

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Pacific Gas & Electric Company
GAS (Corp ID 39)
Status of Advice Letter 4707G/6842E
As of February 22, 2023

Subject: Advice Letter Submittal of Pacific Gas and Electric Company's Third-Party Contract, resulting for its Energy Savings Assistance Multifamily Whole Building (MFWB) Program solicitation, executed between TRC Solutions, Inc. and PG&E

Division Assigned: Energy

Date Filed: 01-24-2023

Date to Calendar: 02-03-2023

Authorizing Documents: D2106015

Disposition:	Accepted
Effective Date:	02-23-2023

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Kimberly Loo

(415)973-4587

PGETariffs@pge.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov

January 24, 2023

Advice 4707-G/6842-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Advice Letter Submittal of Pacific Gas and Electric Company's Third-Party Contract, resulting for its Energy Savings Assistance Multifamily Whole Building (MFWB) Program solicitation, executed between TRC Solutions, Inc. and PG&E

Purpose

In compliance with Ordering Paragraph (OP) 122 of Decision (D.) 21-06-015, Pacific Gas and Electric Company (PG&E) hereby requests the California Public Utilities Commission's (Commission) approval of the Energy Savings Assistance Multifamily Whole Building (MFWB) Program Implementation Agreement executed between PG&E and TRC Solutions, Inc. resulting from PG&E's MFWB program solicitation.

Background

In D.21-06-015, the Commission directs the Investor-Owned Utilities (IOUs) to develop a competitive solicitation for a multifamily whole building income-qualified program that is inclusive of all multifamily sector energy efficiency services (in-unit, common area measures and whole building measures) to be implemented by a non-utility third-party, using a single-stage solicitation process with two-step selection that utilizes a Procurement Review Group (PRG) and an Independent Evaluator (IE). The Commission also requires the IOUs to work with contracted third-party to develop a MFWB program design that is in full compliance with the requirements prescribed in D.21-06-015.¹ Finally, the Commission instructs PG&E and San Diego Gas & Electric Company—the lead IOUs for a Northern and a Southern MFWB Program, respectively—to submit a Tier 2 Advice Letter (AL) for each MFWB third-party contract for Commission approval within 15 days of when the contract is executed.²

¹ OP 117.

² OP 122 requires "[t]he lead Utilities for the Northern and Southern multifamily whole building (MFWB) programs must submit a Tier 2 advice letter within 15 days of when the solicitation process concludes and a contract is executed, and at a date no later than November 30, 2022...". However, on November 28, 2022, the Commission granted PG&E's request for an extension of time to conclude its contracting process and submit the AL by January 30, 2023.

Compliance Requirements

PG&E successfully conducted a competitive MFWB Program solicitation, and the resulting implementation contract with TRC Solutions, Inc. was executed on January 14, 2023. PG&E hereby submits this AL for Commission's approval of the contract. PG&E has prepared this AL in conformance with the advice letter template developed by the Energy Division (ED)³ and in compliance with the information requirements specified in OP 122. Table 1 describes the list of the AL content and indicates where PG&E is providing the content within this submission. As indicated in Attachment 4 of D.21-06-015, the IE Report and executed contract may be considered confidential in-full or in-part and therefore have been redacted where applicable.

Table 1 – Summary of Compliance Requirements for ESA MFWB Third-Party Solicitation

	Contents, Attachments, and Appendices	Part 1 Public	Part 2 Confidential
1	Introduction: Purpose and Subject (Summary of Contracts)	Part 1.1.A-1.1.B	Appendix D
	Introduction: Program Design and Portfolio Impacts	Part 1.1.C-1.1.D	
2	Introduction: Solicitation Process Overview	Part 1.1.E	Appendix B
3	Transition Plan	Part 1.2	
4	Implementation Plan	Attachment B	
5	Confidentiality	Part 1.3	
6	Final IE Report	Attachment A	Appendix A
7	Selection spreadsheet (in Excel)		Appendix C
8	Executed third-party contract		Appendix E

Protest

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than February 13, 2023, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

³ D.21-06-015 at Attachment 4, Section C, Timeline and Advice Letter submittal.

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name and e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

Pursuant to General Order (GO) 96-B, Rule 5.2, and OP 2 of D.18-01-004, this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice submittal become effective on regular notice, February 23, 2023, which is 30 calendar days after the date of submittal

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for A.19-11-003 et al. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Sidney Bob Dietz II
Director, Regulatory Relations

Attachments

cc: Service Lists in A.19-11-003 et al.



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39 E)

Utility type:

☒ ELC ☒ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 4707-G/6842-E

Tier Designation: 2

Subject of AL: Advice Letter Submittal of Pacific Gas and Electric Company's Third-Party Contract, resulting for its Energy Savings Assistance Multifamily Whole Building (MFWB) Program solicitation, executed between TRC Solutions, Inc. and PG&E

Keywords (choose from CPUC listing): Compliance

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.18-01-004

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? ☒ Yes ☐ No

If yes, specification of confidential information: See Confidentiality Declaration and Matrix
Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information: Jenny Wu, Jenny.Wu@pge.com

Resolution required? ☐ Yes ☒ No

Requested effective date: 2/23/23

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

¹Discuss in AL if more space is needed.

Protests and correspondence regarding this AL are to be sent via email and are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

CPUC
Energy Division Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Clear Form

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

**DECLARATION SUPPORTING CONFIDENTIAL DESIGNATION
ON BEHALF OF
PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

1. I, Jenny Wu, am an Expert Regulatory Policy Analyst of Pacific Gas and Electric Company (“PG&E”), a California corporation. Vincent Davis, the Vice President – Customer Operations and Enablement of PG&E, delegated authority to me to sign this declaration. My business office is located at:

Pacific Gas and Electric Company
245 Market Street, Mail Code N7K
San Francisco, CA 94105

2. PG&E will produce the information identified in paragraph 3 of this Declaration to the California Public Utilities Commission (“CPUC”) or departments within or contractors retained by the CPUC in response to a CPUC audit, data request, proceeding, or other CPUC request.

Name or Docket No. of CPUC Proceeding (if applicable): A.19-11-003 et al

3. Title and description of document(s): C1. Confidential Appendix A - IE Report.pdf (pp. 1, 16-21, 23-28, 30-33); C2. Confidential Appendix B - Solicitation Process Overview.xlsx; C3. Confidential Appendix C - Northern MFWB RFP- Selection Spreadsheet.xlsx; C4. Confidential Appendix D - Third-Party Contract Summary.pdf; C5. Confidential Appendix E – Contract.pdf.

4. These documents contain confidential information that, based on my information and belief, has not been publicly disclosed. These documents have been marked as confidential, and the basis for confidential treatment and where the confidential information is located on the documents are identified on the following chart:

Check	Basis for Confidential Treatment	Where Confidential Information is located on the documents
☐	Customer-specific data, which may include demand, loads, names, addresses, and billing data (Protected under PUC § 8380; Civ. Code §§ 1798 <i>et seq.</i> ; Govt. Code § 6254; Public Util. Code § 8380; Decisions (D.) 14-05-016, 04-08-055, 06-12-029)	
☒	Personal information that identifies or describes an individual (including employees), which may include home address or phone number; SSN, driver's license, or passport numbers; education; financial matters; medical or employment history (not including PG&E job titles); and statements attributed to the individual (Protected under Civ. Code §§ 1798 <i>et seq.</i> ; Govt. Code § 6254; 42 U.S.C. § 1320d-6; and General Order (G.O.) 77-M)	See attachments to declaration
☐	Physical facility, cyber-security sensitive, or critical energy infrastructure data, including without limitation critical energy infrastructure information (CEII) as defined by the regulations of the Federal Energy Regulatory Commission at 18 C.F.R. § 388.113 (Protected under Govt. Code § 6254(k), (ab); 6 U.S.C. § 131; 6 CFR § 29.2)	
☒	Proprietary and trade secret information or other intellectual property and protected market sensitive/competitive data (Protected under Civ. Code §§ 3426 <i>et seq.</i> ; Govt. Code §§ 6254, <i>et seq.</i> , e.g., 6254(e), 6254(k), 6254.15; Govt. Code § 6276.44; Evid. Code § 1060; D.11-01-036)	See attachments to declaration
☐	Corporate financial records (Protected under Govt. Code §§ 6254(k), 6254.15)	

☐

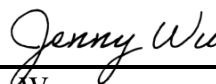
Third-Party information subject to non-disclosure or confidentiality agreements or obligations

(Protected under Govt. Code § 6254(k); see, e.g., CPUC D.11-01-036)

☐

Other categories where disclosure would be against the public interest (Govt. Code § 6255(a))

5. The importance of maintaining the confidentiality of this information outweighs any public interest in disclosure of this information. This information should be exempt from the public disclosure requirements under the Public Records Act and should be withheld from disclosure.
6. I declare under penalty of perjury that the foregoing is true, correct, and complete to the best of my knowledge.
7. Executed on this 17th day of January 2023 at Sacramento, California.



Jenny Wu
Regulatory Policy Analyst, Expert
Pacific Gas and Electric Company

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

**A.19-11-003 et al.
ATTACHMENT TO DECLARATION
January 17, 2023**

ATTACHMENT NAME	DOCUMENT NAME	CATEGORY OF CONFIDENTIALITY	LOCATION
C1. Confidential Appendix A - IE Report.pdf	C1. Confidential Appendix A - IE Report.pdf	Protected market sensitive/competitive data and Personally identifiable information (PII)	Advice Letter 4707-G/6842-E Market sensitive/competitive data: pp. 1, 16-21, 23-28, 30-33; PII: pp. 18-19
C2. Confidential Appendix B - Solicitation Process Overview.xlsx	C2. Confidential Appendix B - Solicitation Process Overview.xlsx	Protected market sensitive/competitive data	Advice Letter 4707-G/6842-E Entire attachment
C3. Confidential Appendix C - Northern MFWB RFP- Selection Spreadsheet.xlsx	C3. Confidential Appendix C - Northern MFWB RFP- Selection Spreadsheet.xlsx	Protected market sensitive/competitive data	Advice Letter 4707-G/6842-E Entire attachment
C4. Confidential Appendix D - Third-Party Contract Summary.pdf	C4. Confidential Appendix D - Third-Party Contract Summary.pdf	Protected market sensitive/competitive data	Advice Letter 4707-G/6842-E Entire attachment
C5. Confidential Appendix E – Contract.pdf	C5. Confidential Appendix E – Contract.pdf	Protected market sensitive/competitive data	Advice Letter 4707-G/6842-E Entire attachment

PACIFIC GAS AND ELECTRIC COMPANY

PART 1 PUBLIC SECTION OF ADVICE LETTER

Energy Savings Assistance

Northern Multifamily Whole Building Program Third-Party Contract
Solicitation

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Public Attachment A: Final Independent Evaluator Report (Public)

Public Attachment B: Implementation Plan (Public)

1. Introduction

Pursuant to Commission Decision (D.) 21-06-015, Pacific Gas and Electric Company (PG&E) hereby submits this advice letter (AL) to seek Commission approval of the Energy Savings Assistance (ESA) Northern Multifamily Whole Building (MFWB) Program Third-Party Contract Solicitation Implementation Contract (“Contract”) between TRC Solutions, Inc. (TRC) and PG&E.

A. Purpose

Pursuant to D.21-06-015, PG&E successfully completed a competitive MFWB program solicitation that utilized a single-stage solicitation process with two-step selection that included the use of a Procurement Review Group (PRG) and an Independent Evaluator (IE).¹ The resulting MFWB program—which will be implemented by TRC, a non-utility third-party—is inclusive of all multifamily sector services (in-unit, common area measures and whole building measures). The Northern MFWB program design has been developed to be in full compliance with D.21-06-015 and with adherence to cost-effectiveness guidelines and the ESA program portfolio goals to achieve deep savings²; the program design also considers opportunities to maximize *“a building’s demand response technologies, greenhouse gas reduction, water energy nexus, and the health, comfort, and safety of tenants”*.³ The Northern MFWB program will be accessible to both deed-restricted and non-deed restricted properties and will feature Single Point of Contact (SPOC) service that connects multifamily property owners with incentive-layering opportunities to lower the barriers to participation.

In compliance with D.21-06-015 OP 122, PG&E is submitting this AL which details Contract information—including MFWB program design, a budget by category, measure offerings, energy savings goals, treatment targets, cost effectiveness values, contract terms—and the Independent Evaluator (IE) Report for Commission review. The AL also provides information on the projected MFWB program contribution to the energy savings goals for PG&E’s ESA program.

B. Northern MFWB Program Implementation Contract

Table 2 lists the contract awarded resulting from the Northern MFWB Program Solicitation.

¹ Ordering Paragraph (OP) 116 and OP 119.

² OP 117.

³ OP 118.

Table 2: Contract Awarded from MFWB Solicitation

Contract		Budget*	Duration
Multifamily Sector			
1.1	Energy Savings Assistance (ESA) Northern Multifamily Whole Building (MFWB) Program		48 months

*The budget amount shown here reflects the contract amount with the Implementer, it is not inclusive for the entire Northern MFWB Program Budget. Please refer to Table 4 below for detailed program budget information.

Table 3 provides a detailed summary for the Contract that is the subject of this AL.

Table 3: General Contract Summary

1	Solicitation name	Energy Savings Assistance (ESA) Northern Multifamily Whole Building (MFWB) Program
2	Type of program: local, regional, or statewide	Regional
3	Delivery Type – specify the delivery type (i.e., direct install, upstream, midstream, or downstream)	Direct Install for in-unit treatments, downstream for common areas and whole building measures (CAM and WB);
3.1	A. Direct Install/Downstream Customer Targeting (Yes or No)	Yes
3.2	B. Customer Targeting brief description, if applicable	Yes – Please refer to Attachment B Implementation Plan
4	Market/Sector(s)	Multifamily sector
5	Customer Segment(s)	Multifamily income-qualified customers
6	Third-Party Implementer/Subcontractor name	TRC Solutions, Inc. (TRC)
7	Name of program or service	Northern Multifamily Whole Building Program
8	Brief description of program or service (2-3 sentences)	The Northern MFWB Program will offer ESA services for in-unit, CAM and WB measures to

		deed restricted and non-deed restricted multifamily customers. In addition, NGAT services will be provided as needed. For more information, please refer to the Implementation Plan (Attachment B)
9	Total kWh Energy Savings (2023-2026 First year)	76,963,528
10	Total MW Energy Savings (2023-2026 First year)	N/A
11	Total therms Energy Savings (2023-2026 First year)	2,992,444
12	Forecasted Number of Units Served by Program Year	See Table 6c
13	Forecasted Number of Properties Served by Program Year	See Table 6d
14	Area(s) Served (including service territory, climate zones, cities, and/or counties, as applicable)	PG&E service territory
15	Program ESA CET ratio (ESA CET output)	0.50
16	Program TRC ratio	0.39
17	Budget: Forecast budget by program year (PY) for each year contract in effect	See Table 4
18	Budget: Forecast expenditures by program year (PY) for each year contract in effect	The forecast expenditures by PY are currently expected to be the same as the forecast budget by PY
19	Budget: Total Program Budget (include explanation for difference, if any, from total contract budget provided in Table A)	See Table 4
20	Measure(s)	HVAC, lighting, weatherization, refrigerators, water heaters/boilers, pool pumps, smart thermostats, low flow showerheads, and electrification measures.

21	Savings Determination Type (i.e., custom, deemed, Net Metered Energy Consumption, or Randomized Control Trial)	Deemed measures
22	Savings Calculation Method(s) (Meter-Based, Deemed, Calculated, Multiple and/or Other) If Multiple or Other, please specify	Deemed savings methodology
23	Contract start date and end date	February 23, 2023 – December 31, 2026 (Estimated effective start date, subject to Commission’s approval of the AL and PG&E Notice to Proceed)
24	Program start date and end date. If program dates are not defined by the period the program is open for customer participation, explain, and also include customer participation period.	April 1, 2023 – December 31, 2026 (Estimated effective start date, subject to Commission’s approval of the AL and PG&E Notice to Proceed)

C. Program Design

PG&E’s Northern MFWB Program builds on a strong foundation of ESA requirements while applying lessons learned and best practices to reach a higher volume of low-income multifamily households, provide deeper energy savings, and maximize implementation cost-effectiveness. The MFWB program features a multi-pathway program design that includes comprehensive measure packages ranging from tenant-driven projects to whole-building upgrades that offer pre-installation energy assessments and benchmarking paired with Integrated Demand Side Management (IDSM)-driven scope design. To respond to changing standards and market demand, Northern MFWB’s no-cost technical assistance will provide strategic measure selection and upgrade recommendations tailored to low-income property needs with the consideration of healthy building materials and future on-site renewable generation and additional greenhouse gas (GHG) emissions reduction-potential. The Northern MFWB Program’s measure mix is intended to deliver reliable, cost-effective savings and increased health, safety, and comfort (HCS) in treated properties.

Additionally, the program’s Single Point of Contact (SPOC) Service offers multifamily property owners, and related stakeholders, a one-stop model to connect multifamily property owners with incentive-layering opportunities including weatherization incentives through LIWP, solar photovoltaic (PV) incentives through the SOMAH Program, and battery storage system design and incentives through Self-Generation Incentive Program (SGIP). SPOC will also encourage renewable adoption and deliver increased

non-energy benefits to customers and property managers whenever possible. For a more detailed description of the program, please refer to Attachment B - Implementation Plan.

D. Statement on ESA Portfolio Impacts

The following tables provide the 2023-2026 MFWB budgets, energy savings targets and unit targets.

Table 4 Program Implementation Annual Budget

Budget	2023	2024	2025	2026	Total
MFWB Implementation Contract					
SPOC					
MFWB					
NGAT ⁴					
Total with NGAT					
Total without NGAT					

⁴ Natural Gas Appliance Testing (NGAT) budget is not part of the MFWB program budget, this contract includes the budget for the NGAT services that the implementer will provide to multifamily customers that require NGAT service.

Table 5 Implementation Yearly Budget

Budget	2023	2024	2025	2026	Total
MFWB without NGAT					
Authorized ESA Budget	\$149,063,154	\$148,843,360	\$147,909,235	\$147,528,582	\$593,344,331
MFWB Proportion to ESA Budget					

Table 6a Energy Savings Goals (kWh)

Estimated Annual Energy Savings (kWh)	2023	2024	2025	2026	Total (PY2023-2026)
MFWB					76,963,528
ESA	35,773,079	34,253,799	33,818,185	33,214,979	137,060,042
MFWB Contribution to ESA kWh Savings					56%

Table 6b Energy Savings Goals (Therms)

Estimated Annual Energy Savings (Therms)	2023	2024	2025	2026	Total (PY2023-2026)
MFWB					2,992,444
ESA	1,458,655	1,393,298	1,370,794	1,348,961	5,571,708
MFWB Contribution to ESA Therms Savings					54%

Table 6c Treatment Targets (Household)

Estimated Annual HH Treatment Targets	2023	2024	2025	2026	Total (PY2023-2026)
MFWB Forecasted					71,400
MFWB Contribution to MFWB Treatment Target					100%

Table 6d Treatment Targets (Property)

Estimated Annual Property Treatment Targets	2023	2024	2025	2026	Total (PY2023-2026)
MFWB					

E. Solicitation Process Overview

Consistent with D.21-06-015, the Northern MFWB Program Solicitation was conducted using a single stage Request for Proposal (RFP) with a two-step selection process.⁵

- Step 1: Bidders submitted detailed proposals in response to the RFP. The RFP requested that Bidders provide details including Program Design (customer journey, barriers and challenges, strategies, program theory and logic model), Program Operations (Organization Process Flow, Key Performance Indicators (KPI's)), Proposed Cost by Categories, Bidder Experience information, and other documents, including financial information. PG&E evaluated the information provided by Bidders and determined which Bidders would advance to the second step.
- Step 2: PG&E conducted virtual interviews with a subset of Bidders who submitted proposals in response to the RFP. The Interview provided an opportunity for Bidders to present additional information and clarify their proposals with PG&E. Although this RFP did not require that Bidders develop cost-effectiveness estimates for their proposed programs, PG&E conducted a preliminary estimate of program cost effectiveness based on measure and cost data from Bidder proposals and incorporated this information into the evaluation of bids at the Interview step. PG&E evaluated Bidders on both steps of the single-stage process in making final selections for negotiations.

The Northern MFWB solicitation process flow is illustrated in Figure 1.

Single Stage RFP	
<u>Define in RFP:</u>	<u>Collect from Bidders:</u>
• Program Opportunity (vision, design/delivery, intervention strategies, available measures, etc.) • Eligible Sector Services • Multifamily Central Portal details • Submission Instructions • Terms and Conditions	• Company Info • Program Overview & Proposals • Safety & Financials • Qualifications & Experience • Pricing • Supply Chain Responsibility

⁵ D.21-06-015 at 499, OP 116.

Step 1: Bidder Shortlisting • Collection of Bidder Proposals • Proposal Evaluation
Step 2: Shortlisted Bidder Interviews • Bidder Interviews • Interview Evaluation
Bidder Negotiations and Contract Execution
Advice Letter Approval and Program Launch

The Commission requires the MFWB solicitation to include a Procurement Review Group (PRG) and an Independent Evaluator (IE) to oversee the solicitation. The ESA PRG included members of non-financially interested parties, including Commission staff and the Public Advocates Office (Cal Advocates). In addition, the Energy Division Director approved the following non-financially interested parties to serve on the PRG: Earthjustice, National Consumer Law Center, Natural Resources Defense Council, Small Business Utility Advocates, and StopWaste.

The ESA IE was selected from the Energy Efficiency solicitations IE pool and was approved by the Energy Division Director. The Mendota Group was selected and approved to serve as the IE for the MFWB solicitation.

1. PG&E Solicitation Process

PG&E provided access to solicitation timelines and instructions for bidders to self-register on Proposal Evaluation & Proposal Management System (PEPMA), PG&E's external bid opportunity webpage, PG&E's ESA Solicitation webpage, and on the California Energy Efficiency Coordinating Committee (CAEECC) website. Current and updated schedules were presented during public workshops, and by posting the solicitation schedule to PG&E's ESA Solicitation webpage.

PG&E utilized PowerAdvocate (a third-party procurement portal, now called Wood MacKenzie), as the RFP platform for all solicitation documents and activities, including communication, document download and upload, and to inform of dates for solicitation milestones, (i.e., when documents are due). To participate, Bidders were required to request to be invited to the RFP via a PowerAdvocate unique ID. All Bidders were accepted to participate in the RFP. The registered Bidders were then invited to submit final bids. To maintain consistency and fairness, all communications during the solicitation were facilitated through the PowerAdvocate platform.

PG&E met every fourth Thursday of the month with the ESA PRG to provide updates on the progress of the solicitation and to address questions, comments, and recommendations to improve the solicitation and contracting processes geared towards a well-designed program that would best address customer needs and meet the Commission's savings goals and unit targets. PG&E provided all PRG meeting materials at least 3 days prior to the meeting. A SharePoint site was created to maintain all PRG materials for their reference. PG&E maintained a comment tracker to document PRG/IE comments, questions, and data requests to ensure that all comments were addressed.

2. Marketing and Outreach

To increase stakeholders' awareness of and participation in the ESA RFPs, PG&E created a dedicated web page that provided information of PG&E solicitation process and an overview of its energy savings program solicitations. In addition, the site also includes references to resources such as PG&E's Business Plan, the joint program solicitation schedule, access to PowerAdvocate, the statewide PEPMA and CAEECC website:

- PowerAdvocate – Website where all RFP documents and communications will be provided. Bidders will also upload all solicitation documents here <http://marketing.poweradvocate.com/company/customer-support>
- Proposal Evaluation & Proposal Management System (PEPMA) – Provides information on the IOU EE solicitations including a dynamic schedule for all Third-Party solicitations at: <https://pepma-ca.com/Public/Default.aspx>
- California Energy Efficiency Coordinating Committee (CAEECC) – Provides a venue for stakeholders to discuss EE matters while ensuring transparent access to information and opportunities and the various ongoing IOU solicitations taking place at <https://www.caeec.org>

Prior to releasing the MFWB solicitation, PG&E along with other IOUs, hosted a public workshop that provided an overview of the solicitation, a supplier diversity presentation, California multifamily market characterization data, lessons learned from previous programs, and the ESA cost effectiveness methodology overview. As part of preparing potential Bidders for the MFWB RFP and other ESA and EE solicitations, the IOUs also hosted several workshops to help optimize Bidder participation, creating greater awareness of the Diverse Business Enterprises (DBE) opportunity, and encourage partnering with other contractors.

In addition, PG&E created an Interested Organizations Form (IOF) for Bidders to partner with other contractors, whether bidding as prime contractors or subcontractors, to support the formation of diverse teams and new entrants. The IOF in this solicitation provides a voluntary RFP participation contact list for those who provided consent. This RFP contact list enabled interested DBEs, SBEs, prime contractors, and subcontractors to circulate their information (i.e., names, core capabilities, and certification statuses) and be contacted, if desired, in connection with this solicitation.

PG&E used multiple channels to ensure widespread notification of its solicitations. In addition to the resources mentioned above, PG&E engaged with Community Based Organizations (CBOs), Low Income Oversight Board (LIOB), Disadvantaged Communities Advisory Group (DAC-AG) and utilized CPUC's service lists to disseminate solicitation information to stakeholders.

3. *Solicitation Event Schedule*

The following table provides the schedule of the major milestones of the Northern MFWB solicitation:

Table 10: Solicitation Event Schedule

Key Events – RFP	Key Date
0.1 MFWB Public Workshop	11/17/2021
0.2 Joint IOU Pre-Symposium Training Session	1/6/2022 -- 1/10/2022
0.3 Joint IOU Pre-Symposium	1/12/2022
0.4 Release of Interested Organizations Form	2/4/2022
1. RFP Released	1/28/2022
2. Bidder Conference	2/9/2022
3. Bidder Questions Due Final Round	3/30/2022
4. Responses to Bidder Questions Provided by IOU Final Round	3/31/2022
5. Bidder's Proposal Due Date	4/13/2022
6. Proposal Review Completed	5/11/2022
7. Selected Bidder Interviews Completed	6/10/2022
8. ESA PRG Notification – Contracting Selection Recommendation	6/23/2022
9. Notification of Proposal Selection	7/7/2022
10. Contract Negotiations	7/12/2022 -- 12/20/2022

Key Events – RFP	Key Date
11. Contract Fully Executed	1/14/2023
12. PG&E Advice Letter Filing	1/24/2023

4. *Independent Evaluator (IE)*

D. 21-06-015 OP 116 requires that the solicitations include the use of an IE.

a) Name of the IE

PG&E's IE for the MFWB solicitation is Grey Staples, Managing Director of the Mendota Group, LLC.

b) List when the IE provided any findings to the PRG regarding the applicable solicitation(s), bid evaluations and selections, and contract negotiations

IE activities included the review of solicitation materials such as solicitation plans, solicitation language, evaluation criteria, solicitation procedural steps, solicitation scoring, monitoring interviews, contract template review, and monitoring contract negotiations. The Mendota Group was included in all communications, reviewed all key documents, and monitored conversations as they pertained to the solicitation process. PG&E recorded all IE comments and recommendations in its Comment Tracker. The IE made recommendations including:

- Adding context to the RFP questions being asked, formatting corrections, and providing additional information to make it clearer and more concise for the Bidder
- Providing feedback on the utilities proposed Operationalized Scorecards and Tier 3 review and comments
- Ensuring that scorer training effectively communicated how to use the operationalized scorecards, scoring protocols and how scorers could ask clarifying questions of the solicitation leads
- Providing feedback on Interested Organization Form including posting on PowerAdvocate on a regular basis
- Recommending changes to the RFP Instructions document to incorporate more elements from D.21-06-015
- Suggesting modifications to RFP documents to help elicit from Bidders information that would aid in selecting implementer(s) that can fulfill the goals the CPUC outlined for the program in D.21-06-015
- Recommending the following changes to the RFP Data Proposal Form
 - Budget/Savings tabs into separate Budget and Savings
 - The consolidation of Bidder and Subcontractor information

- Addition of cost-effectiveness to list of possible KPIs
- Discussing how the Bidders' measures from proposals and CET would be assessed and how the utilities will develop cost-effectiveness estimates for Bidder(s) selected to advance to contracting
- Providing feedback to the IOU on contract templates, including ensuring the inclusion of Standard Terms from the D.18-10-008

PG&E agreed with most of the recommendations in the RFP and implemented them into the final RFP distribution to the market.

- c) IE findings presented to the PRG regarding the applicable solicitation(s), bid evaluations and selections, and contract negotiations.

The IE provided observations, findings, and recommendations regarding the various phases of the solicitation. These findings were relayed as soon as practicable to PG&E to resolve any concerns or issues. A summary of the IE recommendations is provided in the preceding section. Detailed IE comments for the Northern MFWB solicitation are available in the IE report, in Attachment A.

- d) Insert the public version of the Final IE Report.

Please refer to Attachment A - Final IE Report (Public).

2. Transition Plan from Pre-Existing Program to New Program

In compliance with D.21-06-015 OP 128, PG&E will continue its ESA multifamily offerings until the Northern MFWB Program is operational.

In-Unit Program

PG&E will continue to offer multifamily in-unit measures through the Main ESA program, as they have been in 2022 and prior. Once the Northern MFWB Program is ready for customer enrollment and the "Notice to Proceed" has been provided, the Implementer for the Main ESA program will provide the Northern MFWB program Implementer with a list of leads to create a smooth transition.

CAM Program

PG&E extended its existing ESA CAM contract through March 2023. The current implementor will continue to manage the multifamily CAM waitlist until the Northern MFWB program is operational for enrollment. Once the "Notice to Proceed" has been provided, the ESA CAM Implementer will provide the Northern MFWB Implementer with the project waitlist and customer contact information to create a smooth transition.

Natural Gas Appliance Testing (NGAT) Program

The Main ESA program will continue to provide NGAT services for multifamily in-unit projects under its existing contract until the Northern MFWB program is operational for customer enrollment.

3. Confidentiality

Appendices A, B, C, D and E of this AL contain confidential information and are to be treated as Confidential Protected Information for the reasons provided in PG&E's corresponding confidentiality declaration. The information cited is confidential pursuant to D.21-09-020, Public Utilities Code Section 583, and General Order 66-D Revision 2. All confidential information is redacted in the public version.

PART ONE ATTACHMENT LIST (PUBLIC VERSION)

- Attachment A - Final IE Report (Public)
- Attachment B – Implementation Plan (Public)

PART TWO ATTACHMENT LIST (CONFIDENTIAL VERSION ONLY)

- Appendix A - Final IE Report (Confidential)
- Appendix B - Solicitation Process Overview (Confidential)
- Appendix C - Selection Spreadsheet(s) (Confidential)
- Appendix D - Third-Party Contract Summary (Confidential)
- Appendix E - Contract (Confidential)

Public Attachment A

Final Independent Evaluator Report (Public Version)

Energy Efficiency Independent Evaluator's Final Solicitation Report

Pacific Gas and Electric Company

**Northern Energy Savings Assistance Multifamily Whole
Building Solicitation**

Contract:

TRC Solutions, Inc.

Prepared by:



Independent Evaluator

January 4, 2023

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Executive Summary

In compliance with the California Public Utilities Commission's Decision (CPUC) (D.) 21-06-015, Pacific Gas and Electric Company conducted a solicitation to select one or more third-party contractors to implement the Northern Energy Savings Assistance (ESA) Multifamily Whole Building (MFWB) Program. PG&E chose TRC Solutions, Inc. to implement the Northern ESA MFWB Program in its service territory.

PG&E and SDG&E selected The Mendota Group, LLC to serve as the Independent Evaluator (IE) tasked with monitoring and reporting on the ESA MFWB solicitation. In our view, PG&E conducted the Northern ESA MFWB solicitation fairly, transparently, and without bias. PG&E encouraged and actively sought IE monitoring and feedback on Request for Proposal and Interview materials, process steps, and all decisions made throughout the process. The solicitation process took approximately 11 ½ months. The IE observations and assessments are detailed in this Final Solicitation Report, including:

- RFP and scoring materials were well-designed, clear, and straightforward to use;
- Scorecards and RFP materials incorporated feedback from the IE and Procurement Review Group;
- PG&E consistently applied the evaluation methodology to all bids to determine final scores and bid rankings;
- The contract negotiation process was fair, well-managed, and productive, and
- The final contract meets the goals and objectives laid out in the solicitation and in CPUC D. 21-06-015.

A summary of the program's contracted term, goals, and targets follow:

Table 1 - ESA Northern MFWB Contract Summary

Item	Contract Provision
Contract Term	48 months
Budget	
kWh (First Year)	76,963,528
Therms (First Year)	2,992,444
Households Treated (In-Unit)	71,400
Properties Treated (Common Area)	
ESACET	0.50

¹ This does not include budget for Natural Gas Appliance Testing (NGAT), although NGAT is part of the contract budget. NGAT is funded separately from the ESA MFWB budget.

1. Background

The Independent Evaluator Final Solicitation Report (“Report”) provides an assessment of the solicitation process and outcomes for Pacific Gas and Electric Company’s (“Company”, the “utility”, or PG&E) third-party-solicited Northern Energy Savings Assistance Multifamily Whole Building Program by the solicitation’s assigned Independent Evaluator (IE), The Mendota Group, LLC. The Report provides a record of the entire solicitation in compliance with California Public Utilities Commission (CPUC) direction and accompanies the utility’s Advice Letter (AL) filing for CPUC contract approval.²

The Report is based on similar reports provided for third-party programs solicited as part of the utilities’ main Energy Efficiency portfolios (“main EE”).³ As discussed in the Report, PG&E replicated many of the processes that are used in main Energy Efficiency solicitations. This was consistent with the CPUC’s direction per Attachment 4 of Decision 21-06-015 (“Decision”). “This process should rely upon the materials established for the Third-Party Process in the main Energy Efficiency Portfolio and modify them as appropriate for the low-income, multifamily sector per this Attachment and the decision. Rather than create parallel systems, the IOUs shall file their public materials regarding this solicitation process to the relevant energy efficiency and ESA/CARE application service lists and post them on the California Energy Efficiency Coordination Committee (CAEECC) website.”⁴

1.1 Regulatory Context

In June 2021, the CPUC issued D. 21-06-015, which approved the applications of California’s four major Investor-Owned Utilities (Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company) to administer their California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and Energy Savings Assistance (ESA) programs. The Decision approved the budgets and set guidelines for CARE, FERA, and ESA programs for the 2021-2026 program cycle.

The Decision also directed PG&E and SDG&E (“Lead IOUs”) to solicit for third parties to implement a Northern and a Southern ESA Multifamily Whole Building Program (ESA MFWB Program or Program) and administer the selected programs on behalf of the state’s IOUs. The CPUC assigned PG&E to administer the Northern program to serve customers in PG&E’s service territory and SDG&E to administer the Southern program in the SDG&E, Southern California Gas Company and Southern California Edison Company service territories.

The CPUC’s Decision 19-06-022 established the framework for the new ESA MFWB program in requesting that IOUs propose in their applications designs for new third party-implemented Multifamily Whole Building energy efficiency programs (i.e., proposed, designed, implemented, and

² Decision 21-06-015, “Decision on Large Investor-Owned Utilities’ and Marin Clean Energy’s California Alternate Rates for Energy (CARE), Energy Savings Assistance (ESA), and Family Electric Rate Assistance (FERA) Program Applications for Program Years 2021-2026” (Applications 19-11-003, 19-11-004, 19-11-005, 19-11-006, 19-11-007), June 3, 2021, Ordering Paragraph (OP) 122, p. 486.

³ The main EE solicitations are also termed “Market Rate” solicitations.

⁴ D. 21-06-015, Attachment 4, p. 4.

delivered by non-utility personnel).⁵ The Commission also expressed its desire that these programs “focus on deeper energy savings from measures that are intended to reduce energy use (“resource measures”) and innovative program designs for the multifamily sector ...”.⁶ D. 21-06-015’s Section 7.9 and its Attachment 4 outlined the CPUC’s expectations for the program, and for the solicitation to select third parties to run the programs. As stated in the ESA MFWB Request for Proposal (RFP),⁷

In accordance with D. 21-06-015, PG&E is releasing the Northern MFWB solicitation with the desired result of contracting with one or more non-utility companies (third parties or bidders) to design and implement a whole building program that serves multifamily customers and their facilities during 2023-2026 program years. The Northern MFWB Program will offer in-unit, common area and whole building measures and services to Deed Restricted and Non-Deed Restricted Multifamily Whole Buildings.² The CPUC’s adopted approach will combine all multifamily services within one program (in-unit, CAM), MFWB) as this is deemed to be in the best interest of customers.⁸

The Decision also required that PG&E and SDG&E, in administering the ESA MFWB solicitations, use a Procurement Review Group (PRG) and an Independent Evaluator (IE).⁹ This framework mirrors the approach the CPUC requires that IOUs use for their non-ESA third-party solicitations.¹⁰

1.2 Independent Evaluator Role

D. 21-06-015 dictated that PG&E and SDG&E use an Independent Evaluator to monitor and report on the solicitations. “The lead IOUs shall contract a statewide IE with energy efficiency, multifamily, and low-income sector expertise. It is acceptable for the IOUs to select an appropriate statewide IE from their current IE pool.”¹¹ The Decision established the IE’s role in stating that the IE should provide at least the following services:

- Consultation and support to the PRG, especially Energy Division staff.
- For each solicitation, a monthly report on its status and progress to be presented to the PRG.
- For each solicitation, an individual final report to be submitted along with the Tier 2 Advice Letter seeking review of such contracts.

⁵ Decision 16-08-019, as modified by Decisions 18-01-004 and 18-05-041, requires that IOUs’ non-ESA energy efficiency portfolios include third-party designed and implemented programs equal to a minimum of 60 percent of portfolio budgets by December 31, 2022. D. 16-08-019 also established the definition of “third party”.

⁶ Decision 19-06-022, “Decision Issuing Guidance to Investor-Owned Utilities for California Alternate Rates for Energy/Energy Savings Assistance Program Applications for 2021-2026 and Denying Petition for Modification” (Applications 14-11-007, 14-11-009, 14-11-010, 14-11-011), California Public Utilities Commission, June 27, 2019, p. 9.

⁷ “Request for Proposal (RFP) # 129355: Energy Savings Assistance (ESA) Northern Multifamily Whole Building (MFWB) – Third Party Implementer”, January 28, 2022, *General Instructions*, p. 3.

⁸ D. 21-06-015 at 354.

⁹ D. 21-06-015, OP 116.

¹⁰ Decision 18-01-004, “Decision Addressing Third Party Solicitation Process for Energy Efficiency Programs” (Applications 17-01-013, 17-01-014, 17-01-015, 17-01-016, 17-01-017), California Public Utilities Commission, January 11, 2018.

¹¹ D. 21-06-015, p. 356. CPUC D.18-01-004 directed the IOUs to create a pool of qualified IEs for the third-party solicitations within the main Energy Efficiency Portfolios.

- A public final report on the overall process and conduct of the third party solicitations to be filed in the relevant low-income energy efficiency proceeding.¹²

The IEs review and monitor the IOU solicitation process, valuation methodologies, selection processes, and contracting to confirm that the process has been unbiased, fair, transparent, and competitive. The IEs are privy to all submissions, are invited to participate in the IOUs' solicitation-related discussions, and are bound by confidentiality agreements.

The CPUC created the EE IE role, in part, to help mitigate solicitation risks associated with:

- Contracting bias. Because many utilities have existing third party relationships, likely including both positive and negative experiences from past interactions, there is a risk that utilities could exhibit some bias for or against certain contractors, including smaller contractors, in the RFA/RFP process. This could result in contract or program failure.
- Poor RFP design. Another possible risk is that the ultimate RFP design by the utilities intentionally or inadvertently thwarts the intentions of successful program design, delivery, and realized savings, for some or all sectors and subsectors of customers. Again, contract or program failure could be a result.¹³

As the assigned Independent Evaluator for the Northern and Southern ESA MFWB solicitations, The Mendota Group has been involved in, and has monitored the entire solicitation process.

1.3 Procurement Review Group

The CPUC required that PG&E and SDG&E assemble a statewide Procurement Review Group to oversee the IOUs' ESA MFWB solicitation process, review procedural fairness and help promote transparency. The PRG consists of non-financially-interested parties, including Energy Division staff and the CPUC's Public Advocates Office. Similar to the role they play in the main EE solicitations, the PRG's oversight includes examining overall procurement prudence and providing feedback during all solicitation stages. D. 21-06-015 specifically required that the IOUs adhere to the following requirements with respect to the ESA MFWB PRG:

- The PRG shall be consulted at all stages of the solicitation process, including, but not limited to:
 - Reviewing the solicitation plan,
 - Providing timely input into the draft solicitation language and evaluation criteria; and
 - Providing recommendations based on review of materials.

As specified in D. 21-06-015's Attachment 4, "where not superseded here or in the decision, the PRG should follow the current version of the 'EE-PRG Independent Evaluator Handbook'.¹⁴" The main EE PRGs originally created the PRG Guidelines to streamline PRG feedback on EE program solicitations and to provide consistent, standardized recommendations to all four IOUs where there was general consensus among PRG members. Energy Division staff worked with the Independent Evaluator and the utilities to adapt the EE-PRG Independent Evaluator Handbook ("Handbook" or "PRG Guidelines") for the ESA MFWB solicitations. Energy Division staff also updated the "PRG Guidelines Checklist" that is part of the Guidelines and serves as a means to confirm that all

¹² D. 21-06-015, p. 357. The main EE Handbook is currently named the "Energy Efficiency Procurement Review Group Solicitation Guidelines".

¹³ D. 18-01-004, p. 32.

¹⁴ <https://www.caeecc.org/procurement-group>

parts of the solicitation process, from RFP, to Interviews, to Contracting, are consistent the guidelines' recommendations.

The IOUs held regular monthly meetings with the PRG during the solicitation process and worked with the IE to confirm that all aspects of the process were consistent with the Guidelines. The IE also submits a monthly report that includes updates and observations on the process.

2. Solicitation Overview

2.1 Process Overview

Per Decision D.21-06-015, PG&E conducted the Solicitation using a single stage (RFP), two-step, selection process. In Step 1 of the process, bidders submitted detailed written proposals. The RFP requested that bidders provide information about Program Design (customer journey, barriers and challenges, strategies, program theory and logic model), Program Operations (organization process flow, Key Performance Indicators [KPIs]), Measure details, and bidder experience. PG&E used this information to determine which bidders would advance to the next step.

In Step 2, the Company conducted virtual Interviews with a subset of bidders who submitted proposals in response to the RFP. The Interview requested additional information from bidders and provided an opportunity for the Company and bidders to engage in a dialogue over their proposed programs. The RFP did not require that bidders develop cost-effectiveness estimates for their proposed programs (ESACET¹⁵). PG&E evaluated bidders on both steps of the single-stage process in making final selections for contracting.

The single stage, two-step process worked well for this solicitation. Different from a two-stage (RFA and RFP) process, which is the primary method used with main EE solicitations, the single stage efficiently afforded the Lead IOUs the ability to communicate to bidders the full picture of what they and the CPUC envisioned for the program without first soliciting program design ideas and other information from bidders in a Request for Abstract.¹⁶ Further, the Interview step effectively facilitated a more thorough review of bidders' proposed programs without overburdening bidders or adding much time to the overall process. In our view, the single stage, two-step process was a success.

In designating PG&E and SDG&E as Lead IOUs, the CPUC specified that the IOUs would have responsibility for:

- program vision development,
- design/delivery, and intervention strategies, procurement,
- contract administration and co-funding management

¹⁵ The Energy Savings Assistance program Cost Effectiveness Test (ESACET) is the primary cost effectiveness tool utilities use for low-income programs. The tool includes all measures and all known benefits and costs, including Non-Energy Benefits (NEBs), and "non-resource" (e.g. Health, Comfort and Safety [HCS]) and administrative costs. The spreadsheet-based tool is used in combination with the CPUC's web-based Cost-Effectiveness Tool (CET).

¹⁶ In D. 18-01-004, the CPUC described the RFA stage as intended "to gather high level information on prospective programs and contractors. In the RFA stage, participants would provide a short abstract summarizing their proposed program, approach, qualifications and experience, and indicative pricing," p. 7.

- sole implementer oversight responsibilities including management, rewards, implementer performance review, and program performance review, and any necessary corrective actions,
- meeting savings goals, treatment goals, and customer satisfaction levels,
- metric development, and
- reporting.¹⁷

PG&E and SDG&E collaborated on the overall solicitation process but issued separate solicitations for the Northern and Southern ESA MFWB programs. For purposes of jointly administering the shared aspects of the solicitation, the two utilities combined efforts until receipt of bidder proposals for the respective programs. Each utility then separately evaluated bidder proposals, selected implementers, and conducted contract negotiations.

a. Scope

The solicitation sought innovative third-party proposals for “a program that drives deep energy savings and provides robust grid benefits in the Residential multifamily sub-sector through targeted customer engagement, data-driven programs that leverage market actors, and strategic partnerships in Northern California.”¹⁸ The RFP referenced D. 21-06-015 in explaining that the program will “serve income-qualifying low-income residential sector customers and the buildings in which they reside. The specific customer segment within the residential sector the program will serve is customers residing in and owners and managers of Deed and Non-Deed Restricted multifamily buildings in the Company’s service territory. Multifamily properties are defined as having five or more units, and each unit must be combined (sharing a wall or floor/ceiling) with at least one other unit.”¹⁹

The RFP permitted bidders to propose programs that served a subset of the total eligible customer base within the Company’s service territory; however, the solicitation emphasized that PG&E would select a comprehensive program that provides all services to all eligible customers and that this would factor into decisions about which program(s) would advance to contracting.

b. Objectives

The Commission emphasized in D. 21-06-015 that, in combining the previously separate multifamily Common Area Measures (CAM) and in-unit aspects of previous programs while adding a whole building emphasis, it sought programs that would provide comprehensive offerings to qualifying multifamily buildings and tenants that drive deep energy savings and robust grid benefits while reflecting the shift away from number of homes and buildings treated goals to portfolio energy savings.²⁰ The Decision set the minimum requirements for the Program’s design:

- A single in-take application (which can include reliance on the MFWB portal).
- Comprehensive technical assistance.

¹⁷ D. 21-06-015, p. 356. The CPUC originally proposed in D. 19-06-022 that the MFWB be a statewide administered program with a single third-party implementer. The Commission changed to the adopted approach based on feedback received in developing D. 21-06-015.

¹⁸ “Request for Proposal (RFP) #129355: Energy Savings Assistance (ESA) Northern Multifamily Whole Building (MFWB) – Third Party Implementer”, January 28, 2022, *General Instructions*, p. 3.

¹⁹ “Request for Proposal (RFP) #129355: Energy Savings Assistance (ESA) Northern Multifamily Whole Building (MFWB) – Third Party Implementer”, January 28, 2022, *Specific Conditions*, p. 5.

²⁰ D. 21-06-015, Findings of Fact 45, p. 463.

- Consideration of healthy building materials.
- Energy audits and expanded measure lists with consideration for highly efficient electrification measures.
- Segmentation treatment plan.
- Program leveraging,²¹ including program-to-program customer referrals.
- A comprehensive treatment approach including in-unit and CAM measures.
- Leveraging with CSD LIWP to provide ESA funding for in-unit treatment measures that are common to the ESA and LIWP programs.
- In-language applications and marketing materials, at a minimum Spanish.
- Workforce outreach plans for leveraging existing available WE&T programs, a preference for hiring from DACs and local communities.
- SPOC services (where proposed to be outsourced), to be a “true one stop model” whereby a property owner, manager or tenant will rely on them to facilitate and coordinate program access.²²

D. 21-06-015 established an ambitious array of objectives for the new MFWB program and noted this reality in making it clear that the IOUs should maintain an active role in shaping program design, and work with the selected third parties to “develop a design that is in full compliance with this decision, in particular adhering to cost-effectiveness guidelines and the ESA portfolio goals.”²³ This approach contrasted with the main EE solicitations in which the CPUC defined a third-party program as “proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility program administrator.”²⁴

D. 16-08-019 allowed utilities during contract negotiations to “consult and collaborate, using their expertise, on the ultimate program design implemented by the third party.”²⁵ However, the decision stopped short of directing the utilities to work with selected third parties to actively shape program designs. This distinction is particularly relevant to the ESA MFWB solicitation because the CPUC anticipated that the utilities would convey program design expectations in the RFP and then work actively with selected third parties to ensure that final program designs aligned with the Commission’s (and the utilities’) expectations.

2.2 Timing

D. 21-06-015 ordered the Lead IOUs to submit for approval Tier 2 Advice Letters for the ESA MFWB program by November 30, 2022.²⁶ This requirement established an ambitious timeline for the solicitation, especially since the process did not begin until late 2021 (PG&E and SDG&E held the first statewide PRG meeting on October 28, 2021).²⁷ There were limited delays in the process

²¹ Programs could include those offered by utilities, Regional Energy Networks, Community Choice Aggregators, Municipal Utilities, and other California agencies. They may include services like customer generation, efficiency, etc.

²² D. 21-06-015, pp. 348-349.

²³ Ibid., OP 117, p. 485.

²⁴ Decision 16-08-019, “Decision Providing Guidance for Energy Efficiency Rolling Portfolio Business Plans” (Rulemaking 13-11-005), California Public Utilities Commission, August 18, 2016, OP 10, p. 111.

²⁵ D. 16-08-019, Conclusions of Law 57, p. 105.

²⁶ D. 21-06-015, OP 122, p. 501.

²⁷ Main EE solicitations, from the release date to contract signature, are typically longer than a year. Although these solicitations are generally two-stage, with a Request for Abstract followed by an RFP, the ESA MFWB solicitation was two-step, which added to its duration.

leading up to contracting. The Lead IOUs originally targeted to release the RFP in early January but pushed the release date to January 28, 2022 to allow for more internal review. PG&E and SDG&E also extended their respective RFP deadlines from March 30, 2022 to April 13, 2022 to provide bidders additional time to incorporate into their proposals information the utilities provided to bidders on March 25, 2022 related to annual energy savings targets (the released RFP included goals for the 2023-2026 contract period, but these were not separated into annual targets).

Contracting delays led PG&E to submit a request to extend the CPUC's deadline for filing the contract's Advice Letter filing from November 30, 2022 to January 30, 2023.²⁸ The Energy Division approved the extension on November 28, 2022.²⁹

Table 2 shows the solicitation's key milestones.

Table 2 - Key Solicitation Milestones

Milestones	Completion Date	Weeks to Complete
RFP Stage – Step 1		
Solicitation Launch	January 28, 2022	~ 11 weeks
Bidders’ Conference	February 9, 2022	
Proposal Submittal Deadline	April 13, 2022 ³⁰	
RFP Stage – Step 2		
Interview Invitations Sent	June 3, 2022	~ 5 weeks
Interviews	June 10, 2022	
Contracting Recommendation to PRG	June 23, 2022	
Contracting Notification	July 7, 2022	
Contracting Stage		
Contract Negotiations Period	July 12 – December 20, 2022	~ 27 weeks
Contract Presented to PRG	November 10, 2022 ³¹	
Contract Execution	January 14, 2023	

²⁸ "Request Extension of Time to Comply with the Requirement to Submit a Tier 2 Advice Letter for the Northern Multifamily Whole Building Program in Ordering Paragraph 122 and Attachment 4 of Decision 21-06-015", Pacific Gas and Electric Company, November 7, 2022

²⁹ Although SDG&E also requested to extend its deadline (to December 30, 2022), the utility was able to submit its Advice Letter filing (Advice Letter 4115E/3144G) on November 30, 2022. On December 2, 2022, the CPUC's Energy Division issued its Disposition approving SDG&E's Advice Letter (with an effective date of December 30, 2022).

³⁰ Extended from March 30, 2022.

³¹ Although a nearly-complete contract was presented to the PRG on November 10, discussions between parties continued beyond this date. PG&E provided the PRG an update on the final contract at the December 15, 2022 meeting, including the minor changes that were incorporated into the contract after November 10.

2.3 Key Observations

Table 3 shows a collection of key issues, observations and outcomes (where applicable) identified during the solicitation process. Section 6 includes a set of noteworthy Effective Solicitation Practices that PG&E employed during this solicitation.

Table 3 - Key Issues and Observations

Topic	Observation	IE Recommendations	Outcome / Lessons Learned
General			
Actively Engage IE and PRG in Overall Process	D. 21-06-015 dictated that the utilities select an IE and establish a statewide PRG for the ESA MFWB solicitations. Members of the PRG have specialized knowledge that can be leveraged to improve the overall solicitation.	The utilities should actively leverage the IE's and PRG's knowledge during the solicitation process to ensure that the program aligns with CPUC direction and the ultimate program design will best serve customers.	PG&E actively sought and was very open to PRG and IE input throughout the solicitation process. The final program design and contract reflect this input.
Communicate Clearly Aspects of Program that are Non-Negotiable	D. 21-06-015 adopted savings goals for utility MFWB programs. The CPUC, therefore, will hold the utilities to these goals unless modified. By extension, the utilities must hold their implementers to the goals.	The IOUs should clearly communicate aspects of their RFPs that are non-negotiable, such as elements dictated by CPUC decision that the utility is unable to change.	As part of contracting, PG&E was able to work through an issue related to the implementer's proposed goals. However, this item delayed and added contention to the contracting process.
RFP Stage – Step 1 (Proposals)			
Actively Engage PRG in RFP and Scorecard Development	It is good to provide PRG multiple rounds of feedback/input into RFP and Scorecard documents.	We suggested pushing out the launch date to provide sufficient opportunity for PRG/IE input.	PG&E and SDG&E pushed the launch date out two weeks to January 28. This worked well to incorporate stakeholder input and improved the process.
Ensure Proposals Comply with D. 21-06-015 Requirements	D. 21-06-015 established requirements with which the ESA MFWB programs must comply.	We recommended that the RFP include and carry through to contracting a table that outlines the Decision's	PG&E and SDG&E included in the RFP a table that listed the requirements and asked

Topic	Observation	IE Recommendations	Outcome / Lessons Learned
		requirements to ensure the program complies.	that bidders confirm that their proposals complied.
Bidder Information Sharing	The IE and PRG expressed interest in encouraging bidders to team, particularly to increase participation from smaller, diverse organizations.	Utilities should provide bidders an opportunity to share their organizational capabilities with other bidders and encourage teaming.	PG&E and SDG&E provided interested bidders the opportunity to share their organization's contact and capabilities information with other bidders.*
Clarify Role ESACET Plays in Bids and Contracts	Although the CPUC does not heavily emphasize low-income program cost-effectiveness (as determined by the ESACET), it is, nonetheless, important to be clear with bidders how cost-effectiveness will be assessed.	We suggested including in the RFP discussion of the role cost-effectiveness plays in the solicitation and how utilities will work with selected bidders in contracting to develop the ESACET.	The RFP stated that bidders were not required to submit cost-effectiveness information but indicated ESACET would be part of contracting (see further discussion under Contracting).
Contractor Licenses	The ESA MFWB required that bidders possess valid contractor's licenses prior to bidding. This is different from most main EE solicitations which require that bidders provide proof of licensing during contracting. Although this was communicated to bidders in the RFP, it was not clear what types of program designs required that the prime hold a contractor's license.	We recommended that future ESA solicitations clearly state what specific types of program designs will require contractor's licenses and heavily emphasize that this is a threshold criterion.	PG&E acknowledged the need to more clearly communicate to bidders what program designs would trigger the need for contractor licenses.
RFP Stage – Step 2 (Interviews)			
Planning for Interview Step During Step 1	The Interview step is important for collecting from bidders additional	As RFP documents are finalized, utilities should consider what	The utilities presented details related to the Interview step at the

Topic	Observation	IE Recommendations	Outcome / Lessons Learned
	information beyond what is included in their proposals.	information will be requested at the Interview step, how the step will be evaluated, and how Interviews (coupled with Proposal information) can set the stage for collaboration during contract negotiations.	February PRG meeting. The process was well thought out and thorough.
Alignment Between Interview Questions and Scorecard	Interview questions should align with elements of the scorecard to enable the scoring team to effectively evaluate bidder interviews.	In developing bidder questions, utilities should ensure that questions align directly with elements of the scorecard so that the scoring team can effectively evaluate bidder interviews.	PG&E matched each question in its interview to an element of the scorecard and communicated this to its scoring team.
Contracting			
Expedited Contracting Schedule	The solicitation's aggressive timeline established by the CPUC's deadline for filing the program's Advice Letter dictated the need for an efficient, well-organized contracting process.	Before starting negotiations, the IE recommended that PG&E articulate its contract negotiation strategy, contracting process and priority items, and apply active project management to the negotiation process with open and closed items.	PG&E adopted most of these recommendations and generally sought during the contracting process to track progress against its priority items and actively manage open and closed items.
Focus on Whole Building, Comprehensiveness and Savings	D. 21-06-015 and the PRG emphasized that the ESA MFWB program should seek to provide comprehensive, whole building treatments that shifted from property and in-unit targets to savings.	In contracting, the utilities should incorporate the CPUC's and the RFP's shift away from prior programs' emphases on properties /units treated to a focus on delivering savings, and also ensure that the program design delivers comprehensive, whole building projects.	PG&E incorporated this emphasis in its RFP and successfully carried it into contracting as reflected in the program design and final contract.

Topic	Observation	IE Recommendations	Outcome / Lessons Learned
Measure Mix and Cost-Effectiveness	D. 21-06-015 authorized the program to include new bidder-proposed measures and set a target cost-effectiveness value for utility ESA portfolios. ³² Therefore, assessing the program's measure mix and cost-effectiveness will be important considerations in contracting.	In contracting, the utilities should establish a process for reviewing and validating measures, include in the contract a description of how measures added to the program during contracting will be handled, work with the selected implementer to develop the ESACET, and reflect the CPUC's desire for ESA programs to seek ways to improve program cost-effectiveness.	In contracting, the PG&E team worked actively with the implementer to review measures. The Implementation Plan transparently presents the program's ESACET values. <i>We recommend working with implementer in contracting to educate them about the ESACET and assess program cost-effectiveness an ongoing basis.</i>

*Also designated an Effective Solicitation Practice.

3. RFP Bidder Response and Selections

3.1 RFP Development

The IEs review RFP documents and the RFP process based on the PRG Guidelines which aim to ensure that documents are clear, information provided and requested promotes a fair solicitation/level playing field, and that the process is transparent. Prior to adapting the RFP documents to conform to their respective sourcing requirements (e.g., placing the contents into appropriate sourcing templates – there were few changes to the language of the RFP), PG&E and SDG&E collaborated on the contents of the RFP, the Interview process and the associated scorecard.

PG&E's ESA MFWB RFP solicitation package consisted of:

- Bidders Conference Information
- Northern MFWB RFP General Instructions And Provisions.docx
- Northern MFWB ESA General Conditions.docx
- Northern MFWB Program Specific Conditions.docx
- Northern MFWB Narrative Response Form.docx
- Northern MFWB Data Response Form.xlsx
- RFP Clarification Template.xlsx
- Bid Checklist.xlsx
- RFP Safety Pre-Screening Tool.xlsx

³² D. 21-06-015, OP 117, p. 500.

- Nondisclosure and Use of Information Agreement.pdf
- Northern MFWB NDA – Subcontractors.pdf
- Attachment G – Program Leveraging and Referral.xlsx
- Attachment L – Utility Territory Zip Code Climate Zones.xlsx
- Attachment M – Main ESA and MF CAM Measure List.xlsx
- PGE Marketing Requirements RFP129355 MFWB.pdf
- ESA Northern MFWB Solicitation – Bidder Info Sharing Approval.pdf

The RFP package met all the requirements and incorporated improvements that stemmed from PRG and IE input and collaboration between PG&E and SDG&E (see section 3.5). The final package struck a good balance between providing bidders with enough relevant information for building their proposals and program designs and requesting sufficient information to fully evaluate proposed programs without unduly burdening bidders. The package included “Northern MFWB ESA General Conditions” that integrated PG&E’s corporate terms with the CPUC’s main EE Standard Terms and Conditions (“Standard Ts&Cs”). The CPUC adopted the Standard Ts&Cs in D. 18-10-008 and deemed them “non-modifiable” by either party. D. 21-06-015 required that the ESA MFWB contracts also include them.³³ Different from other utilities that provide the Standard Ts&Cs separate from their corporate Ts&Cs, PG&E combines its corporate terms and the CPUC’s Standard Ts&Cs into a single document. This is an efficient way of incorporating the information into contracts.

The Narrative Response form included page limits for bidder responses to each question. This is a good practice to ensure consistency among bids and, by giving more pages to particular questions, to allow bidders to more fully explain key aspects of their proposed programs. The Narrative Response form resulted in written proposals that were between 60 and 70 pages. Bidders supplemented this information with quantitative and “list-type” information in the Excel-based Data Response form. Examples of list-type information included staffing and experience, key milestones, Key Performance Indicators (KPIs), measure mix, and labor category, and labor rate information. The form also included budget, and savings, and goals information.

To participate in the solicitation, PG&E required that bidders submit an Intent to Bid form and non-disclosure agreements (NDAs) for both prime and subs. We considered both forms unnecessary requirements that constituted a barrier to participation for bidders. We recommended that PG&E drop both forms from its list of requirements to participate in its solicitations.

The IE and PRG provided considerable input into the development of the RFP. The tracker that documented IE and PRG input included 160 separate comments covering approximately 60 different topics. PG&E and SDG&E accepted all but three (less than 2 percent of all comments) of the recommendations. PRG members contributed significantly to the final RFP and scorecard and the utilities were very amenable to the input. Given the broad range of topics on which the IE and PRG members commented, it is difficult to briefly summarize the input provided. Suffice it to say that the IE and PRG sought to work with the utilities to ensure that the RFP reflected the CPUC’s

³³ D. 21-06-015, Attachment 4, p. 7. Per D. 18-10-004, the IOUs proposed a set of Standard and Modifiable Contract Terms to include in all third-party contracts. The Commission adopted the Standard and Modifiable Contract Terms in D. 18-10-008. The CPUC did not require that ESA MFWB contracts include the Modifiable Contract Terms.

goals and objectives for the ESA MFWB program as the CPUC articulated them in D. 21-06-015 and the utilities were very open to this input.

The PRG encouraged the utilities to incorporate a Bidder Information Sharing form that participants could use to share information about their organizations. The form's purpose was to encourage teaming among registrants and increase opportunities for small, diverse bidders. The form allowed bidders to provide information about their organization's capabilities, along with DBE and small business status, licensing, and interest in being a prime or a subcontractor. PG&E communicated that providing information was strictly voluntary and that, in providing the information to all bidders the Company was not endorsing any bidder claims. The Company regularly updated and posted to PowerAdvocate³⁴ a list with the latest information received from bidders.

3.2 RFP Outreach

It is important for utilities to broadly publicize release of its solicitations to potential bidders in an effort to attract the maximum number of viable participants and create competition. As presented in the Company's Energy Savings Assistance Programs Solicitation Plan, for outreach PG&E planned to use several channels to notify participants and interested stakeholders about its ESA Program third-party program solicitations. The channels through which PG&E committed to distribute information included:

- the Energy Efficiency Proposal Evaluation and Proposal Management Application (PEPMA) website;³⁵
- individual IOU websites;
- the California Energy Efficiency Coordinating Committee (CAEECC) website;
- various Commission service lists in proceedings that are related or impact the ESA income-qualified communities of the solicitations as they are released for bidding (examples are the Energy Efficiency Rulemaking (R.)13-11-005), Low Income Application (A.)19-11-004 et. al., and Disadvantaged Communities in San Joaquin Valley R.15-03-010), and
- various organizations capable of disseminating solicitation information to their members and stakeholders, such as community-based organizations (CBOs), the Low-Income Oversight Board (LIOB) and Disadvantaged Communities Advisory Group, etc.

PG&E's also utilized a dedicated Energy Savings Assistance Program Solicitations web site to distribute information to potential bidders.³⁶ The site contains a description of PG&E's MFWB solicitation process, PG&E's ESA Solicitation Plan, the schedules for the Company's ESA solicitations, and a host of tools and resources for bidders. It is an excellent resource for prospective bidders.

The IE was not involved in solicitation outreach. We did, however, attend the Joint IOU Energy Savings Assistance Multifamily While Building Bidders Workshop. D. 21-06-015 required that the

³⁴ PowerAdvocate is the online solicitation tool PG&E uses for its third-party solicitations. Energy consultancy Wood Mackenzie purchased PowerAdvocate in September 2021 and in early 2022 re-branded the tool as Wood Mackenzie. We refer to the tool as PowerAdvocate in this document.

³⁵ <https://www.pepma-ca.com/Public/Default.aspx>. PEPMA is a website sponsored by all four IOUs and includes information about upcoming and released solicitations.

³⁶ https://www.pge.com/en_US/for-our-business-partners/energy-savings-assistance/energy-savings-assistance-third-party-solicitations.page?ctx=large-business

IOUs host at least one Bidders Workshop to inform bidders about the upcoming solicitation.³⁷ The well-attended workshop provided a very good overview of the pending solicitation and resources potential bidders could use to inform themselves.

3.3 RFP Bidders' Conference, Q&A, and Bidder Information Sharing Form

PG&E and SDG&E held separate Bidders' Conferences for their respective solicitations. PG&E held its Bidders' Conference on February 9, 2022. PG&E strongly encouraged, but did not require, bidders to participate in the Bidders' Conference. The Bidders' Conference provided potential bidders an overview of the solicitation and its requirements, instructions about how to bid, and an opportunity to ask questions. Bidders asked fifteen questions during the conference, most of which PG&E attempted to answer in real-time.

PG&E included in its schedule two rounds of question and answer. The Company also responded in writing to questions received during and immediately following the Bidders' Conference. On March 25, 2022, PG&E updated its RFP to provide bidders with details related to overall energy savings goals and annual targets. PG&E also opted to give bidders a final opportunity to ask questions and extended its deadline from March 30 to April 13. The bidders took full advantage of the two rounds of Q&A, asking a total of 53 questions. We consider two rounds of question and answer, particularly for such a complex solicitation, to be an Effective Solicitation Practice. Bidder questions covered a broad range of topics as shown in the following table. Most questions related to details associated with RFP requirements, eligible measures, safety/licensing, and marketing and outreach.

Table 4 - Bidder Questions

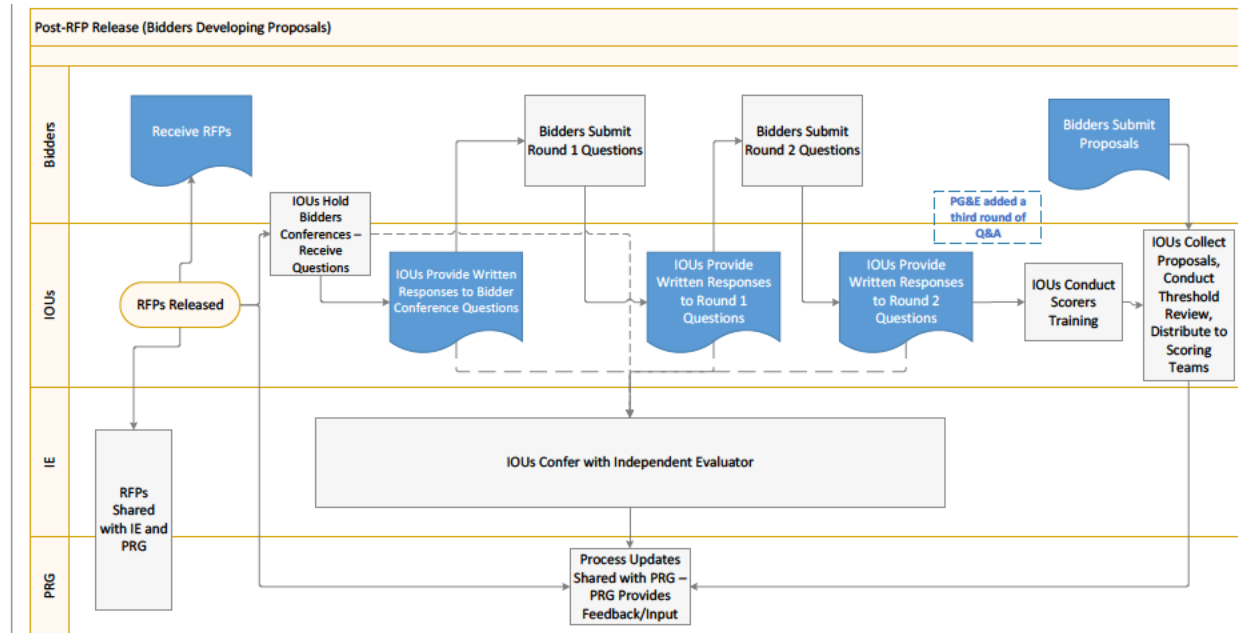
Question Category	Number
Affiliate Relationships	1
Bidder Conference Attendees	1
Budgets and Goals	2
Compensation	3
Intent to Bid Form	2
Marin Clean Energy	1
Marketing and Outreach	6
Measures	7
NDA	3
Program Design	3
Proposal Requirements	9
Safety/Licensing	7
Solicitation Process	2
Savings Goals	3
Subcontractors	1
Terms and Conditions	2

³⁷ D. 21-06-015, Attachment 4, p. 5.

PG&E regularly posted to PowerAdvocate updates to its Bidder Information Sharing form. [REDACTED] organizations provided information to include in the form. [REDACTED] indicated an interest in serving as a subcontractor, with [REDACTED] stating that they would also be willing to Prime. The list contained a diverse group of organizations, with a large variety of services and capabilities. [REDACTED] of the organizations were included in proposals; however, it was unclear whether their participation was related to providing information on the form.

The process leading up to evaluation of bidder proposals, along with roles participants play, is depicted in the graphic below.

Figure 1 - Process Following RFP Release



3.4 Proposal Selection Process

a. Bid Screening Process and Management of Deficient Bids

PG&E received bids from [REDACTED] companies. The Company first performed a review of bidder adherence to the RFP's Eligibility Requirement. This eligibility screen included reviewing contractor licenses, safety pre-screening tool responses, attestation of bidder eligibility, proposal completeness, and whether the bid was submitted on time. Based on this initial step, the [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

b. Scoring Rubric Design

PG&E and SDG&E put considerable time and effort into developing the scorecard for evaluating bidder proposals. As discussed below, the scorecard was used in both Step 1, Proposals review, and Step 2, Interviews. A key consideration in designing a scorecard is confirming that each part of bidders' proposals is mapped to aspects of the scorecard. This helps ensure that proposals are thoroughly reviewed and that all bidder-supplied information is evaluated. This is important because it confirms that the information requested from bidders is evaluated (and is not a wasted request).

The utilities worked with the IE and the PRG in developing the scorecard weightings and revised the weightings several times based on PRG input. The PRG, in particular, sought to make sure that the scoring aligned with the CPUC's priorities as presented in D. 21-06-015. Revisions to the weightings placed greater emphasis on [REDACTED] aspects of bidder proposals.

The final scorecard mapped well to the RFP and appropriately weighted evaluation elements at all levels. The scorecard included three "tiers" with the highest level (Tier 1) provided to bidders in the RFP. Tiers 2 and 3 broke the Tier 1 elements into additional detail, with Tier 3 corresponding most directly with the questions posed to bidders in the Narrative and Data forms and to the operationalized scorecard. The operationalized scorecard is the form that the scoring team uses to score proposals on a 0 – 4 scale.

The Scoring Rubric and Weightings are provided in Table 5. The Table does not include a Tier 2 because Tier 2 simply grouped similar Tier 3 elements.

Table 5 – Scoring Rubric and Weightings

Tier-1		Tier-3	
Criteria	Weighting	Criteria	Weighting*
Program Design	[REDACTED]	[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]
Program Operations	[REDACTED]	[REDACTED]	[REDACTED]

Tier-1		Tier-3	
Criteria	Weighting	Criteria	Weighting*
Bidder Experience, Qualifications and Staffing			
Supply Chain Responsibility			

* Percentages do not sum exactly to 100% due to rounding.

The IOUs planned to use the same scorecard to evaluate bidder interviews, with adjustments to proposal scores based on information obtained during interviews. The scoring process is discussed in more detail in Section 3.4(d).

c. Evaluation Team Profile

evaluators from a variety of disciplines within PG&E's ESA and Sourcing groups participated in scoring.

Table 6 - Bid Evaluation Team

Position Title	Position Role	Proposal Areas Scored

Position Title	Position Role	Proposal Areas Scored
	[REDACTED]	
[REDACTED] [REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]
[REDACTED] [REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]
[REDACTED] [REDACTED] [REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]
[REDACTED] [REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED] [REDACTED]
[REDACTED] [REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED] [REDACTED]

PG&E conducted an Evaluator Training session on April 11, 2022. The training provided an overview of scoring team responsibilities, reviewed the structure of the RFP and the scoring process,

walked-through all parts of the scoresheet (including “deeper dives” into more heavily weighted areas), and allowed evaluators to ask questions. PG&E also outlined a set of ground rules to ensure that scorers fully understood their responsibilities and obligations to report any potential conflicts. No member of the scoring team reported a conflict of interest.

In our view, PG&E designed its scoring process to provide thoughtful and thorough evaluations of bidder proposals. [REDACTED]

d. Evaluation Processes and Scoring Calibration

PG&E generally applied to the ESA MFWB solicitation the evaluation processes the Company has honed through its main EE solicitations. The ESA MFWB solicitation differed somewhat from PG&E’s main EE solicitations in that the MFWB was structured as Single-Stage (RFP) with two-step evaluation (Proposals and Interviews) while PG&E’s main EE solicitations are Two-Stage (RFA and RFP). PG&E and SDG&E collaborated to design the specific elements of the two-step evaluation, leveraging both SDG&E’s experience with this approach and insights from the PRG and IE.

PG&E’s Proposal and Interview evaluation process involved the following steps:

- conduct Evaluation Team training,
- conduct a minimum requirements qualification review of bids received,
- distribute proposals to Evaluation Team members,
- hold regular check-ins with Evaluation Team members,
- collect scores from Evaluation Team members and the IE,
- assess the results to determine which bidders to invite to interviews,
- request from the Evaluation Team questions for the interview process,
- conduct interviews,
- hold a final scoring calibration, and
- determine which bidder(s) to recommend advancing to contracting.

The IE was involved in each part of the process and “shadow-scored” the entire proposal. IE shadow scores are not incorporated into the actual scores that bidders receive. We consider the regular check-ins with the scoring team to be an Effective Solicitation Practice.

PG&E and SDG&E presented their Interview evaluation process to the PRG at the February 2022 PRG meeting. As presented at the meeting, the utilities would score bidder proposals and select a subset to advance to Interviews. Selection for Interviews would be based on a natural break (clear differentiation) between scores. If there was no clear differentiation, the utilities would invite all bidders to participate in Interviews. Bidders would receive a set of standard questions and some customized to their individual bids. Evaluation Team members would then revise their Proposal scores if information obtained during interviews warranted changing a bidder’s scores.

Evaluation Team members and the PMO, with input from the IE and PRG, developed the list of questions to pose to bidders in the Interviews (bidders received the questions beforehand and provided answers in PowerPoint presentations). Questions were aimed at obtaining additional information beyond what was provided in bidder proposals. [REDACTED]

[REDACTED]

Interviews were virtual and scheduled for 90 minutes. The entire Evaluation Team participated. The 90-minute interviews included two sections, with bidders presenting during the first 45 minutes, and PG&E posing follow-up questions during the second 40 minutes. PG&E provided bidders an opportunity to ask questions during the final five minutes at the end of the Interview. Prior to the Interviews, the PMO distributed a training presentation to Evaluation Team members to remind them of the process, coordinated who would ask questions and provided Interview protocols (e.g. Evaluation Team members should not answer bidder questions that may reveal confidential information about the solicitation process and scoring).

Following the Interviews, [REDACTED]

[REDACTED]

[REDACTED] The Evaluation Team then met to “calibrate” their scores.

During calibration, the Evaluation Team discussed every scored item for every proposal where there was a deviation [REDACTED] in scores among Evaluation Team members. In other words, if one Team member scored a bidder’s response to a question [REDACTED] and another [REDACTED] this question is flagged for discussion. Based on the discussions, Team members may, but are not required to, change their scores. PG&E also provided the IE an opportunity to review Evaluation Team member scores and compare them against our own scores. [REDACTED]

[REDACTED] In our view, PG&E’s calibration process was successful. The process was thorough and the PMO representative leading the session actively sought constructive input from all scorers, including the IE. Team members respectfully discussed each other’s views, [REDACTED]

[REDACTED]

The scoring process, along with roles participants play, is depicted in the graphics below.

Figure 2 - Proposal Evaluation, Interviews and Selections

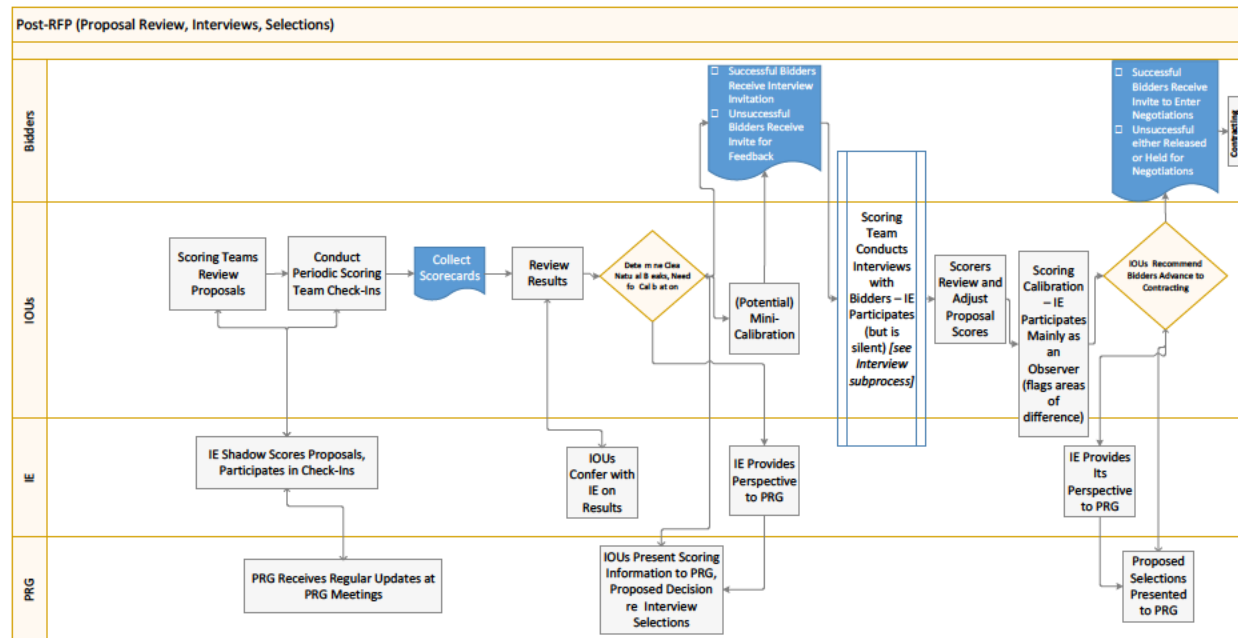
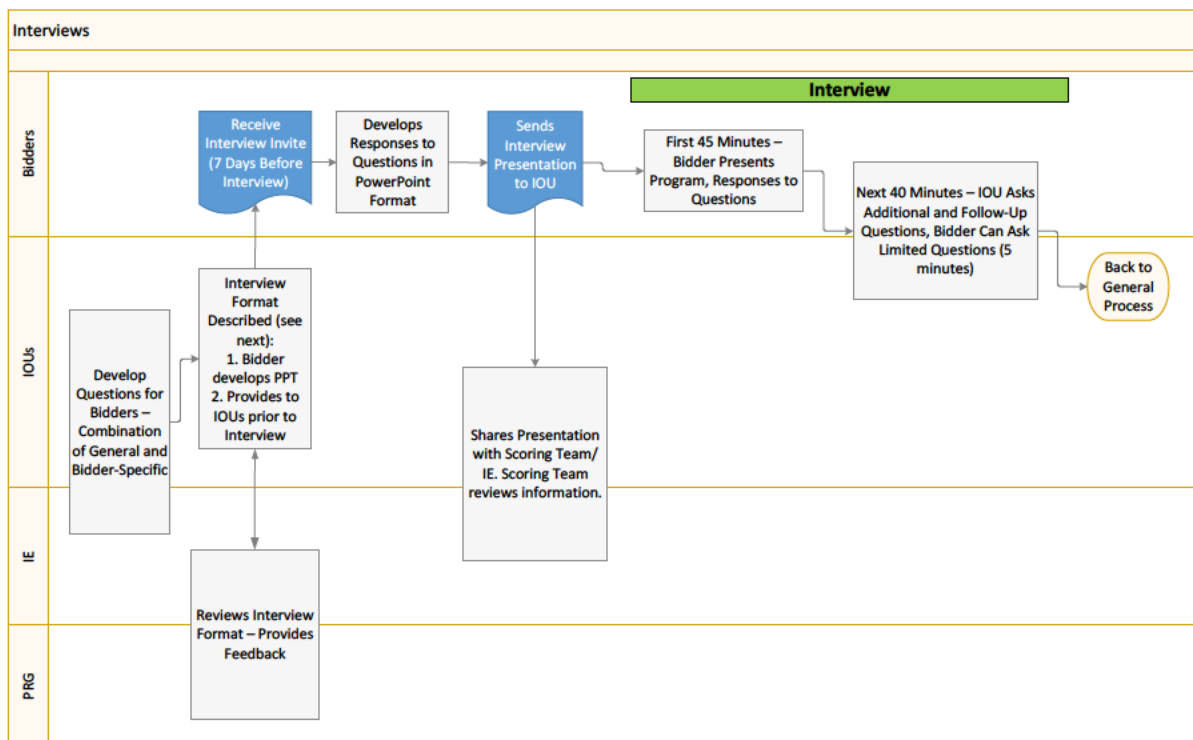


Figure 3 - Interview Sub-Process



e. Shortlist and Final Selections

[REDACTED]

After Interviews, the PMO asked that scoring team members review and revise their scores based on information received during interviews. Scoring team members then met to calibrate. [REDACTED]

[REDACTED]

PG&E's final ESA MFWB [REDACTED] scores were as follow:

[REDACTED]

On July 7, 2022, PG&E invited TRC Solutions, Inc. to contract negotiations. [REDACTED]

3.5 PRG and IE Feedback to RFP Process and Selections

a. Adherence to PRG Guidance and Feedback

During the solicitation process, the IOUs and the IE maintained a cumulative tracker that documented comments and recommendations and how the utilities addressed them. The tracker also included tabs for PRG Guidelines, broken into aspects of the solicitation to which they applied – RFP, Interviews, and Contracting. We consider this an Effective Solicitation Practice in that it keeps all the Guidelines and Tracker information in one place. It can also be the case that comments provided in one step of the process apply to a future step (e.g. comments on the RFP carry into Contracting).

The IE and PRG submitted 162 comments related to the utilities' RFP documents and processes. Based on our experience, this was a large number of comments and signified that the PRG was very engaged in the solicitation process (nearly 100 comments were from PRG members). We viewed this as positive since the CPUC envisioned (as provided in D. 21-06-015) that the PRG and IE would actively contribute to the solicitation process [REDACTED]

SDG&E and PG&E were very open to receiving input from the PRG and the IE. As discussed in Section 3.5(a), [REDACTED]

4.1 Contract Negotiations

PG&E developed a contracting strategy document

24

a. Collaboration on Final Program Design and Scope

The negotiations were also consistent with the CPUC's interest in seeing the parties work together to ensure the contract (and, ultimately, the program) would be in full compliance with D. 21-06-015. As stated in the Decision:

We also believe that the IOUs should maintain an active role in the program design and will require the IOUs to provide minimum requirements and direction in the solicitation phase (rather than leaving all design aspects up to the bidder), as well as work with the contracted third party upon completion of the competitive solicitation phase, to develop a design that is in full compliance with this decision, in particular adhering to cost-effectiveness guidelines and the ESA portfolio goals (*emphasis added*).³⁹

Contract negotiations between PG&E and TRC were generally collaborative and constructive. Both parties helped actively shape the program's final design.

³⁹ D. 21-06-015, p. 354.

b. Fairness of Negotiations

In our view, negotiations are fair if both sides receive something from the contracting process and one side does not unduly influence the outcome to the detriment of the other party. By this measure, the contract negotiation process was fair. PG&E's general approach to contract negotiations is to take the contents of the bidder's proposal and incorporate it into contract documents. This approach is both fair to the bidder who advances to contract negotiations and fair to other bidders who were not advanced because the basis on which the selection was made (the bidder's proposal) is largely maintained. If the bidder or IOU seeks to substantially modify the program during contract negotiations, this may not be fair to unsuccessful bidders who were not afforded the opportunity to change their programs (and may have scored better if they were given the chance to change their programs).

This is not to say that there should not be changes made to the scope and other aspects during contracting. On the contrary, PG&E and TRC worked together to refine aspects of the program design, incorporate elements that helped ensure the program would comply with CPUC direction, and set compensation terms that were agreeable to both parties. The contracting process included large commitments of time and effort from both PG&E and TRC, to negotiate terms and to create new documents (such as the program's Implementation Plan, supporting documentation for measures, and budget and goals details) that were not requested as part of TRC's proposal. The earnest commitment of both PG&E and TRC during negotiations helped facilitate completion of these key items.

c. Changes to Contract Terms and Conditions

The contract's General Conditions (Terms and Conditions or Ts&Cs) consisted of PG&E's corporate Terms and Conditions (Corporate Ts&Cs), and the CPUC's Standard Terms and Conditions. By CPUC decision, IOUs and implementers are not permitted to modify the Standard Terms and Conditions. There were no changes to the Standard Terms and Conditions. The Standard Terms and Conditions also take precedence over the Corporate Ts&Cs.

PG&E also includes in its contract package a set of Specific Conditions. The Specific Conditions include information contained in the solicitation's RFP, with the aim of ensuring that implementers will abide by the program's many requirements. They supplement the General Conditions and the contract's Scope of Work. The Specific Conditions also include a number of supporting documents such as definitions, safety plans, subcontractor training requirements, and transition and close-down details, among other items.

d. Conformance with CPUC Policies and Objectives

The contract's Scope of Work includes a table that outlines compliance items from D. 21-06-015. These are items that the CPUC dictated must be included in the program and its associated contract. The table (Scope of Work Attachment 6) shows where in the contract the compliance items can be found.

The following table is a list of items we put together as part of our review of the final contract. Some of the items related to CPUC requirements and others are items we consider important to third-party contracts.

Table 9 – IE Contract Review Table

Item	Covered / Location	Program
Requires Advice Letter filing	Yes	Per D. 21-06-015.
Noted no changes to CPUC Standard Contract Terms and Conditions (Ts&Cs)	Yes/General Conditions	No changes to CPUC Standard Contract Ts&Cs.
Noted the changes to IOU Ts&Cs	Yes	Limited changes.
Reasonable number of KPIs	Yes/Scope of Work	Twelve KPIs are on high end of the number of KPIs that we think is prudent as an excessive number of KPIs can dilute the importance of any individual KPI.
KPIs make sense in terms of what they are measuring, the scale applied to them, and the timeframe on which they are monitored	Yes	The KPIs align with program priorities in terms of ensuring accurate, reliable and consistent delivery of savings and customer satisfaction [REDACTED]
Contract includes appropriate Performance Issue Remedies	Yes/General and Specific Conditions	[REDACTED]
Implementation Plan (IP) included in contract	Yes	TRC developed the Implementation Plan to conform to the template the IOUs developed in conjunction with ED and the IE. It is complete although there are items that will require updates after program launch (Program Plan).

Item	Covered / Location	Program
Contractor is Diverse Business Enterprise (DBE) or identifies committed DBE spend	Yes/General Conditions	TRC is not a DBE. However, TRC has committed [REDACTED] of the budget to subcontracting with certified DBEs [REDACTED] [REDACTED] [REDACTED]
Changes proposed by IOU or Contractor were reasonable and fair	Yes	As discussed in this report, we believe the changes from both parties resulted in a fair contract.

4.2 Contract Execution

PG&E and TRC executed the contract on January 14, 2023, contingent upon CPUC approval of the Company's Advice Letter. Actual program implementation (Notice to Proceed) begins on the day the CPUC issues its AL Disposition (or the date designated by the AL if different from the issued date).

4.3 PRG and IE Feedback to Contracting

During the contracting process, PG&E and the IE maintained a comment tracker to document points of discussion between the IE, the PRG, and the utility related to the contract negotiations. Although Independent Evaluators have a limited formal role in contracting as dictated by the PRG Solicitation Guidelines (IE is silent during contract meetings between the parties, IE does not engage with the third party, IE regularly reports to the PRG about the primary topics of discussion between parties), the IOU and IE found it useful to document IE and PRG observations both because IE suggestions can prove beneficial to the negotiation process and the IE can elevate issues that may otherwise emerge after the contract has been negotiated.⁴⁰

The contract tracker included [REDACTED] comments, all of which were considered resolved. The PRG took an active interest in the contract negotiation process, [REDACTED]
[REDACTED]

5. Assessment of Final Contract

5.1 Bid Selection Respond to Portfolio Needs

⁴⁰ The PRG has an opportunity to review the final negotiated contract and provide suggested changes. Major changes at this point in the contracting process can be problematic and extend the negotiation timeframe.

The selection of TRC Solutions, Inc.'s proposed program to serve Northern low-income multifamily customers is consistent with the CPUC's direction in D. 21-06-015 and will serve PG&E and its customers well. Prior to this solicitation, the utility served multifamily customers through multiple programs. The ESA MFWB program consolidates these disparate elements and implements the program within a single, comprehensive design and under a single prime implementer.

The TRC program is a comprehensive offering that incorporates features that are consistent with the letter and the spirit of what the CPUC intended with D. 21-06-015 and PG&E anticipated in its ESA Solicitation Plan. TRC will be expected to coordinate with other programs that serve low-income multifamily customers, much of which will occur through the SPOC function. It will also be useful for PG&E and TRC to coordinate with the implementer selected for the Southern region as the solicitations were initially jointly conceived and consistency in implementation will benefit both regions.

5.2 Bid Selection Provides Best Overall Value to Ratepayers

a. Introduction

As an Independent Evaluator, we make the simplifying assumption that the selected program, if the solicitation process was well-constructed and faithfully implemented, by definition provides the best overall value to ratepayers relative to other bids. To be sure, the solicitation's scorecard does not only focus on "value to ratepayers", however that term may be defined. The scorecard reflects the mix of priorities applicable to the program.

As such, our interest in determining whether the program provides best value to ratepayers focuses on how the utility and the selected implementer: improved the program's design, enhanced the program's likelihood for success, and negotiated the ultimate contract's terms to align the implementer's interests with ratepayer interests. In our view, during contract negotiations, PG&E and TRC were able to improve the final program design, establish a framework that sets the program up for success, and agree on terms that will align TRC's implementation of the program with ratepayer interests. Therefore, we believe the selected program provides best overall value to ratepayers.

b. Brief Program Description

TRC's Northern Multifamily Whole Building (MFWB) Program is a low-income multifamily program that serves income-qualified property owners and residents in Pacific Gas and Electric's service territory. As summarized in the contract.

PG&E's ESA Northern Multifamily Whole Building Program (Northern MFWB or the Program) takes a holistic approach to engaging income-qualified multifamily stakeholders in PG&E territory, with end-to-end project support for property owners/representatives and tenants, and strategies that drive installation contractor and trade ally success. Northern MFWB operates as a multi-pathway program that allows residents and property owners to receive energy efficiency upgrades, incentives, financing and incentive-layering (i.e., leveraging) support, and technical assistance. The Program provides whole-building upgrades, including resident units and common areas, to income-qualified properties; deed-restricted properties can receive up to 100% of eligible project costs and non-deed restricted properties (i.e.,

Naturally Occurring Affordable Housing) can receive 100% of in-unit project costs and up to 50% for common area and whole building measures.⁴¹

The program consolidates two previously separate programs, the multifamily in-unit portion of the ESA Main (Single-Family, Mobile Home, Multifamily In-Unit) program and the Multifamily Common Area (CAM) program, and expands them to include a whole building component.

c. Quantitative Program Information

The following table shows a summary of the quantitative information extracted from the program’s contract. The program’s budgets, goals, and targets compare favorably to the budgets, goals, and targets set for the program in D. 21-06-015. We are also providing the program’s ESACET values, as also included in the program’s Implementation Plan. According to the CPUC, the “current ESACET is the primary cost effectiveness test for the program and includes all measures and all known benefits and costs, including NEBs and administrative costs.”⁴² The ESACET is a spreadsheet-based model that uses outputs from the CPUC’s online Cost Effectiveness Tool (CET) to develop cost-effectiveness values for ESA programs. The IOUs consider elements of the ESACET confidential and, therefore, it is not publicly available.

[REDACTED]

[REDACTED] We firmly believe that the program would benefit from both making the ESACET itself more transparent and involving the implementer in the process [REDACTED]. This will enable the implementer to align their implementation of the program with efforts to increase the ESACET score. Although the CPUC does not require that utility ESA portfolios achieve a specific ESACET value, D. 21-06-015 does specify that the utilities “must use an average 0.7 ESACET target for their portfolio level as a guidelines when developing their Energy Savings Assistance program portfolio measure mix.”⁴³ In this case, “target” is an important distinction from “goal” in that goals are considered compliance requirements while targets are not.

Table 10 - Northern ESA Multifamily Whole Building Program Quantitative Information

Item	2023	2024	2025	2026	Total
Budgets					
Implementer Budget	[REDACTED]				
SPOC Budget	[REDACTED]				

⁴¹ Scope of Work, Energy Savings Assistance Multifamily Whole Building Program, p. 1.

⁴² D. 21-06-015, p. 234. NEBs are “non-energy benefits”. Non-energy benefits are benefits participants, utilities and society derive from the program that are otherwise not quantified in cost-effectiveness analyses (which generally estimate benefits associated supply-side costs avoided by energy efficiency programs and activities). Examples include quantitative estimates of reduced collections costs, improvements to health, safety, and comfort, and reduced operations and maintenance costs, among others.

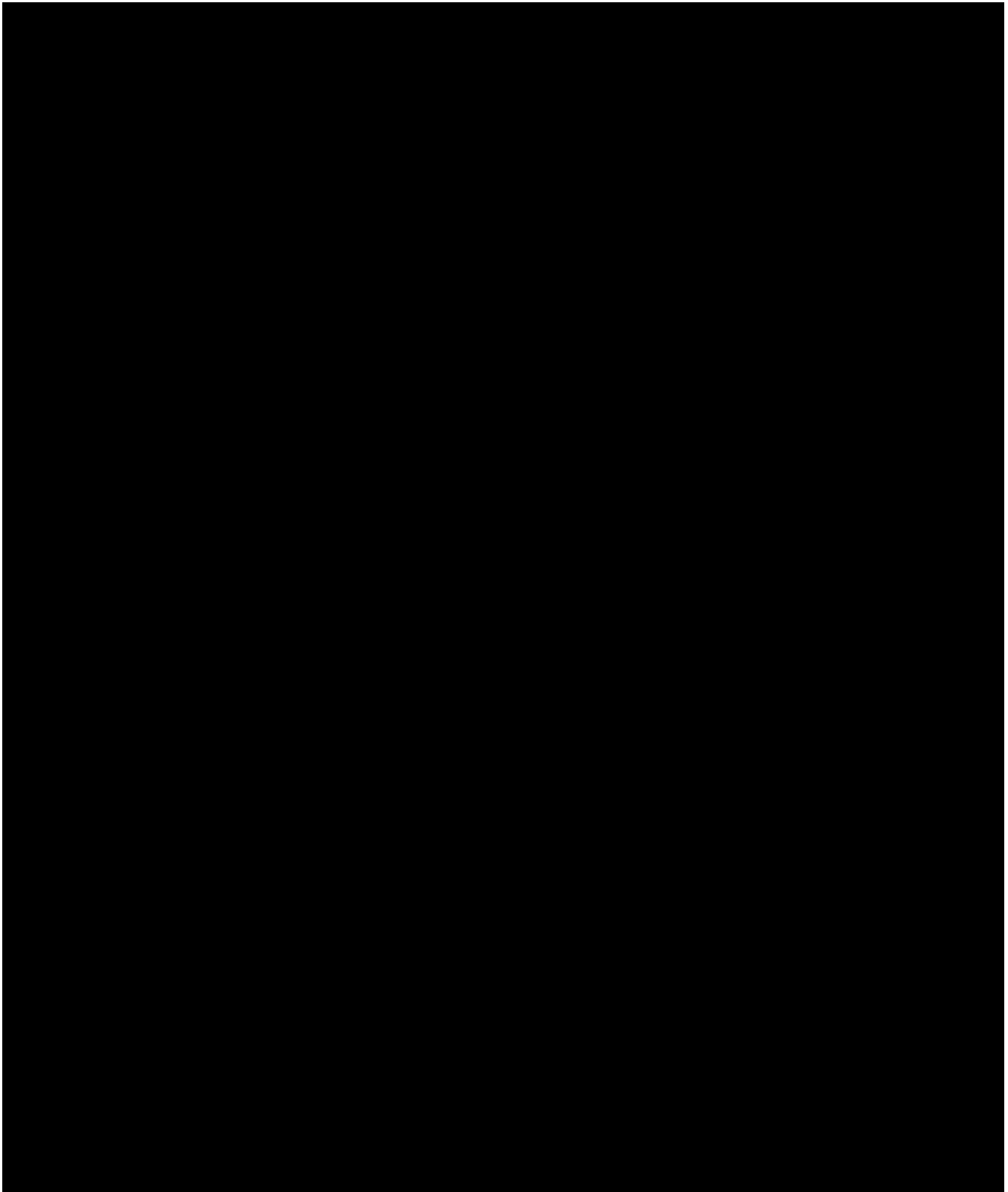
⁴³ D. 21-06-015, OP 83.

Item		2023	2024	2025	2026	Total
Subcontractor Budget						
NGAT						
Without NGAT						
With NGAT						
Goals and Targets						
Goals	kWh Savings					76,963,528
	Therm Savings					2,992,444
Targets	No. properties treated (common area)					
	No. households treated (in-unit)					71,400
Cost Effectiveness Target						
		2023	2024	2025	2026	Total
Program ESACET						0.50

d. Compensation

As presented in Task 13 of the Scope of Work, the Implementer's compensation [REDACTED]

[illegible]



⁴⁴ In D. 21-05-031, the CPUC adopted a new metric, Total System Benefit (TSB), that utility main energy efficiency portfolios must achieve starting in 2024 (to replace energy and peak demand savings goals). TSB is an expression, in dollar terms, of the lifecycle energy, capacity, and GHG benefits, expressed on an annual basis.

e. Whole Building, Comprehensiveness and Electrification

In consideration of the Commission's goals for the ESA MFWB program as articulated in D. 21-06-015, the program includes three primary pathways that participants can follow. The pathways are designed to fulfill the program's overall objectives to serve in-unit customers and associated multifamily properties. Pathway 1 is focused on in-unit services. It is tenant-initiated and does not require owner approval. Pathway 2 is a limited whole building offering and includes bundled in-unit and limited common area/whole building elements. Pathway 3, whole building, is the most comprehensive and aims to maximize energy savings per property by offering a package of in-unit, common area, and whole-building measures. [REDACTED]

[REDACTED]

[REDACTED]

The program also includes several electrification measures:

[REDACTED]

These measures can be fuel substitution (switch from CPUC-regulated fuel such as natural gas to electric) or fuel switching (switch from non-CPUC regulated fuel such as propane or fuel oil to electric). The CPUC established that the ESA MFWB program should include "highly efficient electrification measures" and the program meets this requirement.⁴⁵ Electrification measures, though, are fairly new to IOU EE portfolios and are very new to ESA programs. Given electrification's impact on customer bills by reducing natural gas costs and potentially increasing electricity costs, [REDACTED]

[REDACTED]. This is a prudent approach. We expect that the measure mix will continue to evolve over the course of the program's implementation, likely with an increased shift towards electrification measures.

f. Supports portfolio metrics achievements

The Program's Key Performance Indicators (KPIs) support PG&E's ESA portfolio metrics. The contract includes twelve KPIs. The KPIs have different performance scales (not all are 0-4 scale). [REDACTED]

As provided in Table 12, we consider twelve KPIs is on the high end of the number of KPIs that are prudent as an excessive number of KPIs can dilute the importance of any individual KPI. However, the KPIs generally align with program priorities in terms of ensuring accurate, reliable and consistent delivery of savings and customer satisfaction.

⁴⁵ D. 21-06-015, OP 124.

The program's KPIs follow:

Table 12 - Northern Multifamily Whole Building Program KPIs

KPI Category	Program KPI
Compliance	Ensure ESA MFWB program implementation is in compliance with Decision D.21-06-15.
Customer Satisfaction	Average score of post-completion customer satisfaction surveys administered by Implementer.
Financials/ Savings	% to goal: Total number of kWh, and therms achieved divided by annual program savings target.
Household Treatment	% to goal: Total number of household treatments divided by total program target.
Marketing and Outreach Effectiveness	% to goal: Total number of annual household treatments divided by total program target.
GHG Reduction	Associated GHG reductions from annual kWh, kW and therm savings.
Marketing (DAC and HTR)	Percent of projects in DAC and HTR areas.
Non-Energy Related KPIs	Non-energy benefits (NEBs), as calculated by an approved NEB tool, are also included in the cost effectiveness tests. Currently NEBs are only for in-unit treatments, not for common area.
Cost Effectiveness	Annual ESA Cost Effectiveness Tool/test (ESACET) net benefits and benefit cost ratios.
Safety	- Percentage of projects that pass inspection vs. total in-unit inspected - Percent of in-units receiving inspection from CIP that did not contain a hazard fail on any measure installed upon inspection. - Percent of technician results that are not differing from CIP inspector results (E.g., Pass and Pass = Pass; or Fail and Fail = Pass; however, Pass and Fail = Fail).
Program Data Management	Timely completion of all data fields specified by PG&E in Program database
Customer Satisfaction	Number of customer complaints as a percentage of tenant units treated.

6. Overall Assessment of Solicitation

Overall, we believe that PG&E's Northern Energy Savings Assistance Multifamily Whole Building Solicitation solicitations was fair, transparent, unbiased, and consistent with CPUC policy. PG&E's Program Management Office and ESA program staff involved in the solicitation conscientiously

sought to integrate process improvements throughout the solicitation process and were very open to IE and PRG input. The solicitation resulted in the selection of an implementer that is very capable of successfully serving the Company's low-income multifamily customer base. The program will benefit from the implementer's experience, their knowledge of the marketplace and relationships with subcontractors, trade allies and the communities in which the program will operate.

6.1 Effective Solicitation Practices

PG&E utilized a number of "Effective Solicitation Practices", a term that the California EE IEs use to describe solicitation practices that helped make the process more efficient, fair, and transparent. In some cases, these observed practices can benefit all California IOU third-party solicitations. In most cases though, listed practices were effective in context, given the specific circumstances associated with the solicitation. The list of the practices the IE identified during this solicitation follows.

Table 13 - PG&E Effective Solicitation Practices

Stage	Practice	Comment
General	Cumulative Tracker – PG&E employed use of cumulative tracker which collected comments and recorded responses to PRG Guidelines through every step of the solicitation process.	This practice helped put in one place all the comments and guidelines that had been collected to date. It served as a useful tool for the utility, the PRG and the IE.
RFP	Bidder Information Sharing – The utilities implemented a practice that allowed interested bidders to voluntarily include information about their organization and the role they can play in a bid (prime or sub) as a way of facilitating teaming (and, potentially, providing opportunities for smaller, more diverse businesses and organizations that do not have connections with primes).	This is fairly new for the utilities so it remains to be seen whether this will be beneficial. It may require additional modifications to improve its usefulness in future solicitations.
RFP	At Least Two Rounds of Q&A – The utilities incorporated into the RFP process two rounds of question and answer. This provided bidders three opportunities (Bidders' Conference plus 2 Q&A rounds) to ask questions. This also allowed bidders to engage in a dialog with the utilities about any subjects that may not have been as clearly presented in the RFP or the Bidders' Conference (i.e., if the first response did not clearly address the question, the bidder could follow-up in a next round).	Standard practice for IOU EE solicitations is to hold a Bidders' Conference and a single round of Q&A. Two rounds or a rolling Q&A process can reduce bidder confusion and improve bids. PG&E went above and beyond by including a third round of Q&A.

Stage	Practice	Comment
RFP	Regular Check-Ins with Evaluation Team – PG&E incorporated into its bid evaluation process regular non-mandatory check-ins with the Evaluation Team. The check-ins provided Evaluation Team members an opportunity to obtain clarification about the scoring process and ask questions. PG&E distributed to all Evaluation Team members (including those who were unable to attend).	This practice helps ensure that Evaluation Team members apply consistent approaches to scoring bids.

7. Conclusion

The Northern Energy Savings Assistance Multifamily Whole Building solicitation was well-managed and resulted in a strong program that should serve Northern low-income multifamily customers well. As this is a new program, it will require significant changes to the way the programs have previously operated, particularly during the first two years. We believe that PG&E and the implementer are well positioned to successfully meet these challenges.

Public Attachment B

Implementation Plan (Public)

**ENERGY SAVINGS ASSISTANCE NORTHERN MULTIFAMILY
WHOLEBUILDING PROGRAM**

Implementation Plan
Final 1/9/2023

**Energy Savings Assistance
January 2023**

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A. Program Overview

1. Program Name

Energy Savings Assistance Northern Multifamily Whole Building Program (The Program)

2. Program Proposed Budget Table

Table 1 - Program Proposed Budget Table

	2023	2024	2025	2026	TOTAL
SPOC					
MFWB					
TOTAL					

3. Program Gross Impacts Table

Estimated gross electric and gas savings impacts are included below. Other program targets such as number of households and properties treated are included in Section 6 below (Quantitative Goals and Targets). These estimates will be reviewed and revised annually to reflect actual Program project schedules.

Table 2 - Program Goals & Targets

Program Goals	2023	2024	2025	2026	TOTAL
Energy Savings					
Gross kWh					76,963,528
Gross Therms					2,992,444
Units Treated					
Households					71,400

4. Program Energy Savings Assistance Cost Effectiveness (ESA CET)¹

The ESACET target is an average 0.7 for the portfolio level. The Program does not have measure specific however, the Program will report overall cost effectiveness annually.

Table 3 - Program Cost Effectiveness (ESACET)

ESA CET	2023	2024	2025	2026	Average Total
MFWB					0.50

5. Market Sector

PG&E income-qualified Multifamily customers.

¹ The program CET may change throughout the program cycle based on actual measure installation rates and project timelines.

B. Narrative

1. Program Description

Pacific Gas and Electric Company's (PG&E) Energy Savings Assistance (ESA) program is directed to provide residents and property owners of eligible low-income multifamily buildings with increased opportunities to address their energy needs by providing up to 100% incentive funding for eligible energy upgrades. PG&E's ESA Northern Multifamily Whole-Building program (The Program) takes a holistic approach to engaging income-qualified multifamily property owners, residents, and stakeholders in PG&E territory, with end-to-end project support for property owners/representatives and residents in addition to strategies that drive installation contractor and trade ally success. The Program operates as a multi-pathway program that allows residents and property owners to receive energy efficiency upgrades, incentives, and incentive-layering support, and no-cost technical assistance. The Program provides whole-building upgrades - including resident units and common areas as well as provide health comfort and safety (HCS) measures - to income-qualified properties; deed-restricted properties can receive up to 100% of eligible project costs and non-deed restricted properties (i.e., Naturally Occurring Affordable Housing) can receive 100% of in-unit project costs (fully subsidized) and up to 50% for eligible common area and whole-building measures (50% copay).² Individual tenant units that meet income or categorial eligibility requirements can also receive eligible in-unit treatments at no cost, with the exception of measures that require a copay. The Program's implementer is TRC Solutions, Inc. (the Implementer).

The Program builds upon the foundation of previous ESA requirements, and MCE's Low Income Families and Tenant (LIFT) Pilot, by applying lessons learned and best practices to reach a higher volume of low-income multifamily households, provide deeper energy savings, and maximize cost-effectiveness. The Program's multi-pathway design includes measure packages ranging from resident-driven projects to whole-building upgrades with pre-installation energy assessments and benchmarking paired with Integrated Demand Side Management (IDSMD)-driven scope design, and post-installation verification.

2. Program Delivery and Customer Services

a. Overview

The Program will deliver offerings through a hybrid workforce approach that uses existing in-network ESA contractors for in-unit and select common area measure installations, and owner-selected trade allies to deliver common area and whole-building installations. Customers are defined as both income-eligible tenants and eligible low-income property owners and will receive services through the Program's multi-pathway design where Pathway 1 is for resident-driven upgrades and Pathways 2 and 3 for property owners based on project scale. Income-eligible tenants can be enrolled independently or will be enrolled using a streamlined process that allows property owners to collectively enroll residents without need for door-to-door income verification. Each project will

² D. 21-06-015, Ordering Paragraph 138.

receive no-cost technical assistance to document comprehensive measure installation opportunity and encourage deeper energy savings.

b. Target Market

The Program will serve all interested customers on a first-come, first-served basis. Primary program stakeholders are deed-restricted and non-deed restricted multifamily affordable housing owners, property managers and their residents. Secondary target audiences include contractors, maintenance staff, and community partners.

To identify prospective projects, Implementer will review data sources such as U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture (USDA), the California Tax Credit Allocation Committee (TCAC) low-income housing lists, and Res-Intel's³ multifamily toolset.

Additionally, The Program will perform direct outreach to existing ESA contractors, installation trade allies, property owners and managers, community-based organizations, government agencies (e.g., housing authorities), and non-profit housing partnerships.

c. Marketing and Outreach Strategies, Tactics, Channels

The Program team will utilize a number of marketing and outreach channels to engage target audiences and Need States identified in D.21-06-015, including:

- Leverage existing relationships such as ESA in-unit contractors, PG&E ESA Common Area Measure program contacts and waitlist, and PG&E Single-Point of Contact (SPOC).
- Conduct a review of market data to inform targeting and the best channels to utilize to reach the target audiences
- Ensure robust program coordination through the SPOC service (e.g., financing, IDSMS, and water savings opportunities)
- Qualify leads received from the Multifamily Central Portal (MCP)

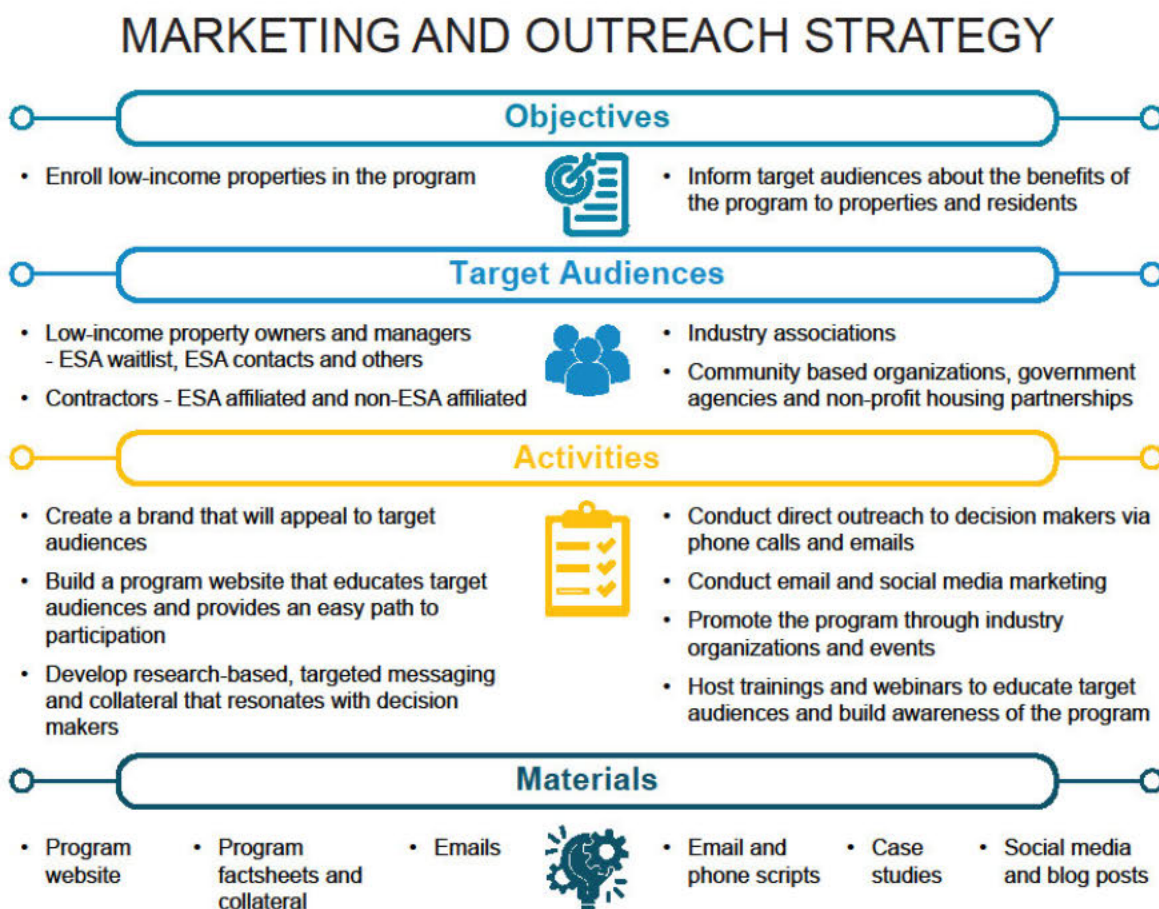
See the chart below for more details on planned marketing and outreach objectives and activities.

Customer Acquisition. The Program will deploy marketing through several channels to maximize participation with both deed restricted and non-deed restricted buildings. Direct outreach is typically the most effective way to engage multifamily decision-makers, thus The Program will use phone calls and emails to increase awareness and gauge interest. The Program will focus outreach to owners and representatives of income-qualified multifamily buildings, prioritizing those with high savings potential or a high likelihood of participation as well as properties that meet other IOU priority criteria (e.g., location in a disadvantaged community or “DAC”). Both deed restricted and non-deed restricted buildings will be included in marketing and outreach activities to drive program

³ <https://res-intel.com>

participation. The Program will review available market data to inform the customer acquisition and build upon existing contact lists and referrals from other programs.

Figure 1 - Marketing and Outreach Strategy



d. Customer Need Segments

The Program will tailor targeted outreach and treatment plans to the unique needs of customer segments, while ensuring income-qualified customers receive all eligible or feasible measures. The Program will deploy focused marketing efforts tailored to customers with unique demographic, financial, location-based, and health condition considerations. For instance, to engage qualifying properties on Tribal lands, The Program will apply the insight gained and core messaging developed through delivery of the ESA in-unit services targeting Tribal customers. The Program also anticipates that customers in the following needs states will receive select ESA measures based on specific burdens or hard-to-reach status. Example measures installed by customer segment are included below. These measures will be evaluated and adjusted annually.

Table 4 - Measures for Customer Segments

Customer Segment	Unique Measure Categories
------------------	---------------------------

High Energy Users	Floor insulation
DAC, Rural, Tribal	Portable AC, air purifiers
Medical Baseline	Portable AC
Wildfire Threat	Cold storage, attic vent repairs, SPOC referrals

e. Adjusting Targeting

During implementation the MFWB team will monitor The Program pipeline to identify where targeted outreach should be scaled up or down or to modify the strategies outlined above.

3. Program Design and Best Practices

The MFWB program design incorporates lessons learned, best practices and innovation.

a. Incorporating Lessons Learned and Reducing Market Barriers

The Program design is informed based on previous experience and lessons learned from administering ESA in-unit and Common Area Measure (CAM) programs as well as a thorough review of available resources such as recent ESA CAM and MCE Low Income Family and Tenants (LIFT) evaluation reports. The top market barriers and strategies for mitigation are included below.

Table 5 - Market Barriers and Mitigation Strategies

Market Barrier	Mitigation Strategies
Low program awareness, limited access to capital, and competing priorities among multifamily decisionmakers*	- Equip all staff enrolling customers with clear and consistent messaging to explain Program eligibility criteria, requirements, and benefits - Develop a customer-facing website that reiterates this information - Conduct holistic informational and educational campaigns for large portfolios to build awareness, spark excitement, and educate - Collaborate with PG&E to develop customer-facing materials such as flyers, bill inserts, and leave-behinds with core messaging and important information
Split incentive issue between property owners and residents*	- Implement the CPUC-directed Split Incentives Agreement, which extends tenant protections in exchange for Program benefits - Provide unique tenant and owner/representative education tailored to The Program's specific value proposition (e.g., highlighting appealing in-unit measures or HCS benefits)
Multiple contractor/customer touchpoints*	- Use full-service installation contractors who can provide all ESA in-unit treatments (e.g., enrollment, income documentation, assessment, direct install) - Develop whole-building treatment plans managed by an Energy Advisor on The Program team to streamline participation, minimize tenant disruption, and increase transparency

Market Barrier	Mitigation Strategies
Multiple program implementers in the multifamily sector*	■ Use a single implementer model to serve the Northern/Southern region, enabling a cohesive approach to solving issues and serving customers fully ■ Leverage SPOC service to streamline cross-program referrals and coordinate with other program administrators and implementers serving property owners and residents throughout the Northern region
Tenant-specific challenges, including trust/intrusion concerns, access issues, and language barriers*	■ Require implementation contractor staff to wear ESA program co-branded badges allowing customers to verify personnel authenticity ■ Leverage experienced ESA contractors who regularly overcome trust barriers and are skilled at providing in-language and in-culture messaging ■ Work with community champions, trusted messengers, and CBOs when needed to develop greater access to a customer subsegment (e.g., Tribal residents)
Additional Barrier: Potential overlap or conflict with programs serving this segment	■ Leverage insight into the statewide multifamily market to inform a multifamily decision-tree that will guide interactions with Program participants, promote leveraging, and facilitate referrals ■ Coordinate with all third-party program implementers and statewide committees (e.g., the Energy Efficiency Third-Party Solicitations Semi-Annual Stakeholder Forum) on any observations or challenges as well as identifying leveraging opportunities. ■ Stay current on statewide proposal approval processes and proactively assess the impact of pending and potential approvals on the Program design
Additional Barrier: Limitations on rent increases for Non-Deed Restricted Properties	■ Maintain a high level of transparency to build trust and overcome owner fears, addressing concerns about how rent restrictions will impact costs over the 10-year period ■ Target qualifying properties that may be less deterred by rent restriction requirements due to unique funding structures (e.g., properties where Housing Choice Voucher/Section 8 residents live)
Additional Barrier: Past negative experiences deter property owner buy-in	■ Tailor the approach to developing and executing treatment plans to provide a higher level of service to property owners/representatives

*Identified in the MCE LIFT program evaluation

b. Best Practices

Best practices include data- and market-informed property targeting, direct outreach to property owners/representatives, early project identification, streamlined participation process, use of mobile tools, and flexible approach to market changes like those caused by COVID-19. The Program also incorporates recommended improvements to the delivery model in the Program approach, particularly the guidance that a turnkey solution with a single point-of-contact to minimize participants' level of effort from audit to project closeout, will increase the Program's value proposition. This will also be provided using a one-stop-shop Energy Advisor model for common

area and whole-building treatments, which provides technical support to the project from initial qualification to the energy audit and through scope of work development and construction completion. Additionally, the ESA CAM process evaluation's recommendation for increased customer choice in selecting contractors, backed by tools and templates to support bid review, is reflected in the decision to allow an open network of contractors for common area/whole-building measures.

The Program design also reflects key takeaways from the third-party evaluation of MCE's LIFT pilot program. This report identified three primary recommendations, all of which the Program approach directly supports:

- **Improve program tracking and record-keeping requirements:** The Program data management system, will ensure projects move efficiently through the program process.
- **Work with CBOs and deploy non-traditional marketing to increase customer participation:** The Program will leverage existing partnership established through administering past ESA in-unit and common area services. This includes a diverse network of California partners with connections to low-income households. These active partners consist of CBOs, schools and colleges, local governments, public agencies, faith-based organizations and others. The Program leverages these relationships to reach customers, build awareness and credibility, and help customers access available services.
- **Increase savings consistency for Heat Pump Water Heaters (HPWHs and mini-splits:** The Program will leverage previous experience with heat pumps to ensure consistent savings by (1) confirming that existing equipment is appropriate for a heat pump upgrade, (2) ensuring heat pumps are properly designed and sized, and (3) mitigating variability in tenant behavior. The risk mitigation strategy includes targeting the appropriate customers for these measures based on usage or other variables with educational leave-behinds that promote efficient heat pump operation and basic filter maintenance.

c. Innovation

Transitioning the ESA multifamily offerings to a whole-building approach inherently supports market innovation, creating the streamlined participation process and deeper savings opportunities. The Program design incorporates carefully vetted new technologies, marketing strategies, and delivery approaches that will optimize Program impact.

Key innovations include:

- **Data-Driven Segmentation and Building Treatments:** Creating a streamlined, supportive participation experience begins with potential property identification and customer engagement. The Program will analyze available customer and market data to target eligible properties and customers across identified sub-segments (e.g., DAC location or non-deed restricted properties).
- **Unlocking Stranded Savings Opportunities:** The whole-building model creates an opportunity to bridge historical gaps between in-unit and common area measures. The Program design includes new-to-this-market thermal envelope measures that capture a properties' full savings potential.

- **Fuel Substitution:** The Program will include fuel substitution measures for dwelling units and common areas that cover space heating, cooking, and water heating measures to provide deeper energy savings and emissions reductions.
- **Healthy Building Materials:** The Program will incorporate requirements around the use of healthy building materials to reduce VOCs and other areas of concern.
- **Holistic Resource Management:** The Program will facilitate cross-program referrals that will drive more than energy savings and encourage cross-resource whole-building approaches, including local water and air quality management district offerings.
- **New Measure Development:** Identifying new measures and technologies with the potential to cost-effectively increase benefits to participants will be critical to The Program's ongoing success. The Program planning process includes an exploration of high-potential new technologies (including electrification measures) that could inform future workpaper development and measure mix enhancements.
- **Provide robust technical expertise to inform a comprehensive, future-focused measure mix.** The Program approach builds upon a strong foundation of ESA requirements while applying lessons learned and best practices to reach more multifamily households, provide deeper energy savings, and maximize cost-effectiveness.

d. Tools

The Program anticipates using a number of tools to support program strategy and operations, including:

- **Res-Intel toolset of multifamily properties** will be used this to support targeted outreach and validate findings on site (e.g. properties with high EUIs and properties located in disadvantaged communities).
- **ENERGY STAR® Portfolio Manager®** will be used to provide property-level energy benchmarking services to program participants installing common area and/or whole-building measures (i.e. Pathways 2 and 3). The Program team will leverage PG&E's Building Benchmarking Portal to request aggregated whole-building energy usage data to complete benchmarking in Portfolio Manager and allow property owners to track energy performance.
- **ModelMaster** a proprietary tool the implementer uses to provide a measure-level forecast of Program expenditures, savings, and cost-effectiveness. Implementer will update this tool regularly to track current program performance, aid program strategy and design, and forecast future treatments.
- **The Program's suite of Audit and Project Review tools** are integrated to provide documentation and reporting capabilities starting at the audit stage through final payment. The tools support collection of existing conditions at the site, development of measures, review of project costs, and quality control of completed work. Following best practices, quality of data and process is backed up by a quality control review by senior technical staff to ensure recommendations are relevant and installations meet eligibility requirements.
- **MFWB Database** will be developed to enable the Program to meet required CPUC reporting and compliance activity. The system will support end-to-end project tracking and data management through individual project profiles and customized reporting functions.
- **Energy Insight**, PG&E's project tracking database, will be used to track in-unit measures and for PG&E facilitate payment approval and issuance for both in-unit and whole-building/common area treatments.

e. Single Point of Contact

The Program will continue to leverage existing relationships across the multifamily sector to offer customers a one-stop shop experience as they identify and prioritize all energy opportunities (e.g., IDS - Demand Response, electrification, water savings, storage, electric vehicles, etc.). Through Program delivery, the Implementer will serve as the Single Point of Contact (SPOC) for multifamily customers providing referrals to potential qualifying programs for property owners and residents by offering:

- **One-Stop Model:** SPOC will offer a one-stop model to nurture a customer by providing program information and coordinating program access. Examples of ways The Program can nurture customers in the one stop model is through attending enrollment kickoff with customers and the programs they apply to, coordinating site audits between programs a customer is layering incentives for, offering increased financing coordination, and providing benchmarking.
- **Benchmarking Services:** SPOC will utilize EPA's Portfolio Manager. The benchmarking available for multifamily customers through AB 802 is a resource for project planning, pipeline development for future programs, customer engagement, and demonstrating PG&E's influence on multifamily owner project planning.
- **Financial Referrals:** SPOC will continue to provide support to customers pursuing On-Bill Financing (OBF) and other financing opportunities. Additionally, SPOC will leverage existing relationships with Fannie Mae, the CTCAC (Low-Income Housing Tax Credits), California Alternative Energy and Advanced Transportation Authority (CAEFTA), GoGreen Financing, and the OBF teams in other IOU territories to stay current on financing opportunities and changes to existing offerings.
- **Improved Program Utilization:** SPOC's goal is to maximize customer participation in programs. To do this, SPOC assist customers in navigating the program landscape. SPOC will maintain a matrix of clean energy, renewable, financing, and water and air quality management programs and will engage with programs on a quarterly basis to enhance the collaboration efforts for the programs SPOC refers customers to. SPOC will investigate customer participation in programs and request status of referred projects. SPOC will offer the one-stop model referral service to Program participants in order to maximize customer participation.

4. Workforce Education and Training

a. Workforce Recruitment

The Program will utilize ESA contractors and trade allies who have historically served DACs and hired from those communities. For new hires, Implementer will coordinate with industry partners that provide training and job-related services such as the Career & Workforce Readiness program, workforce development partners, career centers, and CBOs to outreach to communities through job fairs, community events, social media and other digital outlets. Energize Careers is a utility-funded career and workforce readiness (C&WR) program that in partnership with industry partners provides holistic services to support marginalized people through technical training, job placement, and employment support for high quality green jobs. Job postings will be distributed through

software that cross-posts openings to a dozen job boards. Contractors and trade allies will provide materials on job opportunities when serving multifamily properties, especially when serving DAC Customers. Additionally, in partnership with Energize Careers, Implementer will connect ESA contractors and trade allies with recent graduates completing the Energize Careers program.

The Program will maintain complete training records for all ESA roles and track key metrics, including hiring source, residency in a DAC, rural or tribal community, income qualifications, new training and certifications achieved and upward job progression (titles). The Program will also have a mechanism for recruiting and screening contractors interested in joining the ESA Contractor network.

b. Leveraging WE&T programs

The Program will support workforce education and training as it relates to Decision 21-06-015, OPs 101, 111 and 124 (see Table x). The Implementer will coordinate with industry partners that provide training and job-related services such as the Career & Workforce Readiness program, workforce development partners, career centers, community colleges and CBOs to target low-income areas and DACs. This will include outreach through job fairs, community events, social media and other digital outlets to support hiring efforts and connecting workers with career-ladder job development. Implementer will also provide information on available training and certification programs by maintaining a clearinghouse of these opportunities on an in-house resource. Examples of programs that provide training include:

- UpSkill California
- PG&E Energy Center trainings
- Building Operator Certification training
- Pre-apprenticeship and apprenticeship programs through the State Building and Construction Trade Council of California

c. Worker Training

To support position-specific training, the Implementer will make contractors aware of and coordinate enrollment of the MFWB workforce in appropriate PG&E Workforce Education & Training (WE&T) programs and leverage PG&E's existing ESA train-the-trainer model and ESA training content for contractors (such as www.pge.com/energyclasses). Implementer is required to obtain third-party Operator Qualification (OQ) training for contractors working inside dwelling units to repair or replace gas appliances which may require them to shut off the gas valve. Operator Qualification training is defined under the Federal Code of Regulations-Operator Qualification Rule (CFR Part 192 and Part 195) requiring technicians working with gas pipelines to follow the Implementer's Operator Qualification Plan appropriate to the defined task list performed by said operator (technician). The Implementer will coordinate supervised ride-alongs for contractors performing in-unit treatments and on-the-job training as well as share information about other training opportunities to support skill proficiency and certification. Implementer will also provide the results of ride-alongs to PG&E for review. The Implementer will support worker development to assist technicians with access and resources to more advanced positions within and beyond ESA.

5. Workforce Standards

The Implementer will require the following for ESA contractors performing in-unit treatments:

- **Pre-onboarding Screening:** All Energy Specialists (ESs) conducting in-person outreach to residents in the ESA Program are required to hold a Home Improvement Sales Certificate (HISC) through the California State Licensing Board (CSLB) prior to commencing work. Implementer will require that all ESA contractors complete background checks, as required, for ESA program personnel. Implementer verification of position-specific training and execution of non-disclosure agreements and code of conduct are also part of the screening process. Both the Implementer and the contractor are responsible for maintaining records.
- **Position-Specific Training:** The Implementer will leverage PG&E trainings including ESA Contractor Training and Natural Gas Appliance Testing (NGAT) training, and third-party provided Combustion Appliance Safety (CAS) training (for use when combustion appliances are present).
- **Measure Trainings:** Implementer shall be responsible to ensure proper and required training is completed prior to performing the applicable measure installations required for The Program. This includes training for assessors and installers on Installation Standards (IS) Manual policies and procedures and installation specifications for common area measures. The IS Manual is used by all IOUs and specifically outlines technical procedures and standards associated with installation of ESA Program measures.
- **Ride-Alongs:** The Implementer will provide hands-on on-site support to installation contractors to enhance quality installation and field practices in the form of ride-alongs. This includes targeted and unannounced ride-alongs based on third-party inspection results for contractors who need extra support.

Trade Allies will be vetted by the Implementer during program onboarding for compliance and quality of common area and whole-building treatments. This includes verifying contractor compliance with certifications, licenses, safety and training requirements set by the Program. Additionally, the Implementer will encourage Trade Allies to complete additional certification training, such as North American Technical Excellence and Air Conditioning Contractors of America and others.

For property-owner-selected contractor trade allies, prior to scope of work approval, the Implementer will confirm that they meet the requirements of PG&E's Property Owner Affidavit (POA) including being licensed, bonded, and insured. The Implementer will screen trade allies' licenses based on measures included in their installation scope of work. License requirements will be documented in the Program Manual as part of ramp-up. These requirements are subject to change and will be evaluated on an ongoing basis.

The Implementer will collect information related to trade ally or owner-selected contractor performance through inspections and customer satisfaction surveys. The Implementer may deem any trade ally that demonstrates questionable performance ineligible for Program participation until completing remedial actions.

6. Additional Information

a. Program Manuals

The following sub-sections provide program detail as part of The Program Implementation Plan. Full program rules will be part of the Program Manual, which will be developed prior to MFWB program launch (e.g. the Program Manual will require that carbon monoxide (CO) detectors used by the Implementer and ESA contractors are calibrated every 30 days to support accurate NGAT). This Implementation Plan will be amended to include the Program Manual when it is completed. Until that time, the Statewide ESA Policy and Procedures Manual shall be used and attached to this IP as reference.

b. Eligible Measures

The Program's suite of initial core measures will include deemed in-unit, common area, and whole-building measures that are currently approved for the 2022 PG&E ESA In-Unit and CAM programs. New measures will be added on an ongoing basis. Eligibility criteria are defined in the current ESA Installation Standards Manual, current PG&E ESA CAM workpapers, within new workpapers, and California eTRM workpapers adopted by The Program (e.g. measure labor and materials are warranted for one year from the date of installation). Additional eligibility requirements will be developed as part of a supplement to the Installation Standards Manual that addresses whole-building measures.

The initial list of deemed measures includes the following priority measure categories:

- **Lighting**
- **Appliances and Plug Loads**
- **Heating and Cooling**
- **Building Envelope**
- **Domestic Hot Water**
- **Health Comfort and Safety**
- **Home Energy Education**

A complete list of measures can be found in the Measure Mix section.

The Program will also update and develop new workpapers as necessary to support new measures or to modify measures for the territory or use case.

Initial Program design includes exclusively deemed-savings measures supported by IOU-approved workpapers, with initial analysis conducted to align Ex Ante values with expectations for measure savings, costs, and effective useful life (EUL). As the Program evolves, the Program will evaluate measure mix and savings calculation methodology to maximize savings and customer benefits. This may involve strategically introducing custom or meter-based measures as well as graduating measures from one delivery channel to another.

Quality Assurance (QA) and Quality Control: The Implementer will incorporate quality assurance and quality control processes into program operations in the following ways:

- Incorporating data validation into program tools to reduce errors and provide consistency
- Integrating tools to reduce data entry
- Establishing layered review processes whereby key milestone documents or deliverables receive a quality control review before being finalized. At minimum, the Implementer will establish layered review processes for the energy audit report, project approval letter, and measure installation verification and billing.

Post-Installation Inspections: Field QA activities ensure proper installation of program measures and adherence to safety and field protocols and installation standards, including verifying installation quantities. The Implementer understands that field inspections will be performed by a third party. However, Implementer will perform the field QA activities below to ensure ESA contractors adhere to field quality and safety protocols with in-unit area measure installation. These activities take the form of:

- Targeted ride-alongs based on 3rd party inspection results to focus on individuals that need extra support
- Data-driven site visits or unannounced ride-alongs, conducted when an invoicing anomaly, customer complaint, performance issue or other concerning trend requires Implementer's review of the site without the subcontractor present
- Responses to requests by PG&E, ESA subcontractors or customers

For common area and whole-building measures installed by trade allies or owner-selected contractors, the Implementer will complete a desktop review, with a focus on verifying invoices, specifications, and savings claims. Field inspections for common area and whole-building projects will be performed by a third party. The Implementer will work with PG&E and/or this third-party field inspector to address any findings from these field inspections.

c. Customer Eligibility Requirements:

Program funds and services are available on a first-come first served basis. Properties in PG&E service territory meeting the following property- and income-eligibility criteria qualify:

- Five or more units at each property
- Active service account with PG&E
- Income-eligible for property type: Deed-Restricted and/or In-Unit (>65% of residents at or below 250% Federal Poverty Guidelines), Non-Deed Restricted (>80% of residents with incomes at or below 250% Federal Poverty Guidelines)
- Individual tenant meets program's income or categorical eligibility guidelines.

Additionally, the Program will serve all eligible interested multifamily residents. Individual residents may request services. Contact from interested residents will also trigger follow-up with the property owner/representative to convey Program benefits and encourage whole-building participation.

To verify customer and project eligibility before installation, the Implementer will review all submitted enrollment documentation for completeness and accuracy, with follow-up to clarify questions or address gaps.

d. Contractor/Subcontractor Eligibility Requirements

Please refer to Section 5 Workforce Standards for details on contractor eligibility.

e. Additional Services

Not applicable.

f. Other Program Metrics

Program KPIs.

KPI Category	KPI Description	Continuous Monitoring Mechanism	Continuous Monitoring Frequency
Compliance	Ensure ESA MFWB program implementation is in compliance with Decision D.21-06-15.	Program Plans	Quarterly meetings to review implementation methods
Customer Satisfaction	Average score of post-completion customer satisfaction surveys administered by Implementer.	Program Reports	Quarterly
Financials/ Savings	% to goal: Total number of kWh, and therms achieved divided by annual program savings target.	Program Reports	Quarterly forecasts & Monthly actuals for CPUC compliance
Household Treatment	% to goal: Total number of household treatments divided by total program target.	Program Reports	Quarterly forecasts & Monthly actuals for CPUC compliance
Marketing and Outreach Effectiveness	% to goal: Total number of annual household treatments divided by total program target.	Program Reports	Quarterly forecasts & Monthly actuals for CPUC compliance
GHG Reduction	Associated GHG reductions from annual kWh, kW and therm savings.	Program Reports	Annually
Marketing (DAC and HTR)	Percent of projects in DAC and HTR areas.		

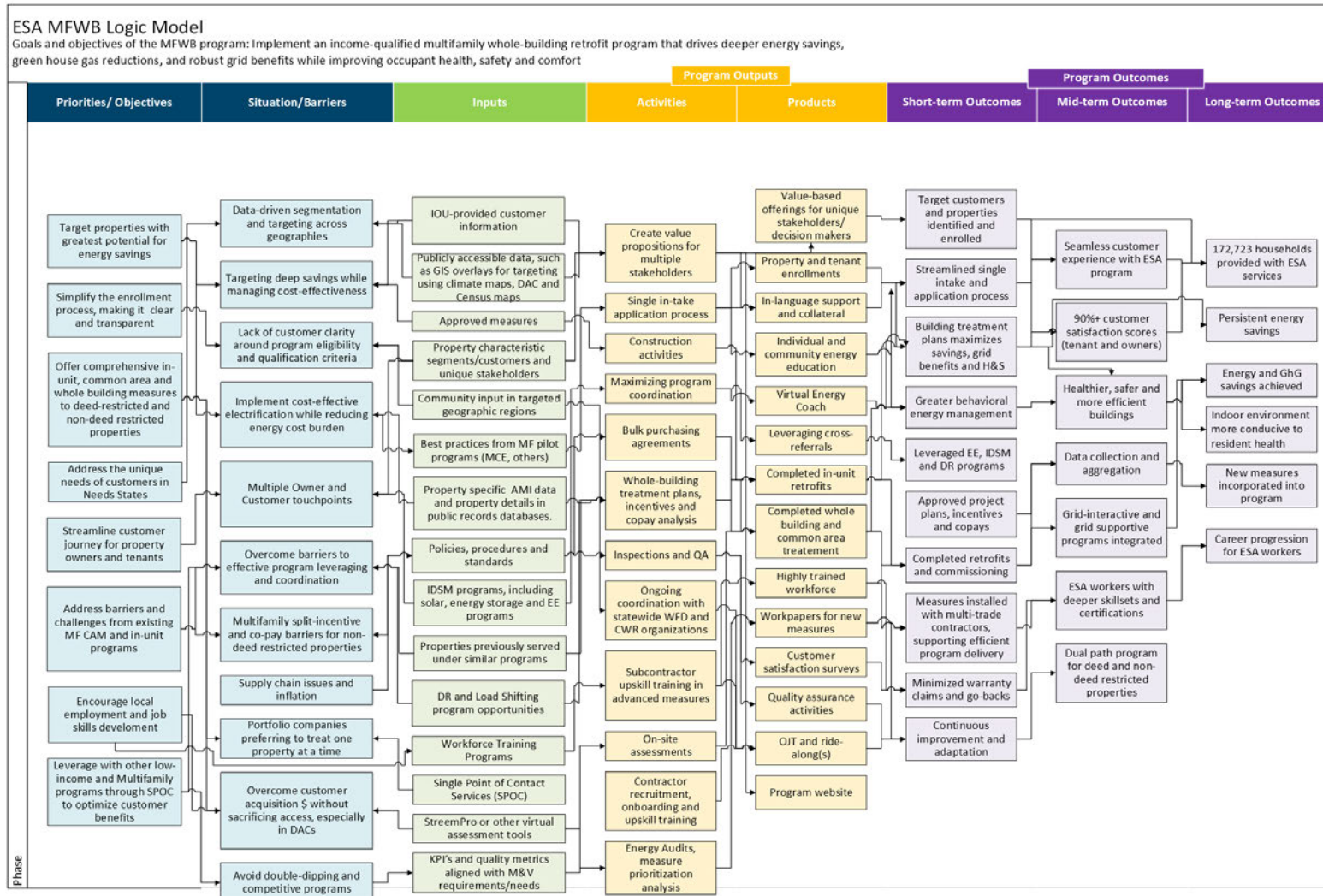
KPI Category	KPI Description	Continuous Monitoring Mechanism	Continuous Monitoring Frequency
Non-Energy Related KPIs	Non-energy benefits (NEBs), as calculated by an approved NEB tool, are also included in the cost effectiveness tests. Currently NEBs are only for in-unit treatments, not for common area.	Program Reports	Annually
Cost Effectiveness	Annual ESA Cost Effectiveness Tool/test (ESACET) net benefits and benefit cost ratios.	Program Reports	Annually
Safety	Percentage of projects that pass inspection vs. total in-unit inspected Percent of in-units receiving inspection from CIP that did not contain a hazard fail on any measure installed upon inspection. Percent of technician results that are not differing from CIP inspector results (E.g., Pass and Pass = Pass; or Fail and Fail = Pass; however, Pass and Fail = Fail).	Per inspection	Per inspection
Program Data Management	Timely completion of all data fields specified by PG&E in Program database	Program Reports	Monthly, Quarterly & Annually
Customer Satisfaction	Number of customer complaints as a percentage of tenant units treated.	Program Reports	Monthly, Quarterly & Annually

C.Supporting Documents

1. Theory and Logic Model

The figure below illustrates the Program's goals, outputs, and outcomes.

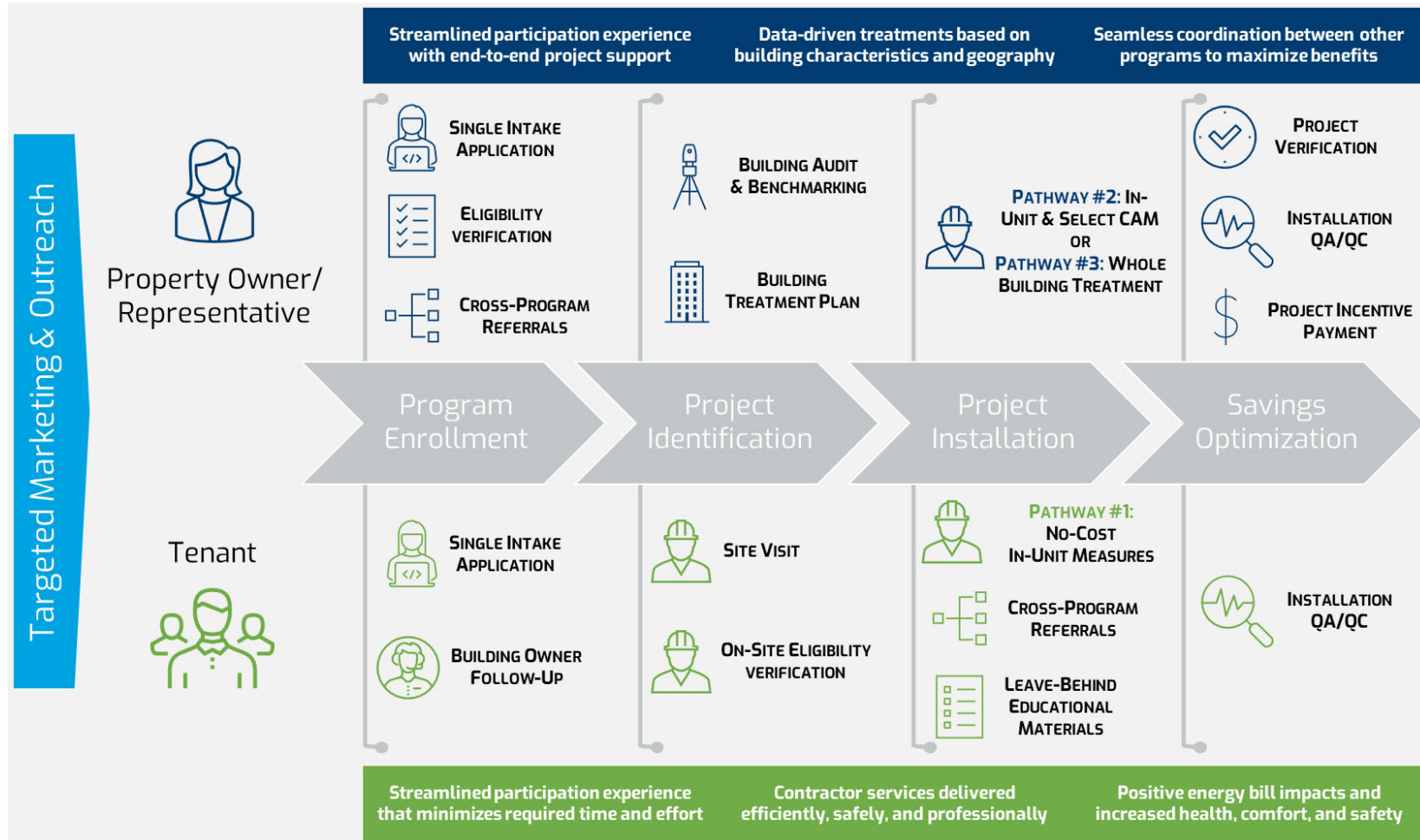
Figure 2 - Program Logic Model



2. Program Diagram and Process Flow Chart

The Program will provide a centralized point of entry for all eligible customers, with three energy-saving pathways that allow both owners/representatives and residents to find an option that aligns with their unique needs.

Figure 3 - Program Diagram and Process Flow



The customer journey begins with either targeted direct outreach from the Program or after interested property owners/representatives or residents complete the Program's simple online intake form or contact The Program team by telephone or email. The Program will then screen for basic Program eligibility and identify the appropriate proposed project pathway from the following options:

- **Pathway #1 – Individual Household:** For tenant-initiated projects, an ESA installation contractor will respond to the customer's inquiry, and identify and upgrade all feasible measures that do not require owner approval. In-unit measures will be installed at no cost to the customer. For measures that require owner approval such as refrigerators, induction stovetops, and electric resistance ovens, ESA contractors will contact the property owner/representative to approve the upgrade, agree to any applicable co-pays, and sign a Property Owner Affidavit (POA). In this scenario, ESA contractors will also assess the potential for common area and whole-building opportunities and, if feasible, attempt to engage the property owner to encourage comprehensive property updates. If the owner opts out of participation, the ESA contractor will conduct door-to-door outreach in advance and attempt to serve as many eligible residents as possible during the initial visit.
- **Pathway #2 – Limited Whole Building:** Property owners/representatives can choose between two participation pathways, each featuring end-to-end project support from the Program. Bundled in-unit and limited common area and whole building projects is available to property owners who cannot commit to a larger-scale project or potentially greater co-payment. Program incentives will fund 100% of in-unit and common area project costs for Deed-Restricted. Non-Deed-Restricted properties, will receive no-cost in-unit measures and incentives for 50% of common area project costs.
- **Pathway #3 – Whole-Building:** The Program's most comprehensive pathway maximizes energy savings and incentives for property owners/representatives by translating energy audit results into a measure package that includes in-unit, common area, and whole-building measures. This holistic option will emphasize property-wide lighting, appliances, central HVAC and water heating systems, and envelope improvements. Program incentives will fund 100% of in-unit, common area, and whole-building project costs for Deed-Restricted properties. Non-Deed-Restricted properties, will receive no-cost in-unit measures and incentives for 50% of common area and whole-building project costs.

3. Tenant Protection Strategy

To protect tenants from rent increases, the owners of Non-Deed Restricted Properties and Deed-Restricted properties with less than 10 years of deed restriction remaining shall agree to sign a tenant protection agreement with the MFWB program and maintain at least 50 percent of the building tenants as California Alternate Rates for Energy (CARE) income qualified for a period of 10 years following the measures received, using Massachusetts's LEAN Program's "Multifamily Owner Affordability Agreement" as a model. The property owner must also agree to not significantly increase rents because of tenant unit improvements over this same period.

4. Measure Mix

The attached file details the anticipated measure mix, including estimated costs and energy savings. Final estimated costs, energy savings, and workpaper identifiers will be documented during ramp-up and revisited annually (and updated as necessary).

Measure Type	Measure Category
Common Area	Air Sealing / Envelope
Common Area	Attic Insulation
Common Area	Central A/C Replacement
Common Area	Central A/C Tune up
Common Area	Central Heat Pump
Common Area	Duct Testing and Sealing
Common Area	Electrification - Pool Heating
Common Area	Electrification - Water Heating
Common Area	Faucet Aerator / Low Flow Showerhead
Common Area	Furnace Clean and Tune
Common Area	Furnace Repair/Replacement
Common Area	Heat Pump Water Heater
Common Area	High Efficiency Clothes Washer
Common Area	LED Exit Sign
Common Area	LED Exterior Hardwired Fixtures
Common Area	LED Exterior Lamp (plug-in)
Common Area	LED Exterior Lamp (screw-in)
Common Area	LED Exterior lamp (tube)
Common Area	LED Interior Hardwired Fixtures
Common Area	LED Interior Lamp (plug-in)
Common Area	LED Interior Lamp (screw-in)
Common Area	LED Interior lamp (tube)
Common Area	LED Pool/Spa Light Replacement (screw-in)
Common Area	Lighting (Occupancy Sensor)
Common Area	Pool Pump
Common Area	Refrigerators
Common Area	Safety (Air and Combustion safety)
Common Area	Smart Power Strips - Tier 2
Common Area	Smart Thermostats
Common Area	Water Heater Repair/Replacement (Storage)
Common Area	Water Heater Repair/Replacement (Tankless)
In-Unit	Air Purifier
In-Unit	Air Sealing / Envelope
In-Unit	Attic Insulation
In-Unit	Central A/C Replacement
In-Unit	Central A/C Tune up
In-Unit	Cold Storage
In-Unit	DHW flow kit - elec
In-Unit	DHW flow kit - gas
In-Unit	Electrification - Clothes Dryer
In-Unit	Electrification - Cooking
In-Unit	Electrification - HVAC
In-Unit	Electrification - Water Heating
In-Unit	Furnace Repair/Replacement
In-Unit	Heat Pump Water Heater
In-Unit	High Efficiency Clothes Washer
In-Unit	In Home Education
In-Unit	LED Interior Lamp (screw-in)
In-Unit	Refrigerators
In-Unit	Room A/C Replacement
In-Unit	Smart Power Strips - Tier 2
In-Unit	Smart Thermostats
In-Unit	Tank and Pipe Insulation
In-Unit	Tub Diverter/ Tub Spout
In-Unit	Water Heater Repair/Replacement (Storage)
In-Unit	Whole House Fan
Whole Building	Air Sealing / Envelope
Whole Building	Attic Insulation
Whole Building	Central DHW Boiler
Whole Building	Central Heating Boiler
Whole Building	Central Heating Boiler Controls
Whole Building	DHW Recirculation
Whole Building	Electrification - Water Heating
Whole Building	Heat Pump Water Heater
Whole Building	Safety (Air and Combustion safety)
Whole Building	Tank and Pipe Insulation
Whole Building	Water Heater Repair/Replacement (Storage)
Whole Building	Water Heater Repair/Replacement (Tankless)
Grand Total	

D. Implementation Plan Changes

1. Guidance for Implementation Plan Changes

The following modifications require Implementer to revise the Implementation Plan:

1. Fund shifts or changes in budget
2. Changes to Program Theory/Logic Models
3. Changes in program targets and goals
4. Changes in measures
5. Other Commission–Directed Changes

PG&E is responsible for reviewing the Implementation Plan Template to ensure that a revised Implementation Plan has all relevant sections that connect to the program's changes.

Should a revision of the implementation plan be required, the Implementer will submit for approval both clean and redlined documents of the implementation plan to PG&E along with the Implementation Plan Change Summary Form Order (section D.2.). PG&E will issue in writing its approval of the Implementation Plan changes and the effective date of the change. The updated Implementation Plan will be uploaded to CEDARS on a quarterly basis. The approved updated implementation plan may result in an amendment to the Agreement.

2. Implementation Plan Change Summary Form

Proposed Implementation Plan changes will be described using the following form.

Modifications requiring change to implementation plan: Select one of the following modifications requiring a change to the Implementation Plan.

1. Fund shifts or changes in budget
2. Changes to Program Theory/Logic Models
3. Changes in program targets and goals
4. Changes in measures
5. Other Commission–Directed Changes

Driver of change: Content for change driver(s) should be specific and succinct.

Description of change: Change descriptions should clearly indicate what area(s) of program implementation is changing, such as program financial/budget detail, logic models, eligibility rules, marketing plans, target sectors, etc.

Budget change: Budget change should indicate any other program budget(s) involved in the fund shift (money shifted from one Program to another), measure incentive/rebate changes, changes to PA budgets or other budget items, and other relevant budget details. Revised budgets should be consistent with CEI in annual compliance filings.

Implementation Plan section and/or wording changed or replaced: Cite specific Implementation Plan section(s) to be changed or replaced.

Replacement language or information: Summarize replacement content or relevant information within this change version.

PACIFIC GAS AND ELECTRIC COMPANY

PART 2 CONFIDENTIAL VERSION

January 24, 2023

Confidential Appendix A

Energy Savings Assistance Third-Party Contract Solicitation
Advice Letter

**Final IE Report
(Confidential)**

Confidential Appendix B

Energy Savings Assistance Third-Party Contract Solicitation
Advice Letter

Solicitation Process Overview (Confidential)

Confidential Appendix C

Energy Savings Assistance Third-Party Contract Solicitation
Advice Letter

**Selection Spreadsheet(s)
(Confidential)**

Confidential Appendix D

Energy Savings Assistance Third-Party Contract Solicitation
Advice Letter

Third-Party Contract Summary (Confidential)

Confidential Appendix E

Energy Savings Assistance Third-Party Contract Solicitation
Advice Letter

**Contract
(Confidential)**

**PG&E Gas and Electric
Advice Submittal List
General Order 96-B, Section IV**

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
Braun Blaising Smith Wynne, P.C.
California Cotton Ginners & Growers Assn
California Energy Commission

California Hub for Energy Efficiency
Financing

California Alternative Energy and
Advanced Transportation Financing
Authority
California Public Utilities Commission
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Center for Biological Diversity

Chevron Pipeline and Power
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell
Dish Wireless L.L.C.

East Bay Community Energy Ellison
Schneider & Harris LLP
Engineers and Scientists of California

GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz &
Ritchie
Green Power Institute
Hanna & Morton
ICF

iCommLaw
International Power Technology
Intertie

Intestate Gas Services, Inc.

Johnston, Kevin
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated
Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McClintock IP
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.

Resource Innovations

SCD Energy Solutions
San Diego Gas & Electric Company

SPURR
San Francisco Water Power and Sewer
Sempra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Stoel Rives LLP

Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Utility Cost Management
Utility Power Solutions
Water and Energy Consulting Wellhead
Electric Company
Western Manufactured Housing
Communities Association (WMA)
Yep Energy