

## **Pacific Gas and Electric Company**

**Moderator: Anthony Abdulla**

**June 6, 2019**

**9:00 AM PT**

Anthony Abdulla:

Energy efficiency programs. This is a request for abstract number 92647. I'm Tony Abdulla, PG&E Sourcing Category lead, and the facilitator of the conference, and the point of contact for this RFA. We've done to safety in the room where we are located and anyone on the phone, please repeat your safety procedures wherever you are. So, what I'm going to do now is, we're going to go through and go through the agenda today. So, first, opening, remarks and welcoming will be Matt Braunwarth, and then logistics will be myself will do the RFA approach and process will have a briefing on supply chain responsibility. And we'll take a 10-minute break. During that time. That's when we will be compiling the answers to your questions. And the question and answer session, one going, so if you have questions during the session, please use the chat feature on the conference. And we'll compile those, and we'll get to those.

Again, thank you. And Matt, wanna

Matthew Braunwarth:

Morning, everybody. Again, my name is Matt Braunwarth. And I'm the Manager of Energy Efficiency Procurement at PG&E, very excited to kick off this solicitation. This is our first statewide solicitation where PG&E is lead. And all of the kind of you may have been either observing or participating in either some of the other solicitations that are in process, either at PG&E or at some of the other utilities in the state. You aware, we're all kind of undergoing an outsourcing activity here all within the process, kind of towards the progress to outsource our portfolios to add minimum of 60% to be allocated to third parties by the end of 2022. So again, this is kind of the our first statewide solicitation is for new construction. And and we've we've combining this one to be both covering of program ideas from both residential and non-residential sectors. So excited to get underway, looking forward to kind of seeing some new innovative new approaches in this area. And with that, I'll hand it back to Tony to get kicked off.

Anthony Abdulla:

Thanks, Matt. So, we're going to go over the logistics here on this slide. All of the calls have been placed callers have been placed on mute during this conference. We will not be taking any live questions during the presentation. As I've said earlier, if you have questions, please use the chat feature. type up your questions, submit them, we will get to hopefully most of them today during the break. Any remaining questions that we don't get to will be posted in PowerAdvocate by the 21st June deadline. So, all questions and answers from today's session and from those that you've submitted, in PowerAdvocate will be posted on the PowerAdvocate site.

So please send your questions. So after the conference today, like I said, we're going to post everything to the PowerAdvocate site encourage you to if you're not registered in PowerAdvocate, you need to register in PowerAdvocate if you want to see this solicitation, and see the documents and the questions and answers, and I encourage you to please carefully review the solicitation general instructions and all the documents in the RFA.

They're available both on PowerAdvocate and the EE solicitations website. So, to the extent that there any consistencies between the information provided in this presentation, the requirements and the requirements in the RFA documents, the RFA materials published in PowerAdvocate will govern. So, next thing would be the independent evaluators. We have independent evaluators are the IEs with specific their subject matter experts in energy efficiency, and they will help ensure that this was a competitive solicitation process to be transparent and fair. The primary role of the IEs is to monitor the solicitation process to ensure that this is fair and equal treatment of all participants also monitor their monitoring the we should process to ensure that PG&E has implemented methodology as a described and offers and that the offers are treated consistent. They also report on the RFA/RFP process and proposed transactions to the PRG which is the procurement review review review group.

When filed for CPUC approval. The IEs may also offer data and communications with participants, all the IEs have past conflict of interest screens and executed non-disclosure agreements to participate in the solicitation process. I want to emphasize that the bidders need to refrain from directly contacting or trying to exert any influence on the independent evaluators during this solicitation. And the IEs that we have here are the Mendota group, EAJ Energy Advisors, and Barakat Consulting.

So, the next thing we have is the schedule at the RFA was released to the bidders on May 28. Today is a bidder's webinar. The deadline to submit questions in PowerAdvocate, and they must be submitted through power advocate if they're not submitted Today is June 14 at 4pm. We will respond to all the questions by June 21. And posting of the questions will be in PowerAdvocate. And please note that the RFA response due date is June 28, at 4pm. So, if you're I encourage you to please upload as soon as you can don't wait to the last minute because at 4pm system will shut down. And if your documents are not loaded at that time, you won't be able to post them. So, if you're experiencing any difficulties. Yeah, we encourage you to do it earlier. And there is a number any technical issues with PowerAdvocate on the site. Go to the next slide. So, this is the PowerAdvocate overview. All the documents for this RFA are posted in PowerAdvocate. Under the download Documents tab, you'll see them and any messaging that you need to do questions, there's a messaging tab,

please use that tab. And the responses will be posted in this tab also and also on the download documents.

So, the abstract submission process. The only way, the only abstracts we will consider are those that are submitted to PowerAdvocate. And this platform. As I said earlier, the late submissions after four o'clock will not be reviewed and will not be considered. So please don't wait until the last-minute upload. Start it as early as you can. All of your documents must adhere to the formatting specifications, family general instructions. Go beyond the page limit of the narrative response. And don't reformat the tables in the data response form. And there's a naming convention, which you see right here below and it's also in your general instructions.

Want to go over communications with everybody. So, any questions you have regarding this RFA needs to be submitted through PowerAdvocate using the messaging function. It will come through me and we will upload the questionnaire template with the questions and the answers. Questions must be submitted by the deadline anything submitted after the deadline will not be answered. So, you can download Documents tab to upload your we will use the download Documents tab to upload the question and answers that we've responded to. and want to reiterate, please do not contact any PG&E staff that you're currently working with on any other programs. You know anything outside the request for this information needs to come to PowerAdvocate so don't don't contact them or any of the independent evaluators regarding this solicitation. And also, I also want to say the submissions of the questions are not mandatory. You don't need to submit questions if you don't have them. A lot of your questions may already be submitted by someone else. Read them before you submit anything else. Alright. confidentiality, PG&E will keep the abstracts and the bidder's response to this RFA confidential. PG&E will not share bidders, abstracts, program information and ideas provided in the RFA with other bidders or any other energy efficiency service providers with the exception. The lone exception relates to the definition of alterations for section 2.E of the RFA's General Instruction. However, PG&E will disclose and provide bidders abstract any other documentation submitted as part of this RFA. PG&E's independent evaluators with the PRG and the CPUC and its staff. PG&E cannot ensure that the CPUC or the PRG and the IEs will afford confidential treatment to any information provided in the abstract or submits as part of this RFA. Participation as an independent evaluator, or on the PRG non-confliction staff requires a successful review of conflicts of interest and execution of an NDA. by submitting an abstract in response to this RFA, bidders acknowledge and agrees that PG&E will not assume any liability to bidder as a result of any public disclosure of bidders abstracts or other submitted information resulting from this RFA.

Patrick Eilert:

Hi, everyone been breathing hard because I just ran into the building and the conference room. But here we are, let me turn my phone off. Okay, so um, Slide 12, so,

If you look at the table three, and decision 18.0.5041, you will find a list of programs that the CPUC has designated to be implemented and administered on a statewide basis on behalf of all the other IOU still breathing here. And in bordering paragraph, 18 there are a list of activities that the lead program administrator is expected to conduct. These include vision, procurement, implement or oversight responsibility for achieving goals for the state metrics and reporting. One of the the questions I've received repeated repeatedly from various people is why are we doing a single RFA and, but important, that's just a signal to everyone that we cannot keep doing the same thing we're doing, what we're doing doesn't go fast enough to help meet the states 2030 policy goals. And on a more operational level, if we don't rethink how we we organize our implementation activities, in particular, we will realize the operational efficiencies that the CPUC is looking for, out of this whole statewide effort. Now, one of the one of the things we have to do is, move faster. And, and, and one of the strategies for doing that is to achieve the CPUC long standing goal of proactive integration between incentive programs and, and codes and standards.

And so, we are looking for abstracts that actually connect the dots between climate goals through CPUC, CEC and ARB policy goals. And if we do that in the right way, I think and focus on those issues, we will do a better job of supporting the future codes and standards through advocacy advocacy programs. Now, one of the things that, of course, is happening here in the state is that policy landscape is changing fairly rapidly. My guess is that ZNE is a pretty low bar compared to where we're headed in the state as we move towards 2030. So, we need people to stretch. And, and and think about where policy is going, not just the existing policies. Otherwise, we'll we'll have to, you know, programs might become obsolete some fairly quickly, will need everyone to we're asking you to think about in terms of making these programs, more focused, changing market conditions and income. It's a lot of change going on, for example, and in retail and multifamily sectors are just example. And there is a need for affordable housing moving ahead. So, what how does that change where the programs should go. as most of you probably know, we've achieved dual fuel ZNE for single family and low rise multifamily. So how big of an effort is that compared to say mid-rise, multifamily and commercial going forward? And in terms of where you focus your efforts, I do think there are opportunities in the single family and multifamily sectors.

But I think we need to be really careful about that. So that next statement is kind of loaded the need for cost effective programs that prepare the market for future codes. So, one of the primary issues there is that if a program is cost effective from a program PRC perspective, it has been cost

effective from the CEC TDV perspective for quite some time already. So why are we doing that kind of a program? One issue might be because of the tightening problem, maybe the CEC is not getting to our resource acquisition opportunity. But there might be other reasons to do those kinds of programs, for example, something can be cost effective, but maybe it's not feasible. And maybe there's an issue with compliance, the ability to comply with something out there. So, I think what we're asking you to do is just be really clear about why you're doing programs. And make sure that the that the scope and barriers are properly sort of identified. Now, the only way we will actually, in any practical sense, connect, connect incentive programs to codes and standards is that through data, and the way we'll have to do that is through alterations. If you think about the timeline for new construction projects, we are for example, in the IOU pro new construction programs, still still waiting to pay project that started in the 2013 code cycle, doesn't mean they were bad projects, if there was influence there. It's just that that sort of timeline doesn't provide data for starting a new program in 2020, say to 2025 or 2028 code cycles. So we so and once we want this program to be sort of purely resource acquisition effort, we're going to have to also focus on alterations for the purpose of data. Now the building industry does a pretty good job. But there are, there are certain things we can do to improve behavior in the building industry. One example of that might be just to make sure that we're following the code and doing acceptance test requirements using acceptance testing technicians, that'll lead to higher net gross values, once we once the programs evaluated. From a compliance improvement standpoint, one of the things we know there's there's additional savings to be gained by employing highly trained certified energy analysts to do the modeling for complex buildings in particular, but that's just two probably tactical things we could think of to influence behavior change in the building and compliance ecosystem, let's talk about the new construction program boundaries. And the next slide. More and more new buildings and codes are, are intersecting the grid. And in new construction programs, there's an opportunity to to to support enabling infrastructure for things like demand management, and just more generally be good grid citizens.

Moving to the next slide. So, you can see what's in scope, what's in scope, there is mostly Part Six from title 24. But there's also things beyond four, six and 12 11 and read including title 25 also because even though some of the federally covered, there's not there's no reason why manufactured housing, well, I think I'm going off track there. But title 24 covers manufactured housing, so and there might be some real opportunities there.

Again, one of the big questions we had is, you know, what about the overlap between, you know, significant alterations and other codes. And other programs, one of the one of the things we're looking for here is, is advanced systems and technologies that actually links specifically to future

codes, for example, what system could help support 2025 commercial building codes or multifamily and 2028-time horizon. So, again, what we're, we don't have a perfect, we don't have a perfect dividing line between new construction alterations and retrofit incentive programs. But if you focus on technologies and systems that specifically support future codes, we're quite a ways there. And we're looking for innovative abstracts that help help guide us in that respect.

There's a number of things out of scope on this slide. You guys can read that. But there, but that doesn't mean there's not a gap here. What are some of the opportunities that that may not be identified specifically that fall between these two areas. One idea that Kelly and I discussed just a couple of days ago was maybe, you know, federally covered things like mobile homes, and so forth. And since that conversation, I can think of a few other things that fall into this gap. Without all just stop.

Anthony Abdulla:

Thank you, Pat.

Matthew Braunwarth:

All right, this is Matt Braunwarth again. So, to go over kind of the evaluation factors in this RFA, you'll find this structure and most of our requests for abstracts where we really focus on the program concept, and also the company experience and qualification. So, for this specific request for abstract for new construction, when we're looking at program concept, we're really looking at the fundamental program design. And starting to scratch the surface, that's kind of what's the underlying theory. It's kind of that that program kind of is based on and the benefits that that program can provide. We're also looking at an assessment of just how well this program would support a future codes and standards. We try to get a preliminary look at program feasibility. And we also try to see just how this program is innovative. And and kind of demonstrates that through kind of a design features that have been proposed. And you'll find more information or kind of definitions of kind of all of those in the general instructions document that comes to company experience, if you're looking at the team qualifications and capabilities of that team, and also just the prior track record. And we just kind of we have a note here, and we'll kind of touch more on this later. That ultimately every program that we procure, solicitation needs to be compliant with all the regulatory requirements that are kind of mandated for an EE program. that being said, I'd say regulatory compliance isn't the main focus of this RFA. And they're really looking at how the focus of the program fundamentals and, and, and move and focus on kind of legal and regulatory requirements kind of will kind of with every advancing stage of the solicitation become greater and greater and move to the next.

So, the actual structure of the abstract from what you what you will submit to us so consistent two parts, what we call a narrative response form and a data response form. And both of these have pre-formatted templates for

for you to kind of use fill out and return to the narrative, it's a Word document, limited to 14 pages total. And the sections are already described in there of the executive summary, program description and company experience and qualifications are the main topics. I'd say that the page, the page limits that we are there all suggested other than the the only mandatory was the 14 pages. Within there, we give the best the suggested page limits for each section, but you're free to kind of increase or decrease that as you see fit in terms of what what fits the information. That's the main kind of how how you want to present your program, feel free to fit that and distribute that information in that in the way that you see kind of gives gives the best kind of presentation for your program, other than must be less than 14 pages. So that's the narrative response with the with the data response form.

Similar with this is an Excel spreadsheet is really focused more on collecting numerical data tabular data, and and we have pre-formatted tabs for you to supply kind of the requested information there. And I'd say this is really suited to kind of pull in a lot of information quickly and and in an automated way. So please refrain from reformatting or changing the table that that will affect our ability to actually kind of do a quick evaluation and review of the material there. That being said, I think it's mostly locked down. But if you figure something out, please don't do that. And then, and then generally at the bottom, again, just kind of both of these files, please use the following naming convention where it's your company name, dash, your program name, dash, and then 2019, new construction RFA just named both the same thing. And moving will that'll help us kind of pull all the information together and see quickly kind of complete bids. And and keep it organized.

And like I mentioned before the regulatory compliance, so the and I'll just kind of go through the material here were at all programs that we recommend to execute as a result of the solicitation will have to demonstrate compliance with all the, like, replicable regulatory program requirements. It's not I say that compliance with regulatory requirements is not the focus of this RFA. But bidders should be aware, and I'd say begin to be familiar if you aren't already with the key regulatory rulings that that formulate program concepts and engage in to kind of build that into their program design. And I think these topics will be thoroughly reviewed. And again, more in the RFP stage as we go forward. And for references, I'll say, there's kind of a list of references in the RFA general instructions. Under the kind of the resources section, we also have, excuse me, like on our on our web page. So, EE solicitation web page under the resources section, and have links to kind of relevant decisions and other documents that would explain kind of the regulatory requirements for for these programs.

That I'll hand it over to David Pell, for supply chain responsibility.

David Pell: Thank you, David Pell, PG&E supply chain responsibility. But I just want to go over a few things relevant to supply chain responsibility.

There are three aspects to supply chain responsibility I want to talk about. Number one is the inclusion of small and diverse businesses in our supply chain. Number two is working with businesses so they grow and develop their own code of conduct for both their employees as well as their suppliers. And number three is that our suppliers have an environmental sustainability program that mirrors the commitment that PG&E has made towards CO2 reduction and making a smaller footprint. These will become factors should your company be one that would be selected to participate in any subsequent RFPs for this RFA, we will not be scoring, or looking at questions relevant to supply chain responsibility. We do ask that when you are filling out your vendor information that you note whether you are small or diverse, firm, and asset as you are responding to the RFA that you consider teaming with or using small and diverse businesses as the contractors, and in your RFA note on your intention of what you would use them for my team, what they would bring to your response.

Anthony Abdulla: Alright, well, thank you, everyone. So now we're going to take a 10-minute break, we're going to look at the questions that were submitted. If you haven't done so already and need to ask questions, please use the WebEx chat function and just want to let everybody know that this is being recorded. And the slides will be available online. When this is over. Alright, so we'll see you back in about 10 minutes. Thank you.

Okay, welcome back, everyone. We have a few questions submitted. So, we're going to address those. And let me say it again, that these questions and answers will be posted on the website after the conference.

Bella Shamoun: So, the first question is, if bidders are proposing to bid on residential and non-residential, I'll be permitted to submit two separate aspects to allow us to describe a segmented market approach?

Matthew Braunwarth: And this is Matt from PG&E. The answer is, yes, there's a few limitations on the RFA other than page limit. So that's kind of we're open to have any structure for that program design. And if that's one program that kind of serves kind of all of the all of the kind of defined kind of sector need here. We're open to that, if that's too, or multiple different programs am kind of configurations. By all means submit those kinds of separately, if that seems to be the more the most logical way to do that.

Bella Shamoun: The next question, please give an example of the type of technology linked to future building code. Do you mean efficiency technology e.g. improved HVAC? Or are you speaking of other data collection methods to inform future codes or something else?

Matthew Braunwarth: This is Matt again. So, I'd say it's, it's and so we're not limiting Or what we're trying to kind of collect here what we're asking about here. So that could be energy efficiency technology. And that could be data collection methods, or any other innovative new things like thing that you can put there we would like to hear it in the RFA. So, it's a it's kind of all of the above.

Bella Shamoun: Next question, you mentioned, the questionnaire templates, will you upload to power advocate?

Matthew Braunwarth: And I say by questionnaire template, if you mean the templates to respond in terms of the data response form, or the narrative response form. Those are available on PowerAdvocate, they're also available on the solicitation's website, if you're referring to the FAQ. So, the response to kind of the questions that were asked today or may receive in writing, and over the next week, that will be uploaded to PowerAdvocate, kind of a kind of on a rolling basis, kind of soon after this today, but then also kind of within the deadline stated in the instructions.

Bella Shamoun: Next question, ZNE is the floor at least for RNC, going beyond ZNE suggests net positive energy generation or perhaps ZNE the transportation the currency to doesn't capture benefit from this? What do you suggest for how to address?

Matthew Braunwarth: I, and I'd say like, just to kind of reiterate that the CET is not required. In this RFA. I understand many people may be using that as a tool to help guide other the early stages of their program design. I'd say to the extent that you'd like to speak to that in your RFA, you know, feel free to do that. And But again, it's not like CET, the focus and kind of a quantification of those benefits and costs is not the focus of this RFA. And that will be kind of more directly discussed and scrutinized in the RFP and we'd have more detail and event for those that are kind of moving to that stage, how to respond in the fourth kind of, you know, in the future RFP.

So that was all the questions we had for now, I don't want to cut it off yet. So, I think we're going to take another break. Yeah. And we'll take another kind of 10-minute break, we'll collect kind of any remaining questions that come in. And we'll be back in 10 minutes to answer them. And we'll take it from there. Thank you, everybody will be back.

Anthony Abdulla: Okay, welcome back, everyone. I just received an additional question. So, we're gonna

Bella Shamoun:

Okay, so the next question is new construction requires a significant commitment of funds for future projects, for example, four to eight months for non-resource, how do you propose to handle this with a typical three years plus one plus one contract?

Matthew Braunwarth:

And this is Matt again. So, the way we've been handling this was like for this for the RFA, and for the RFP, we've been using kind of just an assumed contract length of three years, just to kind of have some consistency in the bids that we receive, and how to compare them. That being said, you know, if it, if there is a case to be made for a longer contract term, or some other kind of structure, that makes sense, the time to kind of bring that up into discuss that would be in contract negotiation. But not to say that this is the only structure that we're considering. It's just in the upfront stage, as we're, as we're comparing proposal. We're just making some assumptions on the term. But again, kind of if there's an argument to be made for something other than that, you know, we need the time to have that conversation is, is when we're in contract negotiation.

We don't have any other questions in the queue right now. So, I say you haven't missed your chance. But I, you know, just for kind of people's time, I think we'll conclude this webinar. And but for folks that have questions, feel free if you're kind of reading over the next week, submit them through PowerAdvocate. And we will respond to them. In the FAQ. I say this, every question that we that we respond to today will also kind of post in PowerAdvocate and, you know, get things kind of kicked off, but I say have fun, good luck enjoying and reading the RRF or the RFA. We look forward to seeing your responses as they come in.

So, thanks, everybody, and we'll be in touch thanks. Bye.