL.PDF).

<sup>31</sup> For information on the SoCalGas Energy Savings Assistance Program visit <https://www.socalgas.com/save-money-and-energy/assistance-programs/energy-savings-assistance-program>

<sup>32</sup> A listing of current SoCalGas Multifamily Programs <https://www.socalgas.com/for-your-business/energy-savings/multi-family-savings>. A listing of current statewide program implementation plans is provided in CPUC's Cedars website <https://cedars.sound-data.com/programs/list/>



effective program to maximize natural gas, electric, and water efficiency savings for multifamily customers. The RFA suggested Whole Building retrofit tactics such as: adopting EE natural gas savings measures; bundling equipment or technology solutions to make high-cost projects more accessible, including innovative and new technology/equipment; reaching all types of eligible Multifamily properties including those in DAC and HTR communities; delivering technical assistance and project management throughout the lifecycle of projects; leveraging available financing options; establishing an industry network that will help cross promote the program across various marketing and outreach channels; partnering with local contractors and vendors; and providing EE education for customers.

Bidders were encouraged to target specific customers based on criteria such as, but not limited to, specific climate zones, income levels, building configuration, varying types of water heating/space heating systems, HTR status, and members of DACs.

**b. Objectives**

The objective of this solicitation is to achieve more comprehensive, property wide/whole building, long-term energy savings. SoCalGas is seeking innovative programs that will assist SoCalGas in achieving portfolio and sector-level metrics related to the residential multifamily customer segment, as well engaging and securing participation from DAC and HTR customers.

**1.2. Timing**

The MF Whole Building RFA was released in March 2022 with an anticipated program launch in the first quarter of 2022. During this reporting period, SoCalGas developed the RFA, updated the RFA based on PRG input, issued the RFA and held the bidder’s conference. Key milestones associated with the solicitation are shown in Table 1.1.

Table 1.1: Key Milestones		
Milestones	Completion Date	Weeks to Complete
<b>RFA Stage</b>		
Solicitation Launch	March 24, 2022	12 weeks*
Bidders’ Conference	March 31, 2022	
Offer Submittal Deadline	April 29, 2022*	
RFA Shortlist to PRG	June 2, 2022*	
Shortlisting Notification	June 2022*	
<b>RFP Stage</b>		
Solicitation Launch	July 2022*	12 weeks*
Bidders Conference	July 2022*	
Offer Submittal Deadline	August 2022*	
RFP Shortlist to PRG	September 2022*	
Shortlisting Notification	September 2022*	
<b>Selections &amp; Contracting Stage</b>		
Contracting and Negotiations Period	October 2022*	12 weeks*
Contracts Presented to PRG	December 2022*	
Contract Execution	December 2022*	

\* Expected timeline

### 1.3 Key Observations

Table 1.2 represents key IE issues, observations, and outcomes, where applicable, from the assigned IE for the Local solicitation.

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/ Response)
Related Programs in the Field	The MF Whole Building Program must work in a complex field of interrelated programs. SoCalGas added language and clarity into the RFA based on IE and PRG feedback. Yet, it seems that more thought and clarity can be developed, especially given that this may become more prevalent as third-party programs become more widespread.	SoCalGas should add additional detail on potentially overlapping programs and the Bidder’s responsibilities related to that interaction and SoCalGas’ role in the connection among third-party programs.	NA, new recommendation.

## 2. RFA Bidder Response and Selections

### 2.1. RFA Development

The solicitation design met SoCalGas’ intention to procure resource-based programs targeted at the Multifamily sector, consistent with the CPUC-approved Business Plan and Solicitation Plan. The solicitation requested that bidders propose programs that would help achieve SoCalGas’ savings goals and applicable portfolio and sector-level metrics as incorporated into the IOU’s Annual Budget Advice Letter.

SoCalGas developed the RFA based on recent templates for RFAs and the Business Plan on multifamily. The IE reviewed the RFA templates and generally found them to be high quality and clear. The IE recommended multiple changes to the SOW and other RFA documents; SoCalGas accepted IE recommendations and addressed relevant comments. Some recommended changes included:

- Clarify proof of strategic partner agreement; SoCalGas defined it as “upon request”.
- Add more specifics in the SOW, including clarity on multifamily target areas, customer targets (i.e., property managers/owners), definition of whole building, number of meters.
- Add clarity on interaction between this program and other Multifamily programs.
- Update scoring criteria to be consistent with more recent scorecards, with the quality assessment first then the detail assessment, including clarity on “and” and “or”.
- Split HTR/DAC question and scoring from that of general outreach to ensure sufficient focus on HTR/DAC and to avoid situation where goals requirements for HTR/DAC constrain the scoring of outreach. SoCalGas has separate 5% scoring on HTR/DAC and reduced program processes/milestones to adjust.
- For the RFA, remove scoring of success metric within bidder experience to avoid

situation where goals requirements for success metric constrain the scoring of experience. For the RFP, split success metric into a separate question.

After the PRG meeting and PRG review of the template, PRG members voiced multiple concerns regarding the RFA with a particular emphasis on interaction between this MF Whole Building program and the Southern Utilities Multifamily Energy Savings Assistance Program. Based on these concerns (see list in subsequent section), the PRG requested that SoCalGas hold the release of the solicitation until PRG members and SoCalGas could meet to discuss the concerns.

Based on this meeting, SoCalGas made multiple changes to the RFA Main document, shared those changes with the IE. The IE provided edits and feedback. The RFA changes included:

- Removal of the eligibility requirement: “Multifamily property owner/manager must agree to leave measures in place for the life of the measure if possible.”
- Required coordination between the SoCalGas Residential MF Whole Building Program and the Southern California Multifamily Energy Savings Assistance Program. Based on the discussion, SoCalGas provided additional information in the RFA on how the programs will interact and how SoCalGas will be “centralized point-of-contact” for coordination support. The RFA also specified that the selected program implementer(s) will be required to collaborate with other multifamily programs on an ongoing basis as part of their program implementation and delivery.
- Required coordination between Anticipated Program Launch in the RFA with other Multifamily programs including, but not limited to the Southern California Multifamily Energy Savings Assistance Program.

After these adjustments, PRG members did not have further comments and the solicitation was released on March 25.

## 2.2. RFA Outreach

Bidders were informed about solicitation opportunities through three main sources. SoCalGas used Proposal Evaluation & Proposal Management Application (PEPMA) to notify bidders regarding the solicitation. Contractors registered in PEPMA received emails informing them of the solicitation opportunity. SoCalGas also communicated with potential bidders through its Solicitation Website and CAEECC web site. SoCalGas also posted the RFA to PowerAdvocate Events Portal and sent an email to Service List R.13-11-005.

SoCalGas’ outreach approach using PEPMA, supplemented with additional communications, is fair, transparent, and equitable. SoCalGas led the solicitation outreach without IE involvement. We tracked the progress of the outreach efforts based on abstracts and proposals received, as well as questions from bidders.

## 2.3. RFA Bidders’ Conference

The Bidders’ Conference was held on March 31, 2022. The following table provides information on the Bidders’ Conference.

Table 2.1: Bidders’ Conferences	
RFP Bidders Conference Date	March 31, 2022
No. of Attendees (via Teams)	14 attendees
No. of Q&A Received	9 total: 6 during webinar, 3 afterward

## **2.4. RFA Bidders Response**

As of drafting this Semi-Annual Report, 58 bidders registered for the solicitation and 19 accessed RFA documents. SoCalGas projects 4-6 bidders to respond to the solicitation.

## **2.5. Abstract Selection Process**

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

## **2.6. PRG and IE Feedback to Abstract Process and Selections**

As noted in Section 2.1 above, the PRG provided feedback during the RFA development process, with multiple PRG members requesting a delay to the issuance of the RFA until the concerns could be resolved. PRG concerns included:

- Potential conflicts between this program and the ESA Southern MFWB program, a program administered by SDG&E that will provide both electric and natural gas savings.
- Concern regarding RFA language that requests measures to remain in place for the life of the measure, which could lock in natural gas measures for many years when there may be more efficient alternatives.
- Concern of conflict between this solicitation and the Commission's and state's climate goals. Additionally, the Sierra Club's Motion to Prohibit Energy Efficiency Funding for Non-Cost-Effective Gas Appliance Incentive Measures was noted as pending.

As noted above, PRG members, SoCalGas and the IE met to discuss the concerns and SoCalGas adjusted the RFA. After these adjustments, PRG members did not have further comments and the solicitation was released on March 25.

## **3. RFP Bidder Response and Selections**

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

## **4. Contracting Process**

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

## **5. Assessment of Final Contract**

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

## **6. Overall Assessment of Solicitation**

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

## **7. Implementation Plan Assessment**

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

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

**ENERGY ADVISOR PROGRAM**

Reporting Period: October 2021 through March 2022

*Prepared by:*  
MCR Corporate Services



**Disclaimer: This Report includes sensitive and confidential information.**

# Energy Advisor Program

## 1. Solicitation Overview

### 1.1. Overview

This solicitation is for qualified bidders to propose, design, and implement a fresh, updated, innovative non-resource Energy Advisor Program directed at the commercial, industrial, and agricultural sectors.

#### a. Scope

Per Decision (D.)18-01-004, the CPUC typically requires the IOUs to conduct a two-stage solicitation approach for soliciting third-party program design and implementation services as part of the EE portfolio. The two-stage approach begins with a RFA stage, followed by a full RFP stage. D.18-01-004 also allows for one-stage solicitations if there is a specific schedule-related reason only one stage is possible. In this case, SoCalGas requested a one-stage solicitation because it sought to begin the Energy Advisor Program with IP development before the end of 2022. Therefore, the HERS Rater Training Program solicitation will consist of only an RFP.

The successful bidder will implement the Energy Advisor Program throughout the SoCalGas service territory. Training sessions will start in 2023 and continue through 2025.

#### b. Objectives

The objective of the Energy Advisor Program is to support customer education and participation in EE and DSM opportunities and benefits by delivering energy assessments/audits to create awareness of products, services, programs and/or software. Audits and education activities shall address and encourage customers to take part in energy efficiency decarbonization and water conservation activities. The Energy Advisor Program is intended to benefit SoCalGas' energy efficiency portfolio by:

- Conduct analysis of customers' needs through an assessment/audit to identify cost/benefit opportunities, suitable program support, possible energy savings, and key indicators that will motivate customers to implement energy savings recommendations.
- Provide education and support for customers, to develop knowledge and dexterity to identify available EE resources, notice opportunities for energy savings and participate in various programs within the commercial, industrial, and agricultural segments.
- Drive eligible customers to participate in SoCalGas' non-residential EE program offerings and implement methodologies to encourage customer participation in EE programs or facilitate behavioral changes after the initial customer touchpoint.
- Support customers with technical energy efficiency information and tailored advice in adopting EE technologies and services. Approach will account for customers' specific priorities, schedules, financial situation, accessibility, and savings potential.

### 1.2. Timing

Key milestones associated with the Energy Advisor Program solicitation are shown in Table 1.1. Note that, as of the end of this Semi-Annual Report reporting period, this solicitation was still in the RFP development stage. The dates shown in Table 1.1, therefore, are planned.

Milestones	Planned Completion Date	Weeks to Complete
<b>RFP Stage</b>		
Solicitation Launch	June 15, 2022	8 weeks
Bidders Conference	June 22, 2022	
Offer Submittal Deadline	July 8, 2022	
RFP Shortlist to PRG	August 2, 2022	
Shortlisting Notification	August 9, 2022	
<b>Selections &amp; Contracting Stage</b>		
Contracting and Negotiations Period	August 22–September 16, 2022	10 weeks
Contracts Presented to PRG	October 4, 2022	
Contract Execution	October 17–28, 2022	

As of the end of the reporting period on March 31, 2022, the Energy Advisor Program solicitation had advanced through development and review of the SOW.

### 1.3. Key Observations

Table 1.2 lists a key IE issues observation, and recommendation from the IE’s review of the Energy Advisor Program SOW to date. The SOW is still in development, so SoCalGas has not yet responded to the IE’s recommendation.

Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
Statement of Work	Program will support AB 1103 mandate. There are two bills with the same number— commercial building energy consumption (2007) or agricultural land (2021).	Be specific, since there are two bills with the same number.	N/A

### 2. RFA Bidder Response and Selections

This stage of the SoCalGas Energy Advisor Program solicitation has not yet occurred; future Semi-Annual Reports will address this topic.

### 3. RFP Bidder Response and Selections

This stage of the SoCalGas Energy Advisor Program solicitation has not yet occurred; future Semi-Annual Reports will address this topic.

### 4. Contracting Process

This stage of the SoCalGas Energy Advisor Program solicitation has not yet occurred; future Semi-Annual Reports will address this topic.

### 5. Assessment of Final Contract

This stage of the SoCalGas Energy Advisor Program solicitation has not yet occurred; future Semi-Annual Reports will address this topic.

## **6. Overall Assessment of Solicitation**

This stage of the SoCalGas Energy Advisor Program solicitation has not yet occurred; future Semi-Annual Reports will address this topic.

## **7. Implementation Plan Assessment**

This stage of the SoCalGas Energy Advisor Program solicitation has not yet occurred; future Semi-Annual Reports will address this topic.



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

**HERS RATER TRAINING PROGRAM**

Reporting Period: October 2021 through March 2022

*Prepared by:*  
MCR Corporate Services



**Disclaimer: This Report includes sensitive and confidential information.**

# HERS Rater Training Program

## 1. Solicitation Overview

### 1.1. Overview

This solicitation is for qualified training providers with the resources to offer a comprehensive Home Energy Rating System (HERS) Rater Training Program. Certified HERS Raters (Raters) are persons trained and certified by an accredited provider to inspect and evaluate a home's energy features, prepare a home energy rating, and make recommendations to homeowners for improvements for how to reduce energy use. Raters often work with local building departments to verify contractor work and provide official documentation to city inspectors.

#### a. Scope

Per Decision (D.)18-01-004, CPUC typically requires the IOUs to conduct a two-stage solicitation approach for soliciting third-party program design and implementation services as part of the EE portfolio. The two-stage approach begins with a RFA stage, followed by a full RFP stage. D.18-01-004 also allows for one-stage solicitations if there is a specific schedule-related reason only one stage is possible. In this case, SoCalGas requested a one-stage solicitation because it sought to begin the HERS Rater Training Program with Implementation Plan development in the last quarter of 2022. Therefore, the HERS Rater Training Program solicitation will consist of only an RFP.

The successful bidder will implement the HERS Rater Training Program throughout the SoCalGas service territory. Training sessions will start in 2023 and continue through 2025.

#### b. Objectives

SoCalGas is particularly interested in outreach to prospective candidates who reside or perform work in designated DACs. The successful bidder should incorporate references to EE programs that generate leads on customers who might benefit from the services of a Rater.

The HERS Program is intended to benefit the SoCalGas EE portfolio by:

- Increasing the subject matter knowledge of Raters.
- Training Raters in new technology and design approaches so they can properly and consistently model and verify energy impacts.
- Ensuring that Raters are aware of applicable utility and state incentive programs for builders and contractors who exceed minimum code requirements.
- Presenting courses and topics that encompass the various areas of building science and construction that affect building EE.
- Supporting and supplementing SoCalGas' efforts in Workforce Education and Training (WET) to increase the capability of qualified workers and provide a workforce pathway for disadvantaged workers.

### 1.2. Timing

Key milestones associated with the HERS Rater Training Program solicitation are shown in Table 1.1. Note that, as of the end of this Semi-Annual Report reporting period, this solicitation was still in the RFP development stage. The dates shown in Table 1.1, therefore, are planned.

Table 1.1: Key Milestones		
Milestones	Planned Completion Date	Weeks to Complete
<b>RFP Stage</b>		
Solicitation Launch	May 13, 2022	9 weeks
Bidders Conference	May 18, 2022	
Offer Submittal Deadline	June 10, 2022	
RFP Shortlist to PRG	July 5, 2022	
Shortlisting Notification	July 12, 2022	
<b>Selections &amp; Contracting Stage</b>		
Contracting and Negotiations Period	July 25-August 19, 2022	9 weeks
Contracts Presented to PRG	September 6, 2022	
Contract Execution	September 19-30, 2022	

As of the end of the reporting period on March 31, 2022, the HERS Rater Training Program solicitation and advanced through development and review of the SOW.

### 1.3. Key Observations

Table 1.2 lists the key IE issues, observations, and recommendation from the IE’s review of the HERS Rater Training Program SOW to date. The IE’s overall recommendation to SoCalGas for the SOW was to be more specific about the solicitation and what it was looking for from bidders, which SoCalGas accomplished by rewriting much of the SOW.

Table 1.2: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
SOW	Why is SoCalGas looking for HERS Rater Trainers when there are already organizations within the State that do this training (e.g., RESNET, CalCERTS, CHEERS, etc.) or are they, and organizations like them, the target of this solicitation?	In terms of scope, be more specific about the solicitation and what SoCalGas is looking for from bidders.	SoCalGas reworded much of the SOW to make its intent and scope clearer.
	Does SoCalGas expect the bidder to provide this training free-of-charge to the trainee or will the trainee pay all or part of the costs?		
	Should the training be limited to residential buildings, or can it include non-residential building training?		

### 2. RFA Bidder Response and Selections

This stage of the SoCalGas HERS Rater Training Program solicitation has not yet occurred; future Semi-Annual Reports will address this topic.

### 3. RFP Bidder Response and Selections

This stage of the SoCalGas HERS Rater Training Program solicitation has not yet occurred; future Semi-Annual Reports will address this topic.

#### **4. Contracting Process**

This stage of the SoCalGas HERS Rater Training Program solicitation has not yet occurred; future Semi-Annual Reports will address this topic.

#### **5. Assessment of Final Contract**

This stage of the SoCalGas HERS Rater Training Program solicitation has not yet occurred; future Semi-Annual Reports will address this topic.

#### **6. Overall Assessment of Solicitation**

This stage of the SoCalGas HERS Rater Training Program solicitation has not yet occurred; future Semi-Annual Reports will address this topic.

#### **7. Implementation Plan Assessment**

This stage of the SoCalGas HERS Rater Training Program solicitation has not yet occurred; future Semi-Annual Reports will address this topic.