REQUEST FOR ABSTRACTS

Seeking third-party designed, proposed, and implemented statewide State of California resource energy efficiency programs.

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PG&E Bid Event Coordinator
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SECTION 1: INTRODUCTION

A. BACKGROUND

California is now the fifth largest economy in the world\(^1\) and is a national and international leader in climate policy, so achieving California’s energy and climate goals is critical to mitigating the worst impacts of climate change. Energy Efficiency (EE) in California’s state-owned and operated buildings is a key success factor to achieving these goals. In addition to direct reductions at the power plant, energy efficiency reduces the investment required to decarbonize buildings and, more generally, reduces the cost of renewables needed to achieve energy and climate goals compared to business as usual.

California has adopted ambitious energy and Greenhouse Gas (GHG) policy goals in North America. Third Party (3P) implementers can help the Investor Owned Utilities (IOUs) realize our state’s policy goals by providing State of California programs to encourage energy-efficient design and influence State Agencies to operate more efficient, low-emissions buildings throughout the state. Through the effective use of incentives and other program support activities, State of California programs can promote projects which support deep decarbonization through energy efficiency. In turn, these will generate cost-effective customer energy savings.

On October 8, 2018, the Intergovernmental Panel on Climate Change (IPCC) published the Special Report on Global Warming of 1.5 °C (SR15)\(^2\). SR15 modelling shows that, "Global net human-caused emissions of carbon dioxide (CO\(_2\)) would need to fall by about 45 percent from 2010 levels by 2030, reaching 'net zero' around 2050." The reduction of emissions by 2030 and its associated changes and challenges, including rapid decarbonization, is a key focus of the report and has motivated various policy proposals around the world.\(^3\)

California has numerous energy and climate policy goals aligned with IPCC goals that are embodied in legislation and other policy documents including, but not limited to, Assembly Bill (AB) 32 (2006), California EE Strategic Plan (2011) (Strategic Plan)\(^4\), Senate Bill (SB) 350 (2015), AB 197 (2016), SB 32 (2016), AB 398 (2017), SB 100 (2018), SB 1477 (2018), and AB 3232 (2019).

Major objectives of California’s policy goals include carbon reduction targets in 2020 equivalent to 1990 emissions levels (AB 32) and 40% below 1990 by 2030 (AB 398 and SB 32). Electricity sales objectives include 50% from renewable resources by 2030 (SB 350).

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and 100% by 2045 (AB 197 and SB 100). Further, SB 350 calls for a cumulative doubling of statewide EE savings in electricity and natural gas final end-uses by January 1, 2030.

**B. REGULATORY COMPLIANCE**

In Decision (D.) 16-08-019 – Decision Providing Guidance for Initial EE Rolling Portfolio Business Plan Filings, the Commission identified a list of programs to be administered statewide, including State of California programs. Abstracts should align with D.16-08-019 which laid out the basic structure of the requirements for statewide programs going forward, and D.18-05-041 – Decision Addressing EE Business Plans (the “BP Decision”), which outlines the Commission’s vision for State of California programs, and its rationale for assigning PG&E as the lead program administrator (“PA”) for the program(s).

In addition, the state recently adopted multiple goals, such as SB 1477, AB 3232, and Executive Order EOB55-18, focused on reducing GHG emissions to meet California’s ambitious state climate goals. All proposals must also align with these laws. This includes ensuring that program designs match the objective and requirements of these initiatives.

Bidders should be aware of and familiar with key regulatory rulings as they formulate program concepts and engage in preliminary program design. These topics will all be thoroughly reviewed in the RFP stage of the solicitation. A set of references has been compiled for bidders and can be found in the appendix of this document and in the “resources” section of the EE solicitations webpage (https://www.pge.com/eesolicitations).

**C. THIRD-PARTY PORTFOLIO AND STATEWIDE PROGRAMS**

Pursuant to D.18-05-041, Pacific Gas and Electric Company (“PG&E”) on behalf of the Statewide IOUs is seeking abstracts through this Request for Abstracts (“RFA”) from Third-Party (“3P”) EE Implementers (“Bidder(s)”) to design, propose, and implement statewide State of California program(s) (“3P Program”). 3P Programs resulting from this solicitation will contribute toward the Statewide IOUs’ 3P outsourcing milestones established by the CPUC in D.18-01-004 – Decision Addressing Third Party Solicitation Process for EE Programs (the “Solicitation Decision”) and Statewide IOUs’ outsourcing targets established in D. 16-08-019.

**D. RFA SOLICITATION OVERVIEW**

As directed by the CPUC, for this statewide solicitation a two-stage process will be used for soliciting third-party program designs: An RFA followed by a Request for Proposal (“RFP”). Depending on RFA responses, the utility serving as the statewide lead (in this case, PG&E) may publish a single consolidated RFP, multiple segment level RFPs, or any other combination, and one or more coordination RFPs which serve to consolidate common activities.

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6 Statewide IOUs and service territories include PG&E, SCE, SDG&E & SoCalGas.
After reviewing abstracts, selected RFA Bidders will be eligible to submit a full 3P Program proposal in response to a later RFP. Selected RFP Bidders may advance to contract negotiations and contract award. The CPUC has Standard and Modifiable Terms as set forth in D.18-10-008. During the Abstract development phase, Bidders should review and propose abstracts that are consistent with these terms.

Evaluation factors, scoring criteria and their weightings will vary depending upon the specific need of the solicitation. The following typical evaluation factors are provided here to illustrate what information will be required at each stage of the solicitation process.

### Typical RFA and RFP Evaluation Factors

<table>
<thead>
<tr>
<th>RFA Evaluation Factors</th>
<th>RFP Evaluation Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Eligibility Criteria</td>
<td>• Detailed Program Design Elements</td>
</tr>
<tr>
<td>• High Level Program Concept &amp; Feasibility</td>
<td>• Detailed Demonstration of Innovation</td>
</tr>
<tr>
<td>• Program Benefits (Resource and/or Non-Resource)</td>
<td>• Cost &amp; Cost Effectiveness</td>
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<tr>
<td>• Team Experience &amp; Qualifications</td>
<td>• Compliance with Regulatory Requirements</td>
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<tr>
<td>• Innovation</td>
<td>• Commercial Terms</td>
</tr>
<tr>
<td>• Compliance with submission requirements</td>
<td>• Supply Chain Responsibility</td>
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</table>

### Solicitation Purpose

PG&E is looking for innovative EE program(s) that achieve immediate and long-term, persistent, and comprehensive energy savings for California State Agencies, supporting the state’s goals to deliver significant decarbonization in its operations and facilities. These sustainability goals are outlined in Executive Order B-18-12, including a target of achieving zero-net energy in 50% of the square footage of existing state-owned building area by 2025. The following timeline outlines high-level sustainability goals and directives that have and continue to guide state agencies. For additional information and references, bidders should see Appendix D:

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7 Governor Brown’s Executive Order B-18-12: [https://green.ca.gov/Buildings/resources/executiveOrder/](https://green.ca.gov/Buildings/resources/executiveOrder/)
The energy efficiency program outcomes should also be considered in the broader context of California’s decarbonization and building-sector goals, as defined in SB 350, SB 100, SB 1477, and AB 3232. Proposed programs may target multiple or individual state agencies (e.g., California Department of Corrections and Rehabilitation or Department of General Services) but should address the wide variety of facility types owned and operated by state agencies.

Historically, programs involving California State Agencies have fallen under two categories:

- **California Department of Corrections and Rehabilitation (CDCR):** These projects are typically larger, multi-year engagements, bid to and implemented by Energy Services Companies (ESCOs).
• Department of General Services (DGS) and other State Agencies: These projects tend to range in size and type depending on the size of the facility, and have been a mix of ESCO implemented projects, bundled programs, turnkey on-bill financing, and direct install.

The IOUs wish to build on existing relationships with state agencies and departments to deliver cost-effective energy savings to state-owned and operated facilities and help State Agency facility managers increase their capacity to take action on energy efficiency projects.

**RFA Expectations**

Abstracts should reflect the urgency of meeting the state’s decarbonization goals through energy efficiency projects at its own facilities and include solutions for known market and industry barriers to State Agency customer participation. Abstracts should demonstrate the flexibility needed to address climate zones, varying agency procurement and budgeting constraints, and variety of facility types within the scope of the proposal. Abstracts may be enhanced by noting benefits such as grid reliability, GHG reduction, Integrated Demand Side Management, energy storage, and/or water efficiency, and reflect the policy principles described in CPUC Decision 18-05-041 (see pages 29-37, and Finding of Facts 3 and 9, and Conclusion of Law 9) on including EE /demand response (DR) integration opportunities that add very little cost (See iDSM summary in Section BB). Bidders may also consider the CPUC’s Decision 19-08-009 Modifying the Energy Efficiency Three-Prong Test Related to Fuel Substitution, as it relates to the ability to meet the objectives of this solicitation.

Bidders are encouraged to review the resources provided in Appendix D, which provide information on State Agencies, facilities, and California’s sustainability planning.
SECTION 2: State of California Scope & Requirements

Through this new statewide program model, the Statewide IOUs seek to take advantage of uniform opportunities across California’s state agencies within the Executive and Judicial Branch customers (State Agencies), prioritize easy program access to state agencies, and lower transaction costs. If the proposed program will overlap with other programs, Bidders should describe how they will ensure that program participants do not double dip.

PG&E is seeking and will only consider resource-based Abstracts that:

- Deliver immediate and long-term, persistent, comprehensive energy savings, demand reduction, and carbon emissions reduction results for California State Agencies, helping the agencies meet energy reduction and decarbonization targets.
- Address the challenges and opportunities unique to State Agencies, including the public procurement processes, through a set of innovative energy efficiency solutions, including innovative financing models.

Abstracts should contain resource activities that demonstrate support of electric and natural gas EE savings for State Agencies’ facilities operating within California four IOUs’ service territories.

E. IN-SCOPE PROGRAM ELEMENTS FOR THIS SOLICITATION

PG&E encourages a wide variety of approaches to meeting the outcomes and needs as outlined below in Figure 2.1. The Bidder is encouraged to design resource programs that meet one or more of these outcomes and needs. Bidders may identify other needs not included in the table below as long as they support at least one of the desired outcomes. PG&E encourages innovative program designs, especially those that help support PG&E’s overall portfolio need to reduce customer energy use. Note that when proposing, the Bidder should also specify how the proposed State of California Program activities will be measured and how program success will be determined.

Figure 2.1 – Desired Program Outcomes and Needs

<table>
<thead>
<tr>
<th>Primary Outcomes</th>
<th>Program Needs</th>
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<tbody>
<tr>
<td>Cost-effective Energy Savings and Demand Reductions</td>
<td>Deliver immediate and long-term, persistent, comprehensive energy savings – Programs should meaningfully encourage and assist eligible California State Agencies in meeting their decarbonization goals through energy efficiency solutions and in coordination with the IOUs’ EE program portfolios. They should facilitate energy efficiency improvements in state agency facilities especially projects with deeper, more comprehensive EE opportunities. Projects should also integrate EE with demand response</td>
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<tr>
<td>Primary Outcomes</td>
<td>Program Needs</td>
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<td>solutions, where applicable. Bidders should aim to provide the most cost-</td>
<td>Serve the Diversity of State Agency Operations and Facilities – Abstracts may target a single state agency or multiple, but should include solutions tailored to the wide array of buildings and facilities eligible for participation, from large campuses and centralized facilities to distributed local buildings, with a wide variety of uses, including offices, prisons, hospitals, courthouses, maintenance facilities, and more, which vary geographically and across climate zones. The vast majority of state agency facilities are under 50,000 square feet, and the program should aim to deliver savings from these many, smaller buildings, not just the largest facilities. At the same time, bidders should aim to find economies of scale.</td>
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<td>effective proposal possible, supporting the IOUs’ requirements to forecast a</td>
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<td>cost-effective portfolio of at least 1.25 TRC. The program should support the</td>
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<td>CPUC policy objectives including CPUC workforce standards and disadvantaged</td>
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<td>workers.</td>
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<td>Address Challenges and Opportunities Specific to State Procurement Processes</td>
<td>Additional Desired Outcomes</td>
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<tr>
<td>and Inter-agency Relations</td>
<td>Program Needs</td>
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<td>Serve the Diversity of State Agency Operations and Facilities – Abstracts may</td>
<td>Target high-opportunity facilities for energy efficiency and reduction of carbon emissions, integrating products with demand-side management solutions – The State Agencies’ collective goal is to reduce grid energy consumption and carbon emissions, and programs should seek ways to pair the targeted energy efficiency savings with other opportunities to meet these goals, including distributed generation, demand response, or other integrated strategies. Where appropriate, programs may demonstrate emerging technologies (ET), in coordination with Statewide ET programs, to determine potential for expansion to other facilities and State Agencies. Proposals should promote integrated energy efficiency solutions, including smart devices, minimizing loads coincident with high carbon-intensity resources, leveraging EE for load flexibility and resource adequacy, and decreasing the use of fossil fuels in buildings, with a particular emphasis on energy efficiency solutions that can help decarbonize heating and water heating end-uses.</td>
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<tr>
<td>target a single state agency or multiple, but should include solutions tailored</td>
<td>Increase awareness of EE and carbon reduction opportunities among leaders and facility managers in State Agency facilities – The objective is to provide tools, resources, and knowledge to decisions makers, empowering them to make informed decisions about EE that assist with carbon reductions, and help them incorporate EE into policies and practices so that they pursue integrated EE solutions through a normal course of business.</td>
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<td>to the wide array of buildings and facilities eligible for participation, from</td>
<td>Facilitate best practice sharing – Where program solutions are effective, enable State Agencies and stakeholders to communicate successes to expand energy savings across all Agencies.</td>
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<td>Additional Desired Outcomes</td>
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<td>Support State Agencies in Meeting Decarbonization Goals through Energy Efficiency</td>
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<td>solutions through a normal course of business.</td>
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<td>Facilitate best practice sharing – Where program solutions are effective,</td>
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<td>energy savings across all Agencies.</td>
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9 Decision 18-05-041 (2019) adopted a set of general requirements and a minimum budget allocation, to be funded out of IDSM funds, for the utility PAs to begin to integrate delivery of energy efficiency and demand response capabilities to customers.
10 D.18-10-008, OP 1 and 2.
11 Id, OP 9.
12 See Section 3.K. for additional detail of Integrated Demand Side Management, and how Energy Efficiency programs can and cannot be coordinated with other non-EE program types.
Additional Desired Outcomes | Program Needs
---|---
Address Challenges and Opportunities Specific to State Procurement Processes and Inter-agency Relations

- **Navigate the complexities of State Agency contracting** – the program should demonstrate knowledge of the Department of General Services and other state agency procurement and contracting requirements and processes and demonstrate effective solutions to overcome lengthy procurement processes and inter-agency coordination.

- **Deliver innovative financing models** – Due to complexities of State procurement and contracting processes, successful program models may seek to leverage project financing models that minimize impacts to the customer’s balance sheet and reduce carbon emissions. Programs must comply with all State budgetary requirements, and Bidders should have familiarity with State of California-specific funding programs.

- **Bridge gaps across utility service territories** – State Agency facilities span the entire state. State Agencies seek EE solutions that will work in areas served by California IOUs. Even though facilities in Publicly Owned Utilities (POUs) service areas are not qualified for programs under this solicitation, successful programs should seek a coordinated approach and familiarity with California POUs to deliver truly statewide programs.

Increase EE savings for State of CA facilities in Disadvantaged Communities

- **Deliver immediate and long-term, persistent, comprehensive energy savings in Disadvantaged Communities** – Addressing barriers unique to State Agency facilities serving Disadvantaged Communities, Disadvantaged Workers, and Hard to Reach communities, programs should seek to maximize energy savings and reduce carbon emissions in California’s most environmentally and economically impacted areas.\(^{13}\)

Bidders are not expected to address all the needs listed above. Consistent with the CPUC third-party definition policy, PG&E may work with the selected Bidders on final program design once the solicitation process is completed.\(^{14}\)

**F. CUSTOMER ELIGIBILITY**

Consistent with eligibility requirements for California IOU-administered statewide Energy Efficiency programs, programs must ensure that participating customers meet all of the following criteria:

- Facility must receive electric and/or gas service through one of the four California IOUs

- Facility must pay the Public Purpose Program surcharge

- Facility is not requesting an incentive to replace a measure that received an EE incentive within the previous 5 years. (If warranted by the program)

\(^{13}\) For more information on Disadvantaged Communities, see the State’s website and map: [https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30](https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30)

\(^{14}\) D.16-08-019, OP 10.
G. OUT-OF-SCOPE FOR THIS SOLICITATION

The following types of activities are ineligible for consideration as part of this RFA:

- Programs that target non-State of California facilities;
- Programs that target California higher education facilities, such as University of California, California State Universities, or Community Colleges or other Statewide energy efficiency programs;
- Inconsistent program designs across IOU territories (not including differences driven by climate zones);
- Demonstration, pilot, or “proof of concept” projects, R&D prototypes, and limited production technologies that cannot support an effective EE program;
- Solely non-resource activities (Note: Resource programs designs that include non-resource strategies are acceptable);
- Income-qualified EE programs;
- Programs that are exclusively non-EE products or services (i.e. self-generation, solar, batteries, RNG, demand response offerings, etc.)\(^{15}\);
- EM&V services or those that support portfolio administrative tasks;
- EE Programs identified for other statewide EE offerings (see D.18-05-041, page 91);
- EM&V consulting services or services that support California IOUs’ portfolio administrative tasks and/or other State of California program offerings; or
- Programs that overlap or duplicate EE programs offered by other entities active in California IOUs’ service territories like Community Choice Aggregators (“CCAs”) and Regional Energy Networks (“RENs”).

H. SCALE OF CONTRACTING OPPORTUNITY

The total number of contracts and range of dollar value resulting from this solicitation is unknown. The number of contracts will depend upon the quality, scale and comprehensiveness of the Abstracts and Proposals selected. PG&E may select one or multiple bidders to implement the program, therefore the total budget may be adjusted and split among multiple bidders. Bidders may form program teams to enable greater statewide coverage and/or address more specialized program elements. See potential contract dollar range in the figure below, which is inclusive of all program costs including customer incentives with the exception of any Statewide On-Bill Financing program funds. The anticipated contract length is expected to be up to five years, depending upon the final program selected. Given the timelines of some of the State Agency projects historically, longer project timelines are common for many projects and California IOUs aim to

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\(^{15}\) See Section 3.K. for additional detail of Integrated Demand Side Management, and how Energy Efficiency programs can and cannot be coordinated with other non-EE program types.
accommodate these types of projects. This information should not be considered a binding target and the IOUs retain the option to deviate from this range depending upon the actual results of the RFA and RFP.

**Figure 2.2 – Total Annual Contracting Target Range**

<table>
<thead>
<tr>
<th>Potential Annual Contracted Program(s)</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of CA Programs</td>
<td>$ 2.5 million</td>
</tr>
</tbody>
</table>

Note: The above annual program contract budget is inclusive of customer incentives. However, historically, programs conducted with State of California Agencies have primarily used on-bill financing tools to fund energy efficiency measures at customer facilities, and these costs are not reflected in the estimated program budget value above.

**Section 3: Program Characteristics:**

**I. PROGRAM TYPES**

In this RFA, PG&E and California’s IOUs are looking for new energy efficiency programs that can increase energy savings in State Agencies which, in turn, will help California advance decarbonization policies. PG&E is seeking energy efficiency resource programs and is encouraging innovative program designs which employ new program configurations which increase energy savings in State of California.

Bidders have the flexibility to propose multiple abstracts that can best serve State of California customers. PG&E will consider programs that serve one state agency or multiple. PG&E may select one or multiple contractors.

Resource programs are EE programs that generate energy savings that are quantified and tracked. EE savings is the level of reduced energy use (or savings) resulting from the installation of an energy efficiency measure or the adoption of an energy efficiency practice, subject to the condition that the level of service after the investment is made is comparable to the baseline level of service. Energy savings for electricity are typically expressed in the units of kilowatt-hours (kWh), electrical demand savings in the units of kilowatts (kW), and
gas energy savings as therms. Energy savings associated with water efficiency measures may also be calculated and provide value to customers.\textsuperscript{16}

J. Program Cost Effectiveness

California uses two separate tests to assess the benefits and costs of a program. The predominant test used is the TRC. The Commission relies on the TRC as the primary indicator of EE program cost effectiveness. This solicitation provides an opportunity for third parties to propose, design and implement new and innovative programs to help PG&E achieve its portfolio goals including cost-effectiveness obligations. Energy efficiency program portfolios must meet or exceed a Total Resource Cost ratio of 1.25 on a prospective basis. The Bidder should propose programs that will contribute to a cost-effective portfolio. Cost effectiveness is an important element of all programs in the IOUs' portfolios.

Bidders should also become familiar with recent policy development (e.g. E-4949, E-4592) and factor these into submitted abstracts.

Statewide State of California program designs need to go beyond focusing on superficial, short-lived strategies and measures, even if they are cost-effective. Abstracts should target more comprehensive, deep energy savings for newly constructed buildings and additions to

\textsuperscript{16} For any water-related energy savings forecasts, the Bidder must use the Commission’s Water Energy Calculator (links directly to do file download) and include a completed copy of the spreadsheet as part of Attachment 15. Information about the CPUC’s Water Energy Nexus efforts can be found here.
existing buildings, while simultaneously supporting the state’s policy objectives in a cost-effective manner.

**K. Integrated Demand Side Management**

Bidders are encouraged to propose approaches that minimize missed opportunities by promoting all, or some combination of, demand-side resources (in addition to EE) where efficient opportunities exist to do so. EE funds cannot be used to incentivize capital cost of non-EE technologies. However, EE funds can be used for non-capital cost related activities associated with integrating demand-side resources such as integrated marketing, technical assistance, customer education, and integrated audits. Bidders should refer to the CPUC IDSM policies listed in the Appendices.

**L. Pay-for-Performance and Incentive Structure**

The phrase “Pay-For-Performance” applies to both a method of providing incentives to customers (including customer agents) to encourage them to take energy efficient actions and to a method of compensation to Implementers selected through the program solicitation process. Pay-For-Performance incentives to customers provide payments based on energy savings achieved. Pay-For-Performance payments to Implementers are linked to customer project savings; however, in this case the Implementer receives the payment based on the amount of energy savings. The Implementer may or may not pass this compensation along to the customer. The customer, though, may receive from the contractor some type of device, service, or other benefit, if not direct payments, and Bidders will design their Abstract in accordance with this structure.

**Implementer Compensation:**

Consistent with CPUC policy, PG&E prefers to tie Implementer payment for services directly to measurable energy savings delivered under a Pay-For-Performance arrangement, where feasible. In other words, it is anticipated that some portion of Implementer compensation will be based on savings (e.g., therms, kWh, kW, gallons) measured and verified during a predetermined post-installation performance period, where reasonable. It is up to the Bidder to determine what products, services and/or compensation the customer will receive and propose appropriate methodologies for measurement and verification of energy savings.

**Customer Incentives:**

For incentives provided to the customer and/or equipment and installation costs, the Bidders are encouraged to follow the CPUC recommendations regarding incentive design as follows: (see CPUC’s guidance on incentive design best practices).

The following CPUC guidance with respect to design of incentives to be paid to customers or implementers should be considered “best practices” and both program administrators and third parties should strive for consistency with these guidelines within the business plan period, but these are not mandatory:
a. Incentives should generally be calculated on a net lifecycle savings basis, not a first-year savings basis, to support and align with achievement of portfolio net lifecycle savings goals.

b. Incentives should generally be tiered to promote increasing degrees of efficiency above code, particularly when an existing conditions baseline is used and when the direct install delivery channel is used.

c. Incentives should generally be strategically targeted at commercially available products that offer higher and highest degrees of efficiency and quality, not at all above-code high efficiency products.

d. Incentive structure should take into consideration the variation in barriers to efficiency upgrades faced by different customer segments, instead of being set uniformly for a measure class.

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17 D.18-01-004, pp.42-43.
18 D.18-10-008 OP 10, “All third parties bidding to design and/or implement energy efficiency programs for the utility energy efficiency program administrators (PAs) (Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, Southern California Gas Company) shall provide a definition of the amount and manner in which incentive payments will be made to customers, and on what basis, in their responsive bids. This information shall be made available by the utility PAs to the members of the procurement review group(s) consulting on evaluation of third-party bids.”
e. For performance based programs, payment of customer and contractor incentives should tie, in significant part (50 percent or more), to independently verified savings performance estimated on a 12 month post-implementation period for capital projects and 24 months, if the project includes behavioral, retrocommissioning, or operational savings, for projects with savings measured with normalized metered energy consumption approaches.19

M. Innovation in Program Design

The inclusion of innovative program elements will be taken into consideration during the evaluation of abstracts and may help differentiate a program proposal from others without these elements. To be “innovative,” the proposal must demonstrate that the program will ultimately increase the uptake of cost-effective EE by advancing a technology, marketing strategy, or delivery approach in a manner different from previous efforts. Bidders should highlight in their abstract’s program elements that differentiate their abstracts.

Such strategies would ideally be scalable and replicable across sectors, segments, and technologies and seek to integrate other demand side technologies where feasible, such as DR and Distributed Generation, to minimize lost opportunities in conformance with the guidance established by the CPUC. While each innovative program may not individually be cost-effective, the intent is to lead to cost-effective savings over time.

Examples of “technology” innovation could include, but are not limited to:

- A measure that is no longer considered “emerging technology” but not yet fully in the market,
- A more advanced energy-saving technology, or
- A novel combination of technologies, including strategies that integrated EE with other demand side technologies such as demand response and distributed generation.

Examples of “market strategy” innovation could include, but are not limited to:

- Online systems or new software strategies that support and promote comprehensive energy resource management,
- Creative incentives for participation, or
- Embedded in other transactions (e.g., in post office mailers when moving)

Examples of “delivery approach” innovation could include, but are not limited to:

- A new strategy for customer engagement and enrollment,
- A competition (e.g., “golden carrot” used for refrigerators),
- A new partnership/relationship to reach different/additional customers,
• A new approach to customer targeting that allows the program to focus on high-value savings opportunities or to specifically reach key customer groups,
• A more streamlined implementation process,
• A strategy that addresses a persistent market barrier.
• A program delivery strategy that promotes comprehensive integrated site-specific energy solutions across demand side resources such as EE, demand response and distributed generation.

N. Disadvantaged Workers

PG&E is required to track training and participation of Disadvantaged Workers at the program portfolio level. If Bidder is invited to the RFP stage, the Bidder may be asked to provide their approach to support improved access to career opportunities in the energy efficiency industry by Disadvantaged Workers.

O. RFA Preferred Bidder Qualifications and Eligibility

Bidders may collaborate with other EE service providers, including marketing firms, consultants, engineers, subcontractors, or others that have the knowledge and expertise to design, propose, implement and deliver a cost-effective program. Partnerships among firms is allowed; no scoring preference is given for partnerships between Bidders. Please note that State law and the Contractors State License Board require all bidders and their subcontractors to hold valid contractors’ licenses prior to submitting an abstract or proposal for work that is subject to licensing requirements. Diverse business enterprises (DBEs) and small businesses enterprises (SBEs), as defined in Appendix A, are eligible and encouraged to submit proposals.

Preferred Bidder Qualifications: State of California Agency Relevance

Bidders should demonstrate experience with, applicability, or relevance to State of California Agencies, such as, but not limited to:

• Existing institutional partnership or California partnership program experience
• Demonstrated experience working with public agencies and their facilities, in California or other states
• Entities who have an existing relationship with State Agencies and who can leverage contracting and procurement expertise, access, and infrastructure to implement energy efficiency programs

Eligibility Criteria: Program Evaluation Contractors and Consultants

Efficiency: Threshold Issues, program evaluation, measurement and verification (EM&V), activities must be transparent and independent to support sound Commission decision-making and portfolio administration. The EM&V structure must be shielded from potential conflicts of interest to ensure independence and transparency of the evaluation process.

Allowing EM&V consultants (or their firms) that perform program and portfolio impact-related studies to also be involved in EE program delivery creates a conflict-of-interest. To address this conflict-of-interest, EM&V consultants (or their firms) that perform program and portfolio impact-related studies in California are prohibited from also participating in the EE 3P solicitation process. Any business entity that is a Bidder in the EE 3P solicitation process and also affiliated with an EM&V consultant (or their firms) performing load impact studies must demonstrate how both their business entities are distinct and clearly demarcated. The Bidder must describe all established firewalls and any other protections in place to ensure separation and effectively mitigate any perceived or potential conflict-of-interest for their abstract to be considered for evaluation. A current list of impact evaluation contractors and subcontractors is at: http://www.cpuc.ca.gov/eevalidation/

Eligibility Criteria: IOU Affiliates

CPUC Decision 05-01-055 prohibits any transaction between a California IOU and any program implementer for EE that is a California affiliate of an IOU.\(^\text{20}\) All Bidders must acknowledge that they are not an affiliate of any IOU. Such disclosure will be included in the response hereto. Failure to accurately respond will result in immediate rejection and disqualification from this RFA.

**SECTION 4: INDEPENDENT EVALUATORS, PEER REVIEW GROUP AND IOU PARTICIPATION ROLES**

PG&E and the other IOUs, as directed by the Commission in D.18-01-004, assembled a collaborative pool of Independent Evaluators (IEs) with demonstrated EE expertise and an assigned EE Procurement Review Group (PRG), to provide advice with certain upcoming EE portfolio solicitation needs. The IEs and PRG members are non-financially interested stakeholders and add value in achieving these solicitation purposes and goals. Except for

\(^{20}\) D.05-01-055, OP 2, “As discussed in this decision, transactions between the IOUs and any program implementer that is an affiliate of PG&E, SCE, SDG&E or SoCalGas are prohibited, without exception. This ban becomes effective for the 2006 program year and beyond.”
Commission staff, all IEs and PRG members have completed a Conflict of Interest screening and executed Non-Disclosure Agreements as part of this RFA and RFP solicitation process. Furthermore, because the RFA and RFP purpose involves the statewide need for State of California programs, the Commission directed PG&E in D.18-05-041, OP 18, and D.16-08-019, to seek the IOU’s input in the development and scope.

**Role of the PRG in the Statewide Program Solicitation Process** – The PRG advises the PAs with respect to their EE procurements and is consulted at all stages of the solicitation process. The PRG balances the goals of oversight, transparency, and timely feedback with the desire to have an expeditious procurement process sufficiently aligned with Commission direction and California laws. The Commission structured the PRG as an advisory group to the PAs, with representation from Commission Energy Division Staff, the Public Advocates Office, the California Energy Commission, consumer representatives, and non-market participants who do not have a financial interest in the outcome of any solicitations.

**Role of the IEs in the Statewide Program Solicitation Process** – IEs observe all stages of the solicitation process from RFA design through contract execution for transparency and fairness and independently report to the PRG. IE activities include the review of solicitation materials such as solicitation plans, solicitation language, evaluation criteria, solicitation procedural steps, solicitation scoring, and contracts as well as monitoring of pre-bid meetings and contract negotiations to ensure fairness and consistency with State of California and Commission statutes, policies, guidance, and business plans.

PG&E is committed to ensuring an open and transparent solicitation, and to providing a fair, reasonable and competitive process. The Independent Evaluators assigned to oversee this RFA are as follows:

<table>
<thead>
<tr>
<th>Independent Evaluator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don Arambula Consulting</td>
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<tr>
<td>Don Arambula</td>
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</tbody>
</table>

**Role of PG&E as Lead-PA in the Statewide Program Solicitation Process** – PG&E will be responsible for the end-to-end administration of the solicitation process and solely responsible for evaluating the Abstracts and proposals.

**Role of Other IOUs in the Statewide Program Solicitation Process** – The Commission requires the other IOUs’ involvement to ensure the statewide RFA and RFP align with their particular EE business plans and any of their unique market and/or service territory needs. The other IOUs have been consulted in the drafting of this RFA’s scope and requirements and will do the same in the subsequent stage-2 RFP of the solicitation process. The other IOUs will not be involved in the evaluation of the Abstracts or proposals; however, the other
IOUs may be consulted during the evaluation process to clarify alignment with particular EE business plan / local market / service territory needs if needed.

**Solicitation Process**

- **Stage 1: Request for Abstract (RFA)** – Bidders provide a short summary of their proposed program concept, the overall approach, description of innovative program elements, indicative estimates of program benefits and pricing, and the qualifications and experience of the Bidder implementation team firm(s) (the "Abstract"). The RFA is open in scope to promote innovative cross-sector program concepts and limited in length to allow for the efficient comparison between a large number of submissions. After PG&E evaluates the Abstracts, successful Bidders are invited to advance to the next stage of the process.

- **Stage 2: Request for Proposals** – Bidders who advance to the RFP stage will provide a full description of all aspects of the proposed Abstract including program design and evaluability, program management practices, program innovation, analysis of program cost-effectiveness, proposed payment structure, key contract terms, program compliance requirements, and supply chain responsibility to provide a comprehensive understanding of the program (the “Proposal”). Bidders are not required to submit a full Implementation Plan as part of their Proposal. PG&E will evaluate the Proposals using qualitative and quantitative criteria to assess the program feasibility and potential fit within the portfolio. Bidders with Proposals that are determined to offer compelling program plans that could effectively support portfolio goals will be invited to engage in contract negotiations.

- **Stage 3: Contract Negotiations** – During this final stage of the solicitation process, Bidders will negotiate the specific terms of a contract, including proposed changes to modifiable contract terms, and collaborate on potential program adjustments. Advancement to contract negotiations does not guarantee the award of a contract. PG&E anticipates that adjustments may be necessary to the scale or the scope of the program from what was proposed in the RFP to fit the available opportunity within the portfolio and optimally align the benefits of the program with any unmet portfolio needs. Potential proposed program adjustments are likely to include, but are not limited to, adjustments to program scope, scale, budget, geography, and/or duration.

- **Stage 4: Implementation** – Once PG&E and Bidder reach agreement on contract terms, the contract will be executed and, if required (i.e., having a contract value greater than $5 million and/or a term greater than three years), submitted to the CPUC via a Tier 2 Advice Letter for approval. Bidders should also be aware that D.18-01-004 requires that a finalized program Implementation Plan be filed within 60 days of contract execution (or within 60 days of Advice Letter approval if one is required), and PG&E will work with the Bidder to draft the program Implementation Plan once a Notice to Proceed (NTP) has been issued for the contract. A revised Implementation Plan template is currently under development by the CPUC.
SECTION 5: ABSTRACT EVALUATION AND SELECTION FACTORS

PG&E will determine which, if any, Abstract will provide the IOUs with suitable programs to achieve their EE portfolio goals. PG&E reserves the right to modify, cancel or withdraw this RFA and to revise the RFA schedule as PG&E deems necessary. PG&E shall not be liable for any change in the schedule or for not providing notice of any change.

P. Abstract Review

Abstracts will be evaluated holistically using the qualitative and quantitative information provided. Abstracts will be eliminated for failure to comply with these RFA instructions which include, but not limited to:

- The Abstract is substantively incomplete or exceeds page length limitations;
- The Abstract is not responsive to the objectives and requirements of this RFA; or
- PG&E determines that a conflict of interest exists.

Q. Key Abstract Selection Factors

The following is a set of selection factors that may be applied in the evaluation of abstracts. These factors are not necessarily listed in any order of importance. PG&E, in consultation with the Statewide IOU team, may decide to use some, all, or factors not listed above when evaluating the potential value of the proposed new statewide program(s).
• Clarity of program scope and concept;
• Quality of strategies and tactics in response to State Agencies’ needs, barriers and challenges;
• Team experience and qualifications;
• Successful track record of prior program implementation experience;
• Likelihood of achieving CPUC efficiency goals and Business Plan metrics;
• Support for State Agencies in meeting decarbonization and clean energy goals through energy efficiency solutions;
• Alignment with the Commission’s and IOUs’ vision for statewide programs;
• New, innovative or unique program design elements that will enhance program effectiveness;
• Key strategies and tactics for locating new projects and program sales; and
• Completeness of the abstract and responsiveness to the submission requirements of this RFA.

SECTION 6: RFA REQUIREMENTS AND ABSTRACT FORMAT

This RFA includes the following set of documents which can be downloaded from the PG&E EE Solicitations webpage and PowerAdvocate. PowerAdvocate is the software platform PG&E uses for administering solicitation events.

BIDDERS ARE REQUIRED TO REGISTER IN POWER ADVOCATE BEFORE THE ABSTRACT DUE DATE. ALL BIDDERS’ RESPONSES TO THIS RFA MUST BE SUBMITTED THROUGH POWER ADVOCATE.

Bidders must submit Abstracts and other documentation, if any, that are responsive to all requested information through PowerAdvocate. Abstracts that do not include the requested information will be ineligible for future evaluation.

Information to access the PowerAdvocate® 'event' for this RFA will be provided by the PG&E Bid Event Coordinator to the primary Bidder contact, listed in Section 7.

Any Bidder questions about PowerAdvocate®, please contact PowerAdvocate® Customer Support at (857) 453-5800 or email support@poweradvocate.com.
**RFA General Instructions:** This document and exhibits provides a description of the RFA structure, process, schedule, and submittal instructions for this RFA.

**Narrative Response Form:** This is a pre-formatted Microsoft (“MS”) Word document the Bidder must utilize to submit a narrative description of the proposed 3P Program. This Narrative Response Form along with the Data Response Form together constitute a complete abstract submission.

**Data Response Form:** This is a pre-formatted MS Excel document the Bidder must utilize to submit requested program data. This document is organized by a series of tabs, each with a set of questions focusing on Company Information, Program Summary, Budget, and Energy Savings. This Data Response Form along with the Narrative Response Form together constitute a complete abstract submission and reflect the needs ascribed by CPUC directives.

**R. REQUIRED RFA FORMS**

The following list of forms will be available to Bidders within PowerAdvocate® once the RFA is issued. Bidders must submit all forms listed below via PowerAdvocate® by the date and time listed in the RFA Schedule. Bidder’s responses that do not include all of the required forms, or include incomplete versions of the required forms, may be removed from further evaluation. PG&E may conduct a cure process to address administrative errors in the submission. All requested documentation to be provided by the Bidder must be uploaded and formatted using Microsoft (MS) Word, Excel, or PDF file format or directly entered into the PowerAdvocate® platform as instructed. The Bidder’s Abstract information listed below will serve as a basis for any future contract as a result of this solicitation.

1) **Narrative Response Form:** Bidder must utilize a pre-formatted MS Word template to submit the narrative sections of the Abstract. Unless stated otherwise, Bidder’s Abstract information should be provided in the Narrative and Data Response Forms. Each question contains a maximum word count to facilitate review and convey the level of detail expected with each response. The use of charts, graphs, infographics and other visual presentation of information is allowed to aid in the clear and efficient communication of information. Bidders should refrain from using excessively small fonts (less than 11-point) in all narrative responses, charts and figures.

   **Program Design and Theory:** This section of the Abstract response requires a clear description of key elements of the Bidder’s proposed State of California Program and how the program will deliver on the goal(s), objectives(s) and activities delineated. At a minimum, Bidder’s Abstract should address the state agencies or facility types targeted for the program, barriers identified and strategies employed to address barriers, a brief description of program activities, the customer financing or incentive structure, and considerations for any factors unique to each targeted agency.

   **Program Linkage to State of California Desired Outcomes and Needs:** The statewide State of California program will support efforts to identify energy-saving
projects within State Agency facilities. Abstracts should demonstrate how they intend to Deliver immediate and long-term, persistent, comprehensive energy savings and greenhouse gas emissions reduction results for California State Agencies, helping the agencies meet energy reduction and decarbonization targets. They should also clearly state how the program addresses challenges and opportunities unique to State Agencies, including the public procurement processes, an integrated set of energy efficiency solutions, financing options, and other program needs listed in Section E above, as applicable.

**Program Management and Operations:** In this section the Bidder should describe their approach to program management, end-to-end program operations, outreach approach and schedule. This section should also address coordination with any other relevant programs that may overlap with the target market, and coordination with utilities serving non-IOU territories. Finally, it should describe the approach to implement EE savings in state facilities in disadvantaged and hard-to-reach communities.

**Innovation and Integrated Demand Side Management:** California IOUs encourage innovative program designs, especially those that help support their overall portfolios requirement need to reduce customer energy use. If the proposed program is innovative, Bidder’s should use this section to provide a detailed analysis of how the proposed program incorporates new, innovative or unique program design elements that will enhance program effectiveness. To be “innovative,” the Abstract must demonstrate that the program will ultimately increase the uptake of cost-effective energy efficiency by advancing a technology, marketing strategy, or delivery approach in a manner different from previous efforts. Any program design element that addresses integrated demand-side management (iDSM) should be described (refer to the Innovation and iDSM definition presented in Appendix A – Common Definitions). These approaches should display knowledge of key State of California budgetary restrictions.

**Team Experience and Qualifications:** In this section, bidders should display how their prior experience designing and implementing successful EE programs and projects aligns with the preferred bidder qualifications outlined in Section I of these instructions.

2) **Data Response Form:** A pre-formatted MS Excel template is required to submit all requested program data, tables and figures. Bidder’s RFA response must include a completed Data Response Form template (MS Excel format) to provide requested program information, figures and tables. Bidders must not reformat the provided Data Response Form template.
Tab A – Company information: Program firms, contact information, and EM&V activities

Tab B – Program Summary: Program functions, proposed budget and cost categories, savings estimates and measurement platforms, and target customer segments

3) Transmittal Letter: Bidder must provide one signed copy of the “Transmittal Letter” by a person with authority to commit Bidders to be bound by the RFA participation requirements, terms and conditions, negotiate and enter into an agreement on the Bidder’s behalf. A copy of the signed Transmittal Letter must be in PDF format.

No other attachments or supplemental information will be accepted for consideration during this RFA process unless specifically requested by PG&E. Responses that deviate from the requested format and/or failure to address all requirements and respond to questions within all forms will increase the time required to review and evaluate its contents and may disqualify a Bidder.

S. FILE NAMING CONVENTION

When uploading forms to PowerAdvocate®, Bidders should use the following file naming format to ensure the accurate and timely processing of their responses and Abstract.

Figure 6.1: RFA File Naming Examples

<table>
<thead>
<tr>
<th>Required RFA Form</th>
<th>File Name Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>Narrative Response Form</td>
<td>[COMPANY NAME] [Bid#] [NARRATIVE] [2020 SoC RFA].docx</td>
</tr>
<tr>
<td>Data Response Form</td>
<td>[COMPANY NAME] [Bid#] [DATA] [2020 SoC RFA].docx</td>
</tr>
<tr>
<td>Transmittal Letter</td>
<td>[COMPANY NAME] [Bid#] [TRANSMITTAL] [2020 SoC RFA].docx</td>
</tr>
</tbody>
</table>

Company Name = The name of the firm submitting the abstract
Bid# = For any bidders submitting more than one abstract, sequentially number in double digit format (e.g. 01, 02, 03)
Solicitation Name = 2020 SoC RFA

Example:
Company named “Energy Today” submits two abstracts that focus on different facility types.
Their Narrative and Data response forms submission files are saved and uploaded as the following:

ENERGY_TODAY_01_NARRATIVE_2020 SOC RFA
ENERGY_TODAY_01_DATA_2020 SOC RFA
ENERGY_TODAY_02_NARRATIVE_2020 SOC RFA
ENERGY_TODAY_02_DATA_2020 SOC RFA

T. UNIQUE ABSTRACT PACKAGE

Bidder must submit a unique Abstract package for each program being proposed.
SECTION 7: RFA SCHEDULE AND PROCESS

This RFA is comprised of the following set of documents which can be downloaded from the PG&E EE Solicitations webpage and PowerAdvocate

U. RFA Event Schedule

The RFA’s event schedule and deadlines are outlined in the table below. PG&E reserves the right to revise the event RFA schedule, modify the RFA requirements, cancel, or withdraw this RFA at any time during this solicitation. PG&E will use its best efforts to notify Bidders of revisions to the event schedule, modifications, cancellation, and otherwise. PG&E shall not be liable for any such changes impacting this RFA.

Figure 7.1: RFA Schedule

<table>
<thead>
<tr>
<th>Solicitation Event</th>
<th>Date</th>
<th>Time, Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RFA Stage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RFA released to Bidders</td>
<td>May 13, 2020</td>
<td></td>
</tr>
<tr>
<td>Bidders Conference (optional, via webinar)</td>
<td>May 21, 2020</td>
<td>2:00pm – 4:00pm PPT</td>
</tr>
<tr>
<td>Deadline to submit written questions to PG&amp;E</td>
<td>May 27, 2020</td>
<td>Due 4:00pm PPT</td>
</tr>
<tr>
<td>PG&amp;E Response to Bidder Questions</td>
<td>June 1, 2020</td>
<td>Due 5:00pm PPT</td>
</tr>
<tr>
<td>Abstract submissions due in PowerAdvocate</td>
<td>June 24, 2020</td>
<td>Due 3:00pm PPT</td>
</tr>
<tr>
<td>PG&amp;E selection and notification to respondents</td>
<td>July 31, 2020</td>
<td>Tentative target date</td>
</tr>
<tr>
<td><strong>RFP Stage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RFP released to selected RFA bidders</td>
<td>September 9, 2020</td>
<td>Tentative target date</td>
</tr>
<tr>
<td>Bidders Conference (optional, via webinar)</td>
<td>September 21, 2020</td>
<td>Tentative target date</td>
</tr>
<tr>
<td>Deadline to submit written questions to PG&amp;E</td>
<td>September 25, 2020</td>
<td>Tentative target date</td>
</tr>
<tr>
<td>PG&amp;E Response to Bidder Questions</td>
<td>September 30, 2020</td>
<td>Tentative target date</td>
</tr>
<tr>
<td>Abstract submissions due in PowerAdvocate</td>
<td>October 21, 2020</td>
<td>Tentative target date</td>
</tr>
<tr>
<td>PG&amp;E selection and notification to respondents</td>
<td>November 30, 2020</td>
<td>Tentative target date</td>
</tr>
<tr>
<td><strong>Contracting Stage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract Negotiations</td>
<td>December 2020 - January 2021</td>
<td>Tentative target date</td>
</tr>
<tr>
<td>Company Advice Letter, as applicable</td>
<td>February 2021 - March 2021</td>
<td>Tentative target date</td>
</tr>
<tr>
<td>Contract Implementation</td>
<td>March 2021</td>
<td>Tentative target date</td>
</tr>
<tr>
<td>Program Launch</td>
<td>April 2021</td>
<td>Tentative target date</td>
</tr>
</tbody>
</table>
V. RFA Issuance

PG&E will communicate the start of this RFA solicitation process with a Contract Opportunity Announcement (COA) posted to the following locations:

- **PG&E’s EE Solicitations**
- **PG&E’s Bidding Opportunities**
- **CA IOU Proposal Evaluation & Proposal Management Application (PEPMA)**
- **California Energy Efficiency Coordinating Committee (CAEECC)**

W. Bidder’s Conference Webinar

PG&E invites potential Bidders to participate in a Bidder’s Conference / Solicitation Webinar that provides an overview of the RFA’s objectives, structure, and guidelines. Time for open forum Q&A will follow the presentation. Registration for the RFA Bidder’s Conference will be through PowerAdvocate. Bidders will be able to join the Bidder's Conference remotely by using a third-party web-based video conferencing software application called WebEx. Information about remote access via WebEx will be provided on the EE Solicitations webpage and within PowerAdvocate.

In case of trouble registering: Contact Bid Event Coordinator (“Coordinator”), Anthony Abdulla at Anthony.Abdulla@pge.com.

X. RFA Submittal Provisions

I. Electronic Submittal

Information to register with PowerAdvocate and access the solicitation ‘event’ will be on the EE Solicitations webpage when the RFA is announced.

Unless authorized by the Coordinator, all RFA solicitation communications and submission of Abstracts shall be done using PowerAdvocate platform. For PowerAdvocate inquiries, please contact PowerAdvocate’s Customer Support at (857) 453-5800.

II. Questions and Communications Protocol

Any inquiries, clarifications or requests for additional information regarding this RFA must be submitted before the RFA stated deadline using PowerAdvocate’s “Messaging” function and the provided Questionnaire template. Questions submitted after the RFA stated deadline will not be answered. If Bidder is unclear about any of the RFA, the Bidder must notify the Coordinator. All Bidder questions and the written response will be posted anonymously to the ‘Download Documents’ tab in PowerAdvocate for all Bidders to access. Bidders should
consider this if asking questions may disclose their confidential and/or proprietary information.

PG&E staff is not available for verbal conversations with Bidders and will not respond to additional requests for information outside the PowerAdvocate platform. Submission of questions is not mandatory and does not impact the review or scoring of the RFA.

Any and all responses to questions regarding this RFA will be transmitted to all Bidders.

Any attempt to communicate about this RFA with any other IOU employees or consultants may result in Bidder’s Abstract being disqualified.

In addition, Bidder agrees to not engage in communications with any other Bidder, other IOU employees or IOU consultants concerning any terms contained in Bidder’s Abstract. Bidder agrees not to engage in any activities in violation of State or Federal antitrust laws or other unlawful or unfair business practices in connection with the RFA (“Prohibited Communication Activities”). Notwithstanding the foregoing, Bidder may engage in communications with its advisors, counsel, experts or employees or subcontractors who will provide services in Bidder’s Abstract. Bidder may also engage in communications with other Bidders submitting an Abstract in this RFA and their advisors (“Other Bidders”): (1) Other Bidders are under common ownership and control with Bidder; (2) Bidder and Other Bidders do not engage in Prohibited Communication Activities; and (3) in the event Bidder and Other Bidder share a common advisor, Bidder has, prior to sharing communications with such Other Bidder and the common advisor, provided PG&E with (a) notice of such Other Bidder
and common advisor and (b) an attestation that Bidder has not and will not engage in Prohibited Communication Activities with either the Other Bidder or the common advisor.

III. Tentative Date for Selection of Programs

Once PG&E completes the RFA review process, PG&E will determine which, if any, of the Abstracts will be selected and invited to participate in the RFP. PG&E intends to notify Bidders of their status on or before the date listed in the RFA solicitation schedule.

IV. PG&E’s Right to Clarify Abstract

PG&E reserves the right to clarify Abstract ambiguities by contacting a Bidder, at any time, with questions about Bidder’s Abstract. PG&E will perform clarification interviews via telephone or request clarifications in writing. PG&E will not compensate Bidder for any costs, fees or expenses incurred for the performance required to clarify their Abstract.

Y. Abstract Confidentiality

PG&E will keep Abstracts and Bidder’s responses to this RFA confidential. Except as otherwise stated, PG&E will not share Bidder Abstract, program information or ideas with any other Bidders. PG&E shall have the right, and it is expressly understood, PG&E will disclose and provide Bidder’s Abstract and any other documentation submitted as part of this RFA, to PG&E’s IEs, PRG, and the CPUC and its staff. PG&E cannot ensure the CPUC or the CPUC PRG staff members will afford confidential treatment to any information Bidder provides in their Abstract or submits as part of this RFA. By submitting a response and participating in this RFA, Bidder acknowledges and agrees PG&E will not assume any liability to Bidder as a result of any public disclosure of Bidder’s Abstract or other submitted information resulting from this RFA.

Z. Other Terms and Conditions of Bidder’s abstract Submission

PG&E will NOT return Abstracts, or any other documentation submitted in connection with this RFA. All materials submitted will become and remain the property of PG&E.

By submitting an Abstract, Bidder acknowledges and agrees the following:

- To be bound by the RFA terms and conditions;
- To seek independent legal and financial advice of its own choosing about responding to this RFA and submitting its Abstract;
- Has obtained all necessary authorizations, approvals and waivers, if any, required to submit its Abstract;
- The Abstract is subject to all applicable laws;
- There has not and will be no communications with any other Bidder in the RFA concerning the price or other economic terms contained, if any, in its Abstracts.
Bidder agrees to not engage in collusion or other unlawful or unfair business practices in connection with this RFA;

- Responding to this RFA does not commit or obligate PG&E to allow Bidder to participate in the second stage/RFP process, to pay, or reimburse any costs, fees or expenses incurred in the preparation of or submittal of Bidder’s Abstract.

- D. 05-01-055 prohibits any transaction between a California IOU and any program implementer for EE that is a California affiliate of an IOU. All Bidders must acknowledge that they are not an affiliate of any IOU. Such disclosure will be included in the response hereto. Failure to accurately respond will result in immediate rejection and disqualification from this RFP.

- D. 05-01-055 determined that allowing consultants and/or firms who perform program and portfolio impact-related studies to also perform program delivery creates a conflict of interest. Therefore, consultants and firms involved in the evaluation of EE programs and portfolios in California, including EE Independent Evaluators and members of the EE Procurement Review Group, are excluded from participating in this solicitation. However, Bidders that have implemented a “firewall” separation between the parts of their business performing program delivery and those performing evaluation studies are welcome to respond.

- Bidders whose organizations have performed program and/or portfolio impact-related studies within California for any other agency or organization in the last five (5) years must disclose such activity in their response, regardless of whether or not a “firewall” is in place.

- At a minimum, Bidders that have engaged in impact-related studies over the last five years should be able to clearly demonstrate that their organizational, reporting, and performance-management structures for each side of the business are completely separated and that non-disclosure agreements are in place to prevent the sharing of

21 D.05-01-055, OP 2: “As discussed in this Decision, transactions between the IOUs and any program implementer that is an affiliate of PG&E, SCE, SDG&E or SoCalGas are prohibited, without exception. This ban becomes effective for the 2006 program year and beyond.”

22 D.05-01-055, OP 54, “Allowing EM&V consultants (or their firms) that perform program and portfolio impacts-related studies to also be involved in energy efficiency program delivery--as either a non-IOU program implementer or as a subcontractor to IOU implementer(s)--creates conflict-of-interest problems. These problems can be effectively addressed by prohibiting entities from performing these types of EM&V studies at the same time they are under contract for program delivery work. As discussed in this Decision, excluding program design evaluation and market assessment studies from this strict firewall and allowing the narrow exception that TURN, ORA and CCSF propose, will mitigate some of the practical concerns raised by parties regarding a firewall without compromising the principle guiding our choice of EM&V structure, i.e., that of ensuring non-biased program evaluation results.”

23 See CPUC D.15-01-055, pp. 122-123.
information across business lines. Failure to accurately respond to this requirement will result in immediate rejection and disqualification from this RFA and stage-2 RFP.

AA. Waiver of Claims

The Bidder, by submitting its Abstract, waives any claims against PG&E by reason of any or all of the following:

- Any aspect of this RFA;
- The selection process or any part thereof;
- Any informalities, or defects in the selection process;
- Any statements, representations, acts, or omissions of PG&E; and
- Any other matters arising out of all or any of the foregoing.
APPENDIX A

BB. COMMON DEFINITIONS

**ABAL:** Annual Budget Advice Letter.

**Affiliate:** Any person, corporation, utility, partnership, or other entity 5% or more of whose outstanding securities are owned, controlled, or held with power to vote, directly or indirectly either by an administrator or any of its subsidiaries, or by that administrator's controlling corporation and/or any of its subsidiaries as well as any company in which the administrator, its controlling corporation, or any of the administrator’s affiliates exert substantial control over the operation of the company and/or indirectly have substantial financial interests in the company exercised through means other than ownership. For purposes of these Rules, "substantial control" includes, but is not limited to, the possession, directly and indirectly and whether acting alone or in conjunction with others, of the authority to direct or cause the direction of the management of policies of a company. A direct or indirect voting interest of five percent (5%) or more by the administrator, its subsidiaries, or its affiliates in an entity's company creates a presumption of control.

**Bidder:** The entity submitting an Abstract, Proposal, and/or bid to California IOUs to perform Work

**Business Plan (BP):** [Documents](#) outlining high-level approach to achieving state energy efficiency policy goals through 2025 as directed by the [Decision](#) (D.) 15-10-028.

**California Public Utilities Commission (CPUC or Commission):** Government entity that regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit, and passenger transportation companies.

**Change Order:** A revision or modification to the Contract reflected on a PG&E Field Order form or a PG&E Change Order form.

**Competitive Solicitation:** The process whereby parties are requested to submit bids offering innovative approaches to energy savings or improved program performance.

**Comprehensive Energy Efficiency:** Per Decision 12-05-015, energy savings achieved through a comprehensive “suite” of measures (or end-uses) that typically results in longer-term (i.e., deeper) energy efficiency.

**Contract:** This executed agreement between PG&E and Contractor, including any contract work authorizations issued under the agreement, mutually agreed change orders and amendments to the agreement, together with any attachments and exhibits incorporated, all of which together shall constitute the Contract.
**Contractor or Consultant:** The entity or entities entering into this Contract with PG&E to perform the Work.

**Contract Opportunity Announcement (COA):** A COA is the document/announcement PG&E utilizes to communicate future solicitation opportunities. Each COA defines the type of contract, estimated contract value, location, deadline and opportunity description.

**Cost Effectiveness:** An indicator of the relative performance or economic attractiveness of any energy efficiency investment or practice when compared to the costs of energy produced and delivered in the absence of such an investment.

**Criteria:** These are elements that are part of how PG&E scores bids. Examples include but are not limited to: Proposed Team, Expertise in Energy Efficiency, Conflicts of Interest, Supply Chain Responsibility. Scoring will be based solely on the prime contractor for the purposes for this RFA.

**Customer:** Any person or entity that pays an electric and/or gas bill to an IOU or CCA and that is the ultimate consumer of goods and services including energy efficiency products, services, or practices.

**Customer Sectors:** Customers are divided into six (6) Energy Efficiency account groups: Residential, Commercial, Industrial, Agriculture, Public Sector, and Cross-cutting sector. Each Customer Sector may consist of additional sub-segments.

**CWA:** Contract Work Authorization. If specified in the Specific Conditions of this Contract, Work may be assigned to Contractor through CWAs which are signed by both PG&E and the Contractor. The terms and conditions of this Contract shall apply independently to each CWA executed by both Parties.

**Decision:** A formal decision issued by the California Public Utilities Commission.

**Deep Energy Savings:** Per D.12-05-015, longer-term energy savings usually achieved through a comprehensive “suite” of measures (or end-uses) that include longer-lived energy efficiency measures.

**Demand Response (DR):** Sometimes referred to as load curtailment or reduction. Program Administrators use mechanisms such as interruptible rates, and bill credits to encourage consumers to use energy at different (lower cost) times of day or to interrupt energy use for certain equipment temporarily, usually in direct response to an event or price signal.

**Demand Side Management (DSM):** Programs designed to modify customer demand for energy through methods such as EE products, services, behaviors and practices, or that change the timing of energy use.

**Disadvantaged Communities (DAC):** The California Environmental Protection Agency...
(CalEPA), pursuant to Health and Safety Code Section 39711, defines disadvantaged communities as those census tracts scoring in the top 25 percent of census tracts statewide on the set of 20 different indicators in CalEnviroScreen. As part of its definition of disadvantaged communities, CalEPA also finds that an additional 22 census tracts that score in the highest five percent of CalEnviroScreen’s Pollution Burden indicator, but that do not have an overall CalEnviroScreen score in the top 25 percent because of unreliable socioeconomic or health data, are also defined as disadvantaged communities.24

**Disadvantaged Worker:** For purposes of the energy efficiency portfolios and tracking metrics or indicators associated with them, an individual that meets at least one of the following criteria: lives in a household where total income is below 50 percent of Area Median Income; is a recipient of public assistance; lacks a high school diploma or GED; has previous history of incarceration lasting one year or more following a conviction under the criminal justice system; is a custodial single parent; is chronically unemployed; has been aged out or emancipated from the foster care system; has limited English proficiency; or lives in a high unemployment ZIP code that is in the top 25 percent of only the unemployment indicator of the CalEnviroScreen Tool.

**Diverse Business Enterprise (DBE):** A business entity that has been certified by the CPUC Supplier Clearinghouse (http://www.thesupplierclearinghouse.com) as being majorly owned and controlled by one or more diverse groups.

**Energy Efficiency:** Activities or programs that stimulate customers to reduce customer energy use by making investments in more efficient equipment or controls that reduce energy use while maintaining a comparable level of service as perceived by the customer.

**EE Platform:** A platform is a ruleset that summarizes how regulatory objectives are connected to market actors and activities. A platform provides the ruleset to connect the two.

**EE Procurement Review Group (EE PRG):** Authorized by D.18-01-004,25 advisory groups to the utilities with representation from Commission Staff, the Public Advocates Office, the California Energy Commission, consumer representatives, and non-market participants who: 1) have no financial interest or other conflict of interest regarding the outcome of any EE solicitations, 2) ensures proper informal oversight and transparency for IOU procurements, and 3) provides timely feedback on materials and decisions made as part of the IOU procurement process.

**Energy Efficiency Programs:** Programs that reduce customer energy use by promoting energy efficiency investments or the adoption of conservation practices or changes in operation which maintain or increase the level of energy services provided to the customer.

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25 D.18-01-004, OP4, Conclusion of Law (COL) 11.
**Evaluation, Measurement and Verification (EM&V):** Activities that evaluate, monitor, measure and verify performance or other aspects of energy efficiency programs or their market environment.

**Hard to Reach (HTR) Customer:** Per D.18-05-041, the CPUC defines hard-to-reach customers as having satisfied any of the following requirements outlined below:

- Two criteria are considered sufficient if one of the criteria met is the geographic criteria defined below. There are common as well as separate criteria when defining hard-to-reach for residential versus small business customers. The barriers common to both include:
  - Those customers who do not have easy access to program information or generally do not participate in energy efficiency programs due to a combination of language, business size, geographic, and lease (split incentive) barriers. These barriers to consider include:
    - Language – Primary language spoken is other than English, and/or
    - Geographic – Businesses or homes in areas other than the United States Office of Management and Budget Combined Statistical Areas of the San Francisco Bay Area, the Greater Los Angeles Area and the Greater Sacramento Area or the Office of Management and Budget metropolitan statistical areas of San Diego County.
    - The definition of hard-to-reach should reflect this overlap by including disadvantaged communities, as identified by CalEPA, as an additional criterion for meeting the geographic component of the hard-to-reach definition.
  - For small business added criteria to the above to consider:
    - Business Size – Less than ten employees and/or classified as Very Small (Customers whose annual electric demand is less than 20 kilowatt (kW), or whose annual gas consumption is less than 10,000 therm, or both), and/or
    - Leased or Rented Facilities – Investments in improvements to a facility rented or leased by a participating business customer
  - For residential added criteria to the above to consider:
    - Income – Those customers who qualify for the California Alternative Rates for Energy (CARE) or the Family Electric Rate Assistance Program (FERA), and/or
    - Housing Type – Multi-family and Mobile Home Tenants (rent and lease)

**Implementation Plan (IP):** A detailed description of a program that includes program theory, planned program processes, expected program activities, program budget, projected energy savings and demand reduction, and other program plan details as required by the Commission, assigned Administrative Law Judge (ALJ), or Energy Division. IOUs are
required to submit Third-Party program’s Implementation Plans to the Commission within 60 days from contract execution.

**Implementer:** Entity that delivers a customer program. May refer to either a Program Administrator or a Third Party.

**Independent Evaluator (IE):** An independent, third-party energy efficiency expert(s) that monitors and reviews EE Program solicitation actions as outlined in the CPUC’s D.18-01-004. Independent Evaluator(s) support the EE PRG and provide periodic updates of the status and progress of EE program solicitations to the CPUC.

**Innovative or Innovation:** To be “innovative,” the Abstract must demonstrate that the program will ultimately increase the uptake of cost-effective energy efficiency by advancing a technology, marketing strategy, or delivery approach in a manner different from previous efforts. Such strategies would ideally be scalable and replicable across sectors, segments, and technologies and seek to integrate other demand side technologies where feasible, such as demand response and distributed generation, to minimize lost opportunities in conformance with the guidance established by the Commission. While each innovative program may not individually be cost-effective, the intent is to lead to cost-effective savings over time. To demonstrate that a proposed program is innovative, the Bidder must include:

A. A clear and concise rationale in the RFA stage for why new combinations of proven technologies, updated or re-designed marketing strategies, or modified delivery approaches (including using new relationships or partnerships) would yield greater uptake savings than previous models;

B. A high-level analysis in the RFA stage and a detailed analysis in the RFP stage showing how the innovative approach will yield increased savings and/or participation beyond existing strategies; and

C. Metrics that will be used to track progress.

**Examples of Innovative EE Programs:**

- General examples of “technology” innovation could include, but are not limited to:
  - a measure that is no longer considered “emerging technology” but not yet fully in the market,
  - a more advanced energy-saving technology, or
  - a novel combination of technologies, including strategies that integrated EE with other demand side technologies such as demand response and distributed generation.

- General examples of “market strategy” innovation could include, but are not limited to:
  - online systems or new software strategies that support and promote comprehensive energy resource management,
  - creative incentives or prizes for participation, or
  - embedded in other transactions (e.g., in post office mailers when moving)

- General examples of “delivery approach” innovation could include, but are not
limited to:
- a new strategy for customer engagement and enrollment,
- a competition (e.g., “golden carrot” used for efficient water heaters),
- a new partnership/relationship to reach different/additional customers,
- a new approach to customer targeting that allows the program to focus on high-value savings opportunities or to specifically reach key customer groups,
- a more streamlined implementation process, or
- a strategy that addresses a persistent market barrier.
- a program delivery strategy that promotes comprehensive integrated site-specific energy solutions across demand side resources such as EE, demand response and distributed generation.

Install or Installation: Provision of materials, labor and commissioning required to achieve proposed savings for a resource Program.

Integrated Demand Side Management (IDSM): Integrated customer demand side programs, such as energy efficiency, self-generation, advanced metering, and demand response, delivered in a coherent and efficient manner. Further historical CPUC Directives for IDSM are outlined at the following:

- **Decision 07-10-032 (2007)** required the utilities to integrate customer demand side programs, such as energy efficiency, self-generation, advanced metering, and demand response in a coherent and efficient manner” in order to achieve maximum savings while avoiding duplication of efforts, reducing transaction costs, and diminishing customer confusion and directed the utilities to “undertake joint marketing of energy efficiency programs with other customer energy technologies such as demand response and solar installations.” (p. 5 & 6). This decision also directed the utilities to “undertake joint marketing of energy efficiency programs with other customer energy technologies such as demand response and solar installations.”

- **Assigned Commission Ruling (2008)** identified priorities for implementation of IDSM activities: 1) comprehensive and coordinated marketing, packaging and delivery including outreach and education of customers and presentation of program options in a unified fashion to customers, 2) operational improvements including offering integrated audits and recommendations, combining EE, DR, DG, and other applicable incentives in the same project, and 3) optimization including equipment that enables multiple DSM options (EE, DR, etc.) and provide synergy across DSM program types.

- **Decision 09-09-047 (2009)** established specific criteria required for the development of an integrated audit tool.

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26 D.07-10-032, p. 62.
27 See Assigned Commission Ruling, p. 7 (http://docs.cpuc.ca.gov/PublishedDocs/EFILE/RULINGS/81355.PDF).
• **Decision 12-11-015 (2013)** addressed utility concerns about including DG in IDSM efforts without dedicated funding other demand side programs promoting distributed generation and demand response by directing them to utilize appropriate EE funds as “backstop” funding of IDSM tools to ensure that they provide customers with information that supports all demand-side resources (such as marketing, emerging technologies, integrated audits, piloting of integrated projects, etc.), consistent with IDSM objectives. The Commission clarified that this directive is intended to encourage IDSM-related activities such as integrated marketing, audits, pilot projects, etc., and does not require utilities to spend energy-efficiency funding on incentives for distributed generation projects themselves.

• **Decision 18-05-041**: CPUC adopted a set of general requirements and a minimum budget allocation, to be funded out of IDSM funds, for the utility PAs to begin to integrate delivery of energy efficiency and demand response capabilities to customers. The Commission will allow IOUs to meet these requirements through solicitation of programs from third parties. The Commission also offered policy principles to guide the design of integrated programs. The requirements and general policy principles we will institute are as follows:
  
  o The IOU PAs shall solicit, and other PAs should consider soliciting, third parties to design and implement programs to test various strategies and technologies for integrating demand response capability with existing energy efficiency activities. The PAs should consider if contractor training or partnerships between energy efficiency and demand response providers are necessary for energy efficiency implementers to understand and promote demand response.

  o For the residential sector, the energy efficiency and demand response integration efforts should be focused, initially, on HVAC technologies and facilitating automatic response to new time-varying rates, possibly involving customer education on the rates and thermostats. Each IOU shall budget a minimum of $1,000,000 annually from its IDSM budget, to test and deploy such strategies in the residential sector.

  o For the non-residential sector, including small commercial customers, the energy efficiency and demand response integration efforts should be focused initially on HVAC and lighting controls. For non-residential customers, the programs must validate that, if IDSM funds are used to facilitate integration of demand response capabilities into energy efficiency efforts already occurring, the customer is enrolled in a demand response program (e.g., dispatchable capacity program or, for bundled customers, an event-based rate or real-time pricing), for at least one year after the installation of the technology at the customer site, and up to 36 months if a large, deemed, or calculated incentive is involved. At least $20 million annually in IDSM funds shall be divided among the IOU PAs on the basis of load share to test and deploy solutions in non-residential HVAC and lighting controls.

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28 See De.18-05-041, p. 38.
• Additional References:
  - October 2008 ACR
  - Decision 12-05-015
  - Decision 14-10-046


Key Performance Indicator (KPI): KPIs are metrics used to help track performance and ensure that a program is meeting its objectives. Each KPI should assist both Bidder/Contractor and Company in managing program delivery and performance.

Market Actors: They are entities that a Program Administrator may interact with in pursuit of energy efficiency program goals. Market Actors may include trade associations, manufacturers, distributors, retailers, designers/architects, contractors, and other actors engaged in efforts to meet energy efficiency program goals.

Market Barrier: Any characteristic of the market for an energy-related product, service, or practice that helps to explain the gap between the actual level of investment in, or practice of, energy efficiency and an increased level that would appear to be cost-beneficial.

Marketing and Outreach: Communications activities designed to identify, reach, and motivate potential Customers to take actions to either learn more about or invest in energy efficiency opportunities.

Measure(s): This can be specific Customer actions that reduce or otherwise modify energy end-use patterns. It can also be defined as service or a product whose installation and operation at a Customer’s premises results in a reduction in the Customer’s on-site energy use, compared to what would have happened without the service or the installation of the product.

Malicious Code: Collectively, any malicious or unauthorized code, scripts, routines or techniques (including without limitation any virus, spyware, ransomware or other malware) that is designed to erase data or programming, or infect, impair, modify, record, take control of, disrupt, damage, destroy, disable, shut down or permit or cause unauthorized access to or misuse of a computer system or any component thereof.

Non-Resource Program: Energy efficiency programs that do not directly procure energy resources (i.e. generate energy savings themselves). Examples of non-resource programs include: marketing, outreach and education; workforce education and training; and emerging technologies.

Partnership: Coordinated efforts of a utility and a state agency or other entity to use the strengths of both parties to achieve greater levels of energy savings.
Party or Parties: In the singular, PG&E or Contractor, and in the plural, both PG&E and Contractor.


Platform: See EE Platform.

Portfolio: All IOU and non-IOU energy efficiency programs funded by ratepayers that are implemented during a program year or cycle. May also refer to a group of programs sponsored, managed, and contracted for by a particular IOU.

PRG: See EE Procurement Review Group

Program: A collection of defined activities and measures that
• are carried out by the administrator and/or their subcontractors and implementers,
• target a specific market segment, customer class, a defined end use, or a defined set of market actors (e.g. designers, architects, homeowners),
• are designed to achieve specific efficiency related changes in behavior, investment practices or maintenance practice in the energy market,
• and are guided by a specific budget and implementation plan.

Program Administrator (PA): Entities authorized by the CPUC to administer funds for implementation of energy efficiency programs within California Investor Owned Utility service territories. Per D. 18-05-04 (and as of 5-31-18), the program administrators include the following entities: Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company (SDG&E), the Bay Area Regional Energy Network (BayREN), the Southern California Regional Energy Network (SoCalREN), the Tri-County Regional Energy Network (3C-REN), and Marin Clean Energy (MCE). The third-party program requirements apply to the IOU program administrators.

Program Implementer: An entity or person that puts a program or part of a program into practice based on contracts or agreements with the portfolio manager.

Project: For Resource Acquisition Programs, this refers to the installation of Measures at a Customer location relevant to that Customer segment. For Emerging Technologies, this refers to an undertaking designed to achieve specific objectives, such as assessment of a technology’s energy savings, or the development of a standard for measuring a new technology’s performance, or a field demonstration of a solution’s operation at a customer site.

Rebate: A financial Incentive paid to the Customer to obtain a specific act, typically the installation of energy efficiency equipment.

Request for Abstract (RFA): The first stage of the two-stage solicitation process dictated by CPUC Decision 18-01-004. All utilities must utilize a two-stage solicitation process unless there is a specific schedule-related reason that only one stage is possible. The two-stage
process should be the predominant approach. The RFA is intended to gather high-level information on prospective programs from Bidders.

**Request for Proposal (RFP):** The second stage of the two-stage solicitation process dictated by the CPUC’s D.18-01-004. All utilities must utilize a two-stage solicitation process unless there is a specific schedule-related reason that only one stage is possible. The RFP solicits more detailed offers from qualified participants. These responses would be evaluated with qualitative and quantitative criteria and could also utilize in-person interviews.

**Resource Programs:** Energy Efficiency programs that generate energy savings that are quantified and tracked by program administrators.

**Small Business Enterprise (SBE):** defined according to Title 2, Section 1896.12, of the California Code of Regulations.

**Solicitation:** Activities for requesting, evaluating, selecting, and contracting for 3P EE services to procure energy savings.

**Statewide Program (SW):** Program delivered uniformly through the four investor-owned utility (IOU) territories, overseen by a single lead program administrator, and designed and delivered by one or more EE program leads/ implementers.

**Subcontractor:** An entity contracting directly or indirectly with Implementer to furnish services or materials as part of or directly related to Implementer’s program.

**Statewide Program:** Program delivered uniformly through the four investor-owned utility territories, overseen by a single lead program administrator, and designed and delivered by one or more EE program implementers.

**Targeted Program:** A program that is specifically designed to target a particular customer segment or EE measure(s). In the case of a Targeted solicitation, the Company will specify the Target.

**Third-Party (3P) Energy Efficiency Program:** The CPUC has defined a third-party energy efficiency program as follows: “To be designated as ‘third party,’ the program must be proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility program administrator. Statewide programs may also be considered to be ‘third party’ to the extent they meet this definition. Under this definition, program administrators are not prohibited from advising third parties on program design elements once third-party bids have been solicited. (CPUC D.16-08-019, August 18, 2016, p. 111).

**Time and Materials (T&M):** A form of compensation in which the contractor is paid based on time (hours) multiplied by hourly rates plus the cost of materials. T&M pricing is not considered Pay-for-Performance because compensation is not directly connected to verified energy savings.

**Total Resource Cost (TRC):** A test that compares the life-cycle benefits a Measure or Program will deliver to the costs associated with achieving those benefits. Since there is a time difference associated with the benefits and costs, these elements are computed on a net present value basis. The TRC is expressed as a net benefit or a ratio of benefits to
costs. A positive TRC expressed as a net benefit or a ratio greater than 1.0 means the Measure/Program will have a positive impact on the utility's resource acquisitions. Conversely, a negative net benefit or ratio less than 1.0 means that the Measure/Program will negatively impact the utility's resource acquisition and will have the net effect of increasing the cost of resource acquisition to the utility (see the CET, http://cet.cpuc.ca.gov).

**Workforce Education & Training (WE&T):** The WE&T Program was established to support individual energy efficiency programs by providing practical and effective energy efficiency-related education and training activities.

**Work or Services:** All services (including but not limited to professional, engineering, analytical and other consulting services), labor, supervision, materials, equipment, actions and other requirements to be performed and furnished by Contractor under this Contract.

**Workforce Requirements:** Requirements as defined in Decision 18-10-008 Workforce Requirements and Third-Party Contract Terms and Conditions (as corrected by D.19-01-003 and D.19-07-016) for all programs meeting certain size and measure criteria.

**Workforce Standards (HVAC):** For all projects involving installation, modification, or maintenance of heating, ventilation, and air conditioning (HVAC) measures in non-residential buildings and reserving a project incentive of $3,000 or more, to utilize installation technicians that meet one of the criteria below. This requirement shall not apply where the incentive is paid directly to a manufacturer, distributor, or retailer of HVAC equipment, unless the manufacturer, distributor, or retailer installs or contracts for the installation of the equipment:

- a. Completed a California or federal accredited HVAC apprenticeship.
- b. Be enrolled in a California or federal accredited HVAC apprenticeship.
- c. Completed at least five years of work experience at the journey level as defined by the California Department of Industrial Relations and passed a practical and written HVAC system installation competency test and received credentialed training specific to the installation of the technology being installed.
- d. Has a C-20 HVAC contractor license from the California State Contractor's Licensing Board.
- e. All of the above requirements apply to all of the individuals that perform the installation work, not to the contracting firm itself.

**Workforce Standards (Lighting):** For all projects involving installation of lighting controls measures in non-residential buildings and reserving a project incentive of $2,000 or more to utilize installation technicians that have been certified by the California Advanced Lighting Controls Training Program (CALCTP). This requirement shall not apply where the incentive is paid directly to a manufacturer, distributor, or retailer of lighting controls, unless the
manufacturer, distributor, or retailer installs or contracts for the installation of the lighting controls.
APPENDIX B – REFERENCE MATERIALS

Relevant Decisions:

**Decision 09-09-047:** Decision Approving 2010-12 Portfolios and Budgets
This decision addressed four main issues: 1) Goals: The energy savings goals the utilities must achieve between 2010 and 2012; 2) Budgets: The budgets CPUC authorized to achieve those goals and the cost-effectiveness finding that is required; 3) Programs: The programs authorized to produce these savings; and 4) EM&V: The EM&V procedures will used to ensure projected savings actually occur. This decision also includes definition of market transformation.

**Decision 10-04-029:** Decision Determining EM&V Processes for 2010-12 EE Portfolios
This decision sets out the roles and relationships among the Commission’s ED, California’s IOUs, and stakeholders regarding EM&V of EE programs for 2010 through 2012. The roles and responsibilities previously laid out in Decision (D.) 05-01-055 are clarified to improve transparency of EM&V activities, minimize conflicts of interest, and reduce duplication of effort and undue expenditure of ratepayer funds for the 2010 through 2012 time period.

**Decision 12-05-015:** Decision Providing Guidance on 2013-2014 EE Portfolios and 2012 Marketing, Education, and Outreach
This decision gives guidance to the utilities on the 2013-2014 EE programs, with the overall direction that they should begin a transition away from short-lived energy savings and towards deeper retrofits. The decision also gives guidance on expanding EE financing, by directing development of a portfolio of options at a total of $200 million over the two-year period. In addition to the guidance for 2013-2014, this decision clarifies certain aspects of the 2012 Marketing, Education, and Outreach program.

**Decision 14-10-046:** Decision Establishing EE Savings Goals and Approving 2015 EE Programs and Budgets (Concludes Phase 1 of R. 13-11-005)
This decision authorized IOU budgets for EE activities in 2015. To arrive at this result, the CPUC first determined what EE potential exists within the service territories of PG&E, SDG&E, SCE, and SoCalGas. Based on the potential they identified, CPUC established EE savings goals for each service territory. The PAs portfolio of EE programs was funded to meet these goals.

**Decision 15-10-028:** Decision RE EE Goals for 2016 and Beyond, and EE Rolling Portfolio Mechanics
In this decision, the CPUC: 1) adopted “aggressive yet achievable” energy savings goals for ratepayer-funded EE program portfolios for 2016 and beyond; 2) establish a “Rolling Portfolio” process for regularly reviewing and revising portfolios; and 3) update various EE program portfolio metrics, including Database of Energy Efficient Resources values, effective January 1, 2016.
**Decision 16-08-019**: Decision Providing Guidance for Initial EE Rolling Portfolio BP Filings
This decision gives policy guidance on several issues related to the filing of energy efficiency business plans. It addresses next steps for regional energy networks, the appropriate baselines to be used to measure energy savings for specific programs and measures, transition for statewide and third-party programs, and changes to the evaluation and shareholder incentive frameworks.

**Decision 17-09-025**: Decision Adopting EE Goals for 2018-2030
This decision: 1) adopts energy savings goals for ratepayer-funded energy efficiency program portfolios for 2018 and beyond based on assessment of economic potential using the TRC test, the 2016 update to the Avoided Cost Calculator and a greenhouse gas adder that reflects the California Air Resources Board Cap-and-Trade Allowance Price Containment Reserve Price; 2) defers adoption of cumulative goals until Commission Staff can assess the viability of using a method for calculating savings persistence, to be developed by the California Energy Commission.

**Decision 17-11-006**: Decision Regarding To-Code Pilots
This Decision: 1) directs the investor-owned utilities to discontinue the energy efficiency To-Code Pilots, for which the Commission ordered program implementation plans in D.14-10-046; 2) directs investor owned utilities to work with other program administrators and third-party implementers to seek and report on to-code program research questions through their program design, implementation and evaluation activities; and 3) declines to require energy efficiency program administrators to employ Randomized Control Trial designs for specific programs.

**Decision 18-01-004**: Decision Addressing Third Party Solicitation Process for EE Programs
This decision approves a two-stage solicitation approach to soliciting third party program design and implementation services as part of the energy efficiency portfolio. All IOUs will be required to conduct an RFA solicitation, followed by a full RFP stage. This decision requires the IOUs to utilize PRGs for design and conduct of solicitations, as well as adding IEs, that are specifically hired for their energy efficiency expertise. The Commission also requires a set of standard and modifiable contract terms and conditions, for a subset of terms, to be developed and reviewed prior to the conduct of any solicitations. Specific requirements are included for further definition of disadvantaged workers and workforce and quality installation standards to be applied to third party contracts.

**Decision 18-05-041**: Decision Addressing EE Business Plans
This decision approves the EE business plans of the eight PAs. The business plans, sector strategies and approved budgets will run between 2018-2025. The decision includes a required set of metrics and indicators to track progress towards energy efficiency goals at the portfolio and sector levels. Policy guidance is also given in the areas of design of...
incentives to customers and/or implementers, lighting technologies (prohibiting incentives for compact fluorescent lighting in favor of light emitting diodes, and requiring continuation of incentives for street lighting bulk conversions), and workforce issues.

**Decision 18-10-008  Workforce Requirements and Third-Party Contract Terms and Conditions (as corrected by D.19-01-003 and D.19-07-016)**
These Decisions address workforce standards required to be applied by energy efficiency program administrators to all programs meeting certain size and measure criteria in their business plan portfolio. The Decision also includes required standard and modifiable contract terms & conditions required of all program implementer contracts.

**Decision 19-08-006: Decision Adopting Standard Contract for Energy Efficiency Local Government Partnerships**
This decision adopts a standard contract for energy efficiency local government implementers, and associated implementation details.

**Decision 19-08-009: Decision Modifying the Energy Efficiency Three-Prong Test Related to Fuel Substitution**
This decision modifies the energy efficiency three-prong test originally established in Decision 92-02-075, which was designed to avoid encouraging programs that involved substituting one fuel for another (electricity or natural gas) but had a “predominantly load building or load retention character.”

**Decision 19-08-034: Decision Adopting Energy Efficiency Goals for 2020-2030**
This decision adopts energy savings goals for ratepayer-funded energy efficiency program portfolios for 2020 – 2030 based on an assessment of market potential using the Total Resource Cost test.

**Decision 19-12-021: Decision Regarding Frameworks for Energy Efficiency Regional Energy Networks and Market Transformation.** This decision authorizes the continued operation of existing RENs, invites new REN proposals, clarifies that some geographic overlap among program administrators, and adopts changes to the CPUC market transformation framework.

**Decision 20-03-027: Decision Establishing Building Decarbonization Pilot Programs.**
This decision establishes a framework for CPUC oversight of SB 1477’s two building decarbonization pilot programs – the Building Initiative for Low-Emissions Development (BUILD Program) program and the Technology and Equipment for Clean Heating (TECH Initiative) initiative. These two pilot programs are designed to develop valuable market experience for the purpose of decarbonizing California’s residential buildings in order to achieve California’s zero-emissions goals.
Reference Documents:

General References

**PG&E’s 2020 Annual Budget Advice Filing (ABAL)**
Advice Letter containing PG&E’s budget for 2020 EE portfolio.

**PG&E’s 2019 Annual Budget Advice Letter (ABAL)**
Advice Letter containing PG&E’s budget for 2019 EE portfolio.

**PG&E’s 2019 Supplemental ABAL Filing**
Update to the 2019 ABAL Filing.

**Energy Efficiency Policy Manual, V.5**
The purpose of the EE Policy Manual is to provide the most up to date list of the rules established by Commission Decisions and Resolutions that govern the administration of energy efficiency programs.

**Existing and Prior EE Programs**
Existing and prior EE programs including current statewide programs. The CPUC California Energy Data and Reporting System (CEDARS) website provides a listing of all current and former EE programs implemented by the utilities and third parties.

**PG&E Demand Response Programs**
A list of PG&E’s Demand Response Programs and more details about them.

**California Long Term Energy Efficiency Strategic Plan – Updated 2011**
This Plan sets forth a roadmap for energy efficiency in California through the year 2020 and beyond.

Document outlines PG&E’s high-level approach to achieving state energy efficiency policy goals through 2025.

**PG&E Third Party Solicitation Process Proposal**
A comprehensive guidebook for energy efficiency industry stakeholders interested in competing to offer their goods and services in the third-party solicitations described in PG&E’s Business Plan.

**PG&E Energy Efficiency Programs Annual Report – May 2018: 3P Contract list**
Comprehensive list of third-party contracts as of May 2018.

Joint Cooperation Memos References
Advice 4109-G/5562-E 2020 Joint Cooperation Memorandum (JCM) of 3C-REN, SoCalGas, SCE and PG&E Pursuant to Decision (D.) 18-05-041
The Joint Cooperation Memo provides: (1) a summary of all the programs 3C-REN intends to run and indicates which programs may overlap with SoCalGas, SCE and PG&E programs; (2) a summary of the coordination efforts between 3C-REN and SoCalGas, PG&E and SCE; (3) a summary of the IOU PAs 2020 comparable program offerings, if applicable (Appendix A); and (4) details regarding 3C-REN's program compliance with D.12-11-015.

Advice Letter 4110-G/5564-E PG&E and BayREN's 2020 Joint Cooperation Memo in Compliance with Decision 18-05-041, Ordering Paragraph 38
The Joint Cooperation Memo describes energy efficiency programs that PG&E and BayREN anticipate offering in the nine Bay Area counties (their shared service area) in 2020 and discusses how the proposed activities will complement each other. The JCM also details how BayREN's proposed activities comply with the criteria for REN activities required in D.12-11-015.

Advice Letter 4107-G/5563-E Marin Clean Energy’s and Pacific Gas and Electric Company's Annual Joint Cooperation Memorandum for Program Year 2020
The Joint Cooperation Memo describes the energy efficiency programs that MCE and PG&E anticipate offering in their shared service area in Program Year 2020 pursuant to their approved business plans. The Joint Cooperation Memo provides a summary of MCE’s programs and, if PG&E offers a similar program, PG&E’s programs, and describes how MCE and PG&E will coordinate to inform customers of all available program offerings.

Legislative References and Executive Action

(California) Executive Order B-18-12
Executive Order from former Governor Edmund G. Brown directing state agencies to take actions that contribute to the state’s climate and clean energy goals, including reducing greenhouse gas emissions, grid-based energy purchases, and achieving zero-net energy consumption in new buildings.

(California) Senate Bill (SB) 350: Clean Energy and Pollution Reduction Act of 2015
SB 350 increases California’s renewable electricity procurement goal from 33 percent by 2020 to 50 percent by 2030. This will increase the use of Renewables Portfolio Standard (RPS) eligible resources, including solar, wind, biomass, geothermal, and others. In addition, SB 350 requires the state to double statewide energy efficiency savings in electricity and natural gas end uses by 2030.

(California) Senate Bill (SB) 535 California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund
Senate Bill 535 directs that, in addition to reducing greenhouse gas emissions, a quarter of the proceeds from the GGRF must go to projects that provide a benefit to disadvantaged communities.
**Senate Bill (SB) 1414**
This bill requires the Energy Commission, by January 1, 2019, to approve a plan that will promote compliance with specified regulations in the installation of central air conditioning and heat pumps. The bill authorizes the Energy Commission to adopt regulations to increase compliance with permitting and inspection requirements for central air conditioning and heat pumps, and associated sales and installations, consistent with that plan.

**(California) Assembly Bill (AB) 32: California Global Warming Solutions Act of 2006**
AB 32 requires California to reduce its GHG emissions to 1990 levels by 2020 — a reduction of approximately 15 percent below emissions expected under a “business as usual” scenario.

**Assembly Bill (AB) 793: Energy Efficiency**
AB 793 encourages the installation of energy management technologies, that may include a product, service, or software, that allows a customer to better understand and manage electricity or gas use in the customer’s home or place of business.

**Assembly Bill (AB) 802: Benchmarking**
Assembly Bill (AB) 802, is an energy benchmarking and public disclosure program in California for “disclosable” nonresidential and multifamily buildings.

**EE Program Evaluation Contractors**

**CPUC EE Program Evaluation Contractors**
The Commission authorized funding for Energy Division to assume the management and contracting responsibilities for all Evaluation, Measurement, and Verification (EM&V) studies that will be used to (1) measure and verify energy and peak load savings for individual programs, groups of programs and at the portfolio level, (2) generate the data for savings estimates and cost-effectiveness inputs, (3) measure and evaluate the achievements of the performance basis, and (4) evaluate whether programs or portfolio goals are met. The CPUC has contracted with the following private firms that specialize in energy efficiency evaluations.
APPENDIX C – TERMS AND CONDITIONS

The link to Standard Contract Terms and Conditions and Modifiable Contract Terms and Conditions, are as set forth and approved in CPUC Decision 18-10-008 as corrected in Decisions 19-01-003 and 19-07-016. These terms and conditions are provided as a reference for this RFA package.

Please use this link to view Terms and Conditions appended to D.18-10-008

Please use this link to view the Terms and Conditions appended to D.19-01-003

Please use this link to view the Terms and Conditions appended to D.19-07-016
APPENDIX D – BIDDER RESOURCES

Below are a list of resources relevant to State Agencies, their facilities, and energy use:

**Green California**

The State of California has extensive online resources and policies and plans regarding facilities and fleets. This website includes the California Sustainable Policy and Best Practices Manual, Zero Net Energy policies, building and grounds maintenance and operation, operating procedures for energy management, and more.

**Building Energy Information by State Agency**

For many State Agencies, the Green Buildings website has benchmarking information on departments and the major facilities within that department.

**State Contracting Manual**

State Contracting Manual (SCM), Vol. 1 is provided as a resource to those in California state government who are involved in the state’s contracting process. It provides the policies, procedures and guidelines to promote sound business decisions and practices in securing necessary services for the state.

**List of State Agencies with Approved Purchasing Authority**

State Agencies have varying Tiers of purchasing authority for goods and services. The complete list and details by tier are available at the link above.

**Statewide Property Inventory**

The Department of General Services maintains a database inventory of all properties owned and leased by the state.

**California Department of Finance 2020 Five-year Infrastructure Plan**

The Infrastructure Plan focuses on how the state’s investment in infrastructure can be leveraged to create a sustainable, resilient California. The Plan recognizes that infrastructure investments are foundational to addressing climate change, expanding opportunity, and supporting economic growth. Appendices contain reporting on state-owned infrastructure.

**Resources from State Agency Sustainability Roadmaps:**
The following executive orders, Management Memos, legislative actions, resources and guidance documents provide the sustainability criteria, requirements, and targets tracked and reported herein.

Executive Orders

The governor issued the following executive order relevant to chapters of this roadmap:

• **Executive Order B-16-12**

EO B-16-12 directs state agencies to integrate zero-emission vehicles (ZEVs) into the state vehicle fleet. It also directs state agencies to develop the infrastructure to support increased public and private sector use of ZEVs. Specifically, it directs state agencies replacing fleet vehicles to replace at least 10 percent with ZEVs, and by 2020 to ensure at least 25 percent of replacement fleet vehicles are ZEVs.

• **Executive Order B-18-12**

EO B-18-12 and the companion *Green Building Action Plan* require state agencies to reduce the environmental impacts of state operations by reducing greenhouse gas emissions, managing energy and water use, improving indoor air quality, generating on-site renewable energy when feasible, implementing environmentally preferable purchasing, and developing the infrastructure for electric vehicle charging stations at state facilities. The Green Building Action Plan also established two oversight groups – the staff-level Sustainability Working Group and the executive-level Sustainability Task Force – to ensure these measures are met. Agencies annually report current energy and water use into the Energy Star Portfolio Manager (ESPM).

• **Executive Order B-29-15**

EO B-29-15 directs state agencies to take actions in response to the ongoing drought and to the state of emergency due to severe drought conditions proclaimed on January 17, 2014. Governor Brown directed numerous state agencies to develop new programs and regulations to mitigate the effects of the drought, and required increased enforcement of water waste statewide. Agencies were instructed to reduce potable urban water use by 25 percent between 2013 and February 28, 2016.

• **Executive Order B-30-15**

In 2015, the governor issued EO B-30-15, which declared climate change to be a “threat to the well-being, public health, natural resources, economy and environment of California.” It established a new interim statewide GHG emission reduction target of 40 percent below 1990 levels by 2030 and reaffirms California’s intent to reduce GHG emissions to 80 percent below 1990 levels by 2050. To support these goals, this order requires numerous state agencies to develop plans and programs to reduce emissions. It also directs state agencies
to take climate change into account in their planning and investment decisions and employ life-cycle cost accounting to evaluate and compare infrastructure investments and alternatives. State agencies are directed to prioritize investments that both build climate preparedness and reduce GHG emissions; prioritize natural infrastructure; and protect the state’s most vulnerable populations.

- **Executive Order B-37-16**

EO B-37-16 builds on what were formerly temporary statewide emergency water restrictions in order to establish longer-term water conservation measures, including permanent monthly water use reporting; new permanent water use standards in California communities; and bans on clearly wasteful practices such as hosing off sidewalks, driveways and other hardscapes. The EO focuses on using water more wisely and eliminating water waste by taking actions to minimize water system leaks. The California Department of Water Resources (DWR) estimates that leaks in water district distribution systems siphon away more than 700,000 acre-feet of water a year in California – enough to supply 1.4 million homes for a year.

The EO further strengthens local drought resilience and looks to improve agricultural water use efficiency and drought planning. State agencies are to cooperate with urban water management plans, which include plans for droughts lasting for at least five years by assuring that the water efficiency and conservation plan has drought contingency actions.

**State Administrative Manual & Management Memos**

The following section of the State Administrative Manual (SAM), and associated Management Memos (MMs) currently impose sustainability requirements on the department under the governor’s executive authority:

- **SAM Chapter 1800**: Energy and Sustainability

- **SAM Chapter 1900**: “Waste Prevention and Recycling of Non-Hazardous Waste.”

- **MM 14-02**: Water Efficiency and Conservation

- **MM 14-05**: Indoor Environmental Quality: New, Renovated, And Existing Buildings

- **MM 14-07**: Standard Operating Procedures for Energy Management in State Buildings

- **MM 14-09**: Energy Efficiency in Data Centers and Server Rooms

- **MM 15-04**: Energy Use Reduction for New, Existing, and Leased Buildings
• **MM 15-06**: State Buildings and Grounds Maintenance and Operation

• **MM 16-07**: Zero-Emission Vehicle Purchasing and EVSE Infrastructure Requirements (SAM Section 4121.4)

• **MM 17-04**: Zero Net Energy for New and Existing State Buildings