

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 25, 2023

Sidney Bob Dietz II
Director, Regulatory Relations
Pacific Gas and Electric Company
300 Lakeside Drive
Oakland, CA 94612

Subject: Staff Disposition of Pacific Gas & Electric Company's (PG&E) Advice Letter (AL) 4801-G/7029-E for Approval of Energy Efficiency (EE) Third-Party Federal Codes and Standards Advocacy Contract executed between 2050 Partners, Inc. and PG&E.

Dear Mr. Dietz,

The California Public Utilities Commission's (CPUC) Energy Division (ED) approves PG&E's AL 4801-G/7029-E with an effective date of October 25, 2023.

Background

On September 21, 2023, Pursuant to Ordering Paragraph (OP) 2 of D.18-01-004, PG&E submitted AL 4801-G/7029-E, containing its Federal Codes and Standards Advocacy Contract with 2050 Partners, Inc.

Decision D.18-01-004, the Third-Party Solicitation Process Decision, requires the four California Investor-Owned Utilities (IOUs) to file a Tier 2 advice letter for any third-party contracts that are valued at \$5 million or more and/or that have contract terms of longer than three years.¹ This contract meets that threshold and is valued at \$15,189,163 and with a term of 26 months.

Protests

No protests to the AL were filed.

Discussion

In operationalizing the review of third-party advice letters, EE Staff focused its review on the fairness of the solicitations process, size of contract budget and forecasted savings, and the contract's contribution to the portfolio-level cost-effectiveness requirements. Approval of this advice letter is not evidence of CPUC approval of future program implementation. It is PG&E's responsibility to manage its portfolio to ensure it remains in compliance with its approved business plan and all CPUC Decisions.

Implementation Plan Development

Decision D.18-05-041, the Business Plan Decision, Ordering Paragraph 2 requires IPs to be posted within 60 days of contract execution, or within 60 days of CPUC approval if the contract meets the advice letter threshold. With the issuance of this disposition, the implementation plan for this program is due to be updated and posted no later than December 25, 2023.

¹ D.18-01-004, pg. 57

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



Please direct any questions regarding Energy Division's findings in this non-standard disposition to Simran Kaur at simranjit.kaur@cpuc.ca.gov.

Sincerely,

 FOR

Leuwam Tesfai
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division
California Public Utilities Commission

Cc: Service List R.13-11-005
Simon Baker, Energy Division
Coby Rudolph, Energy Division
Jessie Levine, Energy Division
Simran Kaur, Energy Division



September 21, 2023

Advice 4801-G/7029-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Advice Letter Submittal of Pacific Gas and Electric Company's Third-Party Solicitations resulting from its Statewide Codes and Standards Advocacy Request for Proposal – Federal Codes and Standards Advocacy Contract executed between 2050 Partners, Inc. and PG&E

Purpose

In compliance with Decision (D.) 18-01-004, Pacific Gas and Electric Company ("PG&E") hereby requests the California Public Utilities Commission ("Commission" or "CPUC") the approval of the Federal Codes and Standards Advocacy Contract executed between PG&E and 2050 Partners Inc. The Contract results from PG&E's Statewide Codes and Standards Advocacy Program Request for Proposal ("RFP") solicitation. The Contract will contribute towards PG&E's 60 percent third-party outsourcing compliance requirement.

Background

In Decision (D.) 15-10-028, the Commission established and adopted the Rolling Portfolio process for regular review and revision of the EE program administrators' (PAs') portfolios. In August 2016, the Commission adopted D.16-08-019, which defined the terms and the requirements for the utility PAs to administer statewide and third-party programs.

Under the framework of the rolling portfolio, the Commission adopted D. 18-01-004 for procurement of EE programs through a solicitation process. That Decision directed the investor-owned utilities ("IOUs"), including PG&E, to meet specific third-party outsourcing targets by certain dates in order to transition to a majority third-party-implemented portfolio by 2023. Specifically, D. 18-01-004 and D. 18-05-041 ordered the IOUs to have at least 25 percent of their 2020 program budgets under contract for programs designed and implemented by third-party providers by December 19, 2019¹, at least 40 percent by December 31, 2020, and at least 60 percent by December 31, 2022. Additional details are provided in the Public Section of this Advice Letter.

¹ D. 18-05-041 OP (4). PG&E was granted an extension to June 30, 2020.

Compliance Requirements

Per D.18-01-004, the IOUs are required to submit a Tier 2 advice letter for each EE third-party contract that is valued at \$5 million or more and/or with a term longer than three years.

The Commission developed a template which outlines the required information and documentation for each third-party advice letter submission. The table below provides a list of the required content and indicates where PG&E is providing the content within this submission.

Table 1: Required Content for Advice Letter Submission

	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
2	Introduction: Solicitation Process Overview	Part 1.1.C	Appendix B
3	Transition Plan	Part 1.2	
4	Confidentiality	Part 1.3	
5	Final IE Report	Attachment A	Appendix A
6	Program-Level Measurement & Evaluation (M&V) Plan for NMEC programs seeking exceptions to the NMEC Rules	Attachment B	
7	Selection spreadsheet (in Excel)		Appendix C
8	Executed third-party contract		Appendix E

The public version of this advice letter is provided to the service lists for Rulemaking (“R.”) 13-11-005. The confidential version of the advice letter is provided only to the Commission.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than October 11, 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:

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, October 21, 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 R.13-11-005. 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
CPUC Communications

cc: R.13-11-005 Service List



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 (U 39 M)

Utility type:

☒ ELC ☒ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person: Stuart Rubio

Phone #: 279-789-6210

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: stuart.rubio@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) #: 4801-G/7029-E

Tier Designation: 2

Subject of AL: Advice Letter Submittal of Pacific Gas and Electric Company's Third Party Solicitations resulting from its Statewide Codes and Standards Advocacy Request for Proposal - Federal Codes and Standards Advocacy Contract executed between 2050 Partners, 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: N/A

Confidential treatment requested? ☒ Yes ☐ No

If yes, specification of confidential information: see confidential 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: Matthew Braunwarth, Matthew.braunwarth@pge.com

Resolution required? ☐ Yes ☒ No

Requested effective date: 10/21/23

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: (415)973-2093
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, Matthew Braunwarth, am the Manager of Energy Efficiency Procurement Department of Pacific Gas and Electric Company (“PG&E”), a California corporation. Jake Zigelman, the Senior Director, Load Management Solutions of PG&E, delegated authority to me to sign this declaration. My business office is located at:

Pacific Gas and Electric Company
300 Lakeside Dr.
Oakland, CA 94612

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): R. 13-11-005.

3. Title and description of document(s): 4.0 Confidential Appendix A Final IE Report SW CS Advocacy 2050 Partners Contract.pdf; 5.0 Confidential Appendix B Solicitation Process Overview.pdf; 6.1 Confidential SW CS Advocacy Solicitation Selection Spreadsheet.xlsx; 7.0 Confidential Appendix D Third-Party Contract Summary.pdf; 8.0 Confidential Appendix E MSA C53569 2050 Partners.pdf; 8.1 Confidential Appendix E CWA C53931 2050 Partners FCSA.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, with further detail provided in Appendix A, which is incorporated into this declaration:

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 Pub. Util. Code § 8380; Civ. Code §§ 1798 <i>et seq.</i>; CPUC Decisions (D.) 14-05-016)	
☐	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>; Gov. Code § 7927.400; 42 U.S.C. § 1320d-6; General Order (G.O.) 77-M; see also CPUC D. 04-08-055, 06-12-029)	
☐	Physical facility, cyber-security sensitive, or critical 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 and/or General Order 66-D ("The subject information: (1) is not customarily in the public domain by providing a declaration in compliance with Section 3.2(c) stating that the subject information is not related to the location of a physical structure that is visible with the naked eye or is available publicly online or in print; and (2) the subject information either: could allow a bad actor to attack, compromise or incapacitate physically or electronically a facility providing critical utility service; or discusses vulnerabilities of a facility providing critical utility service"). (Protected under Gov. Code § 7927.705, 7929.205; 6 U.S.C. § 671; 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>; Gov. Code §§ 7927.300, 7927.705, 7929.420, 7927.605, 7930.205; Evid. Code § 1060; CPUC D.11-01-036)	
☐	Corporate financial records. (Protected under Gov. Code §§ 7927.705, 7927.605)	
☐	Third-Party information subject to non-disclosure or confidentiality agreements or obligations.	

(Protected under Gov. Code § 7927.705; see, e.g., CPUC
D.11-01-036)

☐

Other categories where disclosure would be against the
public interest.

(Gov. Code § 7922.000)

[NEED TO EXPLAIN HOW THE PUBLIC INTEREST
SERVED BY NOT DISCLOSING THE RECORD CLEARLY
OUTWEIGHS THE PUBLIC INTEREST SERVED BY
DISCLOSURE]:

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 21st day of September, 2023 at San Francisco, California.

/Matthew Braunwarth/
Matthew Braunwarth

Manager, Energy Efficiency Procurement
Pacific Gas and Electric Company

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

R. 13-11-005

ATTACHMENT TO DECLARATION

September 21, 2023

ATTACHMENT NAME	DOCUMENT NAME	CATEGORY OF CONFIDENTIALITY	LOCATION
4.0 Confidential Appendix A Final IE Report SW CS Advocacy 2050 Partners Contract.pdf	4.0 Confidential Appendix A Final IE Report SW CS Advocacy 2050 Partners Contract.pdf	Protected market sensitive/competitive data	Advice Letter 4801-G/7029-E
5.0 Confidential Appendix B Solicitation Process Overview.pdf	5.0 Confidential Appendix B Solicitation Process Overview.pdf	Protected market sensitive/competitive data	Advice Letter 4801-G/7029-E
6.1 Confidential SW CS Advocacy Solicitation Selection Spreadsheet.xlsx	6.1 Confidential SW CS Advocacy Solicitation Selection Spreadsheet.xlsx	Protected market sensitive/competitive data	Advice Letter 4801-G/7029-E
7.0 Confidential Appendix D Third-Party Contract Summary.pdf	7.0 Confidential Appendix D Third-Party Contract Summary.pdf	Protected market sensitive/competitive data	Advice Letter 4801-G/7029-E

ATTACHMENT NAME	DOCUMENT NAME	CATEGORY OF CONFIDENTIALITY	LOCATION
8.0 Confidential Appendix E MSA C53569 2050 Partners.pdf	8.0 Confidential Appendix E MSA C53569 2050 Partners.pdf	Protected market sensitive/competitive data	Advice Letter 4801-G/7029-E
8.1 Confidential Appendix E CWA C53931 2050 Partners FCSA.pdf	8.1 Confidential Appendix E CWA C53931 2050 Partners FCSA.pdf	Protected market sensitive/competitive data	Advice Letter 4801-G/7029-E

PACIFIC GAS AND ELECTRIC COMPANY

**Approval of 2050 Partners, Inc. Federal
Codes and Standards Advocacy Contract
Resulting from Statewide Codes and
Standards Advocacy Program Competitive
Solicitation for Third-Party Energy Efficiency
Programs**

PART 1 PUBLIC VERSION

September 21, 2023

TABLE OF CONTENTS

ADVICE LETTER PART 1: PUBLIC SECTION 3

1. INTRODUCTION 3

 A. Purpose..... 3

 B. Subject *Error! Bookmark not defined.*

 C. Solicitation Process Overview *Error! Bookmark not defined.*

2. TRANSITION PLAN FROM EXISTING TO NEW PROGRAM 21

3. CONFIDENTIALITY 21

ATTACHMENT A: Final IE Report (Public)

ATTACHMENT B: Program-Level Measurement & Verification Plan

ADVICE LETTER PART 1: PUBLIC SECTION

1. INTRODUCTION

A. Purpose

Pursuant to the California Public Utilities Commission (CPUC or the Commission) Decision (D.)18-05-041 – Decision Addressing Energy Efficiency Business Plans, and in accordance with the requirements and timeline described in D.18-01-004 – Decision Addressing Third Party Solicitation Process for Energy Efficiency (EE) Programs, Pacific Gas and Electric Company (PG&E) as the designated lead Program Administrator (PA) for the Statewide Codes and Standards (SW C&S) Advocacy Program, hereby submits this advice letter to seek Commission approval of the Federal C&S Advocacy contract between 2050 Partners, Inc. and PG&E resulting from PG&E's SW C&S Advocacy Program solicitation for third-party EE programs:

The SW C&S Advocacy Program is implemented on behalf of California's four Investor-Owned Utilities (IOUs) – PG&E, Southern California Edison (SCE), Southern California Gas Company (SCG or SoCalGas), and San Diego Gas & Electric Company (SDG&E).

PG&E recognizes the importance of C&S in the pursuit of multiple EE and decarbonization policy objectives. The CPUC issued D.23-04-035 on April 14, 2023, which expanded the scope of the C&S Advocacy Program to support the state's broader clean energy goals, including transportation electrification and building decarbonization.¹ While the core aim of the C&S program is to strengthen or develop regulations to promote and support EE, the program will continue to support regulations that promote other important state policy objectives as they relate to EE (e.g., water efficiency, electrification, greenhouse gas reduction, alternative fuel vehicles, grid flexibility and sustainability, indoor air quality, and equity considerations).

The Federal C&S Advocacy (FC&SA) contract between 2050 Partners and PG&E was fully executed on July 28, 2023, and it has a value of \$15,189,163. 2050 Partners will provide advocacy related to FC&SA including appliance energy conservation standards, national model code development, voluntary programs, and test procedure development. In addition to energy efficiency objectives, advocacy activities may include transportation electrification and building decarbonization that support the CEC's broader clean energy goals. These efforts include standard proceedings conducted by the United States Department of Energy (DOE), DOE-brokered and DOE-independent negotiation efforts between industry and energy efficiency advocate organizations and utility organizations, ENERGY STAR specification development efforts conducted by the Environmental Protection Agency (EPA), American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)

¹ Decision 23-04-035, COL 12.

standards and model codes, International Code Council (ICC) model codes, and other strategic efficiency codes and standards policy. 2050 Partners will participate in rulemakings conducted by the DOE, EPA, ASHRAE related to federal appliance standards and building energy efficiency codes. 2050 Partners will also participate and track international activity in these areas.

2050 Partners' contract fall within PG&E's 2018-2025 Business Plan annual budget levels approved by the Commission in D. 18-05-041² and will contribute towards PG&E's 60 percent third-party outsourcing compliance target.

I. Background

On August 18, 2016, the CPUC issued D.16-08-019 – Decision Providing Guidance for Initial Energy Efficiency Rolling Portfolio Business Plan Filings, which, for EE program purposes, defined the term “third-party program”³ and further defined the term “statewide”.⁴ Additionally, in D.16-08-019, the Commission identified a list of programs to be administered statewide, including codes and standards programs, and laid out the basic structure of the requirements for statewide programs going forward.⁵

Pursuant to the Commission's April 14, 2017 Scoping Memo and Ruling,⁶ PG&E filed its Solicitation Plan on August 4, 2017 which detailed the strategy and approach PG&E intended to implement for competitive solicitations and for building the new EE program portfolio.⁷ On January 11, 2018, the Commission issued D.18-01-004 – Decision Addressing 3P⁸ Solicitation Process EE Programs, which formalized the third-party solicitation process for EE programs and established key milestones on the path to maintaining a predominantly third-party implemented EE portfolio by 2023.

In D.18-05-041, the Commission approved PG&E's EE Business Plan for 2018-2025, assigned lead PAs, and identified areas of sole responsibility for the lead PA including the responsibility of procurement and contract administration. D.18-05-041 also extended the 25

² PG&E's 2018-2025 Business Plan annual budgets were approved via D.18-05-041, p.2. The business plan budgets set expectations for the total annual EE portfolio spending and cost recovery budgets that are requested via an Annual Budget Advice Letter (ABAL) filed in September of each year (see D.15-10-028 pp.43, 62, and OP 4, p.123). The ABAL requests CPUC authorization of PG&E's total EE portfolio budget for spending and cost recovery in the upcoming program year, and the ABAL EE portfolio budget is comprised of individual program budgets forecasted for the upcoming program year. The EE portfolio budget spending request is generally capped at the approved business plan budget for that program year, however an ABAL budget can exceed the business plan budget in a given year as long as PG&E's cumulative budget for 2018-2025 remains within the total approved cumulative budget for 2018-2025 (D.18-05-041 OP 45, p.192). PG&E will include the annual forecasted AESAP program budget in its upcoming ABAL portfolio budgets and expects these total ABAL portfolio budgets to fall within the current approved business plan annual portfolio budget caps.

³ D.16-08-019, p. 111, Ordering Paragraph (OP) 10.

⁴ D.16-08-019, p. 109, OP 5.

⁵ D.16-08-019, pgs. 62-64

⁶ Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judges (April 14, 2017) p. 8 https://4930400d-24b5-474c-9a16-0109dd2d06d3.filesusr.com/ugd/0c9650_025db2dc8d354bb98df3cee59103a236.pdf

⁷ Pacific Gas and Electric Company Third Party Solicitation Proposal (August 4, 2017) p. 6 https://www.pge.com/pge_global/common/pdfs/for-our-business-partners/energy-efficiency-solicitations/PGE_Third_Party_Solicitation_Process_Proposal.pdf

⁸ Third-Party.

percent third-party portfolio outsourcing deadline to December 19, 2019.

On August 15, 2019, the Commission issued D.19-08-034 – Decision Adopting Energy Efficiency Goals for 2020 – 2030. D.19-08-034 identified potential achievable cost-effective electricity and natural gas efficiency savings, “established efficiency targets” for investor-owned utilities to achieve, and significantly reduced the savings and budget targets from the levels identified in previous years.

In accordance with D.18-01-004,⁹ prior to launching any solicitations, PG&E first assembled a Procurement Review Group (PRG) composed of non-financially interested stakeholders to advise PG&E and provide oversight to all stages of the solicitation process. PG&E met with the PRG monthly to review solicitation progress. In accordance with D.18-01-004¹⁰ and in consultation with the PRG, PG&E also solicited for and established a pool of Independent Evaluators (IEs) with specific EE subject matter expertise to monitor the solicitation process for fairness and transparency, support PRG oversight efforts, and provide additional feedback to the IOUs. The Energy Division (ED) of the CPUC approved PG&E’s IE pool via letter to PG&E on August 31, 2018.¹¹

II. The Solicitation is in Conformance with State’s Energy Policy Goals

PG&E conducted the SW C&S Advocacy Program solicitation with the objective of creating a pool of qualified third-party implementers with subject matter expertise in various topics to lead and/or engage in advocacy-related activities to accelerate the transition of innovative technologies and systems to regulations to achieve California’s energy savings, electrification and decarbonization goals. The SW C&S Advocacy Program saves energy on behalf of ratepayers by directly influencing standards and code-setting agencies to strengthen EE regulations, appliance standards and building codes. California has ambitious state policy goals that include doubling cost-effective EE savings in electricity and natural gas end uses by 2030 (SB 350)¹², Zero Net Energy (ZNE) for new and existing buildings, as well as longer-term greenhouse gas (GHG) objectives (SB 32)¹³. To achieve these goals, California must increase energy savings and change the way it uses resources. Past C&S efforts have delivered substantial, cost-effective savings, and PAs will continue to pursue C&S EE efforts and advocacy to maximize energy savings and support the state’s broader clean energy goals, including transportation electrification and building decarbonization.

The pace of national and state C&S can vary depending on the federal executive administration priorities, and when there are fewer national standard rulemakings, the budget may be shifted to support current rulemakings. The state-level activities will not be reduced because of a fund shift from state advocacy efforts to the national advocacy efforts.

⁹ D. 18-01-004, pgs. 61-62, OP 3-4.

¹⁰ D. 18-01-004, pgs. 62-63, OP 5.

¹¹ Edward Randolph Letter to Erik B. Jacobson regarding “Approval of Energy Efficiency Independent Evaluators.” August 31, 2018.

¹² Clean Energy and Pollution Reduction Act of 2015 Approved by Governor 11/07/2015.

¹³ California Global Warming Solution Act of 2006 Approved by Governor 10/08/2006.

The SW C&S Advocacy Program coordinates with the California Energy Commission (CEC) on the federal efforts when the CEC Title 20 or Flexible Demand staff have the time to work on federal appliance standards. Since the pace of the federal appliance standards is currently intense, the CEC engages on rulemakings with the largest amount of energy savings.

The SW C&S Advocacy Program is comprised of four program roles — PC, FC&SA, SASA, and SBCA.

Program Coordinator

The PC develops and supports effective and efficient C&S activities and advocacy effort by connecting, assembling, and leading the coordination of various project teams including subject matter experts from other Implementers who understand specific categories for residential and non-residential topic areas. The PC tracks project teams' progress in meeting work scope milestones and identifies issues that could impact C&S project outcomes. Additionally, the PC provides IOUs with consistent guidance and instructions related to deliverables, schedules and meeting preparations/participations and communicates in coordination with PG&E, CEC, DOE, EPA, Energy Star Offices (Regulatory Stakeholders), and other agencies as needed.

Federal Codes and Standards Advocacy

The FC&SA implementer supports national C&S which requires careful planning and project management to ensure successful advocacy in support of the CEC, DOE, Energy Star, FTC Notice and Comment Rulemakings, DOE Appliance Standards Rulemaking Federal Advisory Committee (ASRAC) negotiations, ASHRAE 90.1 proceedings, and the triennial update of the IECC. The FC&SA implementer assembles subject matter experts who can rapidly assess and respond to DOE staff and other stakeholders. Successful advocacy includes conducting primary data collection (field studies, lab studies, customer surveys, etc.), participating in public and private negotiations on test procedures or standards, submitting comment letters or Codes and Standards Enhancement (CASE) Studies, identifying supportive stakeholders and building coalitions to support higher standards, providing legal support to the CEC to support adopted standards and other means as identified by the program implementers. Each rulemaking will use at least one type of advocacy and more significant efforts will be used on rulemakings that have the potential to provide significant cost-effective energy savings to the program.

State Appliance Standards Advocacy

The SASA implementer participates in public rulemaking processes for California's Title 20 rulemaking cycle and develops CASE proposals to provide information for the CEC to make an informed policy decision on efficiency enhancements to Title 20 Appliance EE Standards to maximize cost-effective energy savings. The SASA implementer's work and schedule is largely driven by the CEC's Title 20 Standards schedule which is subject to change. The SASA implementer participates in CASE research and development, supports all rulemaking

steps including pre-rulemaking, rulemaking, and post-rulemaking processes and prepares C&S Project Reports and Code Change Savings Reports (CCSR).

State Building Codes Advocacy

The SBCA implementer presents recommendations to support the CEC's efforts to update the California Energy Code (Title 24, Part 6) to include new requirements or upgrade the technologies' existing requirements. The SBCA implementer assembles a team of subject matter experts with deep and demonstrated knowledge of the energy systems within building types covered by Title 24 to support advocacy efforts. Additionally, the SBCA implementer seeks input from stakeholders engaged in the Title 24, Part 6 code change process. The CEC evaluates the recommendations, as well as those submitted by other stakeholders to determine which would be included in code updates which happens on an approximately three-year cycle. The SBCA implementer maintains frequent communication with the CEC and aims to provide timely and reliable support to address technical and non-technical barriers to adopting the standards and preparing for them to take effect.

B. Subject

Table A below lists six contract awards resulting from the wave 1 negotiations following PG&E's SW C&S Advocacy Program solicitation. The sum of the FC&SA and SASA contract values exceeds the total of the approved subprogram budgets. Budget flexibility for each Implementer is necessary to support requests from the CEC, DOE, or other rulemaking organizations that ultimately dictate the topic, pace, and volume of the work. Implementers will be awarded work based on subject competencies described in the scope of work. Consistent with how the SW C&S Advocacy Program has been managed to date, PG&E Program Managers will assign or approve codes and standards technical topic areas of work prior to commencing. The contracts will be managed to conform to the approved SW C&S Advocacy Program budget.

Per D.18-01-004, contracts with terms longer than 36 months and/or values above \$5 million require CPUC approval via Tier 2 advice letter¹⁴. Since 2050 Partners' Federal C&S Advocacy contract resulting from this solicitation's wave 1 negotiations is valued above \$5 million, it will require CPUC approval via Tier 2 advice letter.

Table A: Contracts Resulting From PG&E's SW C&S Advocacy Program Solicitation Wave 1 Negotiations			
		Budget (\$M)	Duration (months)
1.1	Cohen Ventures LLC, dba. Energy Solutions Federal C&S Advocacy	\$8.4M	27
1.2	Cohen Ventures LLC, dba. Energy Solutions State Appliance Standards Advocacy	\$5.6M	27

¹⁴ D. 18-01-004, p. 61, OP 2.

Table A: Contracts Resulting From PG&E's SW C&S Advocacy Program Solicitation Wave 1 Negotiations			
		Budget (\$M)	Duration (months)
1.3	Cohen Ventures LLC, dba. Energy Solutions C&S Advocacy Program Coordinator and Subprogram Coordinator for State Building Codes Advocacy	\$5M	27
1.4	2050 Partners, Inc. Federal C&S Advocacy	\$15.2M	26
1.5	2050 Partners, Inc. State Appliance Standards Advocacy	\$4.6M	26
1.6	McHugh Energy State Building Codes Advocacy	\$1.9M	31

Table B provides a detailed contract summary for the contract that is the subject of this advice letter. PG&E has included the contract sensitive information as part of the Confidential Section D.

**Table B General Contract Summary
2050 Partners, Inc.**

1	Solicitation name	Statewide Codes and Standards Advocacy Program
2	Type of program: local, regional or statewide	Statewide
3	Delivery Type – specify the delivery type (i.e., direct install, upstream, midstream, or downstream)	
3.1	Direct Install/Downstream Customer Targeting (Yes or No)	N/A
3.2	Customer Targeting brief description, if applicable	N/A
3.3	Midstream/Upstream Market Actors receiving incentives (i.e., manufacturer, distributors, contractors, or other (specify)	N/A
4	Market /Sector(s)	N/A
5	Customer Segment(s)	N/A
6	Third-Party Implementer/Subcontractor name(s)	2050 Partners, Inc.
7	Name of program or service	Federal C&S Advocacy
8	Brief description of program or service (2-3 sentences)	2050 Partners will provide advocacy related to FC&SA including appliance energy conservation standards, national model code development, voluntary programs, and test procedure development. In addition to energy efficiency objectives, advocacy activities may include transportation electrification and building decarbonization that support the CEC's broader clean energy goals.

9	Total kWh Energy Savings (First year, net)	N/A
10	Total MW Energy Savings (First year, net)	N/A
11	Total therms Energy Savings (First year, net)	N/A
12	Hard to Reach (HTR) Customers. Provide forecasted total number of HTR customer accounts (by customer segment) receiving program and total savings (net first year kWh, kW, and therms) to HTR customers from program over all years program in effect	N/A
13	Disadvantaged Community (DAC) Customers. Provide forecasted total number of DAC customer accounts (by customer segment) receiving program and total savings (net first year kWh, kW, and therms) to DAC customers from program over all years program in effect	N/A
14	Forecasted Number of Customers Served by Program Year	N/A
15	Area(s) Served (including service territory, climate zones, cities, and/or counties, as applicable)	PG&E, SCE, SCG, and SDG&E territories
16	Program TRC ratio (CET output)	N/A
17	Program PAC ratio (CET output)	N/A
18	Program \$/kWh (TRC levelized cost, CET output)	N/A
19	Program \$/kWh (PAC levelized cost, CET output)	N/A
20	Program \$/MW (TRC levelized cost, CET output)	N/A
21	Program \$/MW (PAC levelized cost, CET output)	N/A
22	Program \$/therm (TRC levelized cost, CET output)	N/A
23	Program \$/therm (PAC levelized cost, CET output)	N/A
24	Budget: Forecast budget by program year (PY) for each year contract in effect	2023 - \$5,329,160 2024 - \$5,088,827 2025 - \$5,088,827

25	Budget: Forecast expenditures by program year (PY) for each year contract in effect	2023 - \$5,329,160 2024 - \$5,088,827 2025 - \$5,088,827
26	Budget: Total Program Budget (include explanation for difference, if any, from total contract budget provided in Table A)	\$15,506,814*
27	Budget: If EE/DR component to the program, provide dollar amount and percent of total budget dedicated to EE/DR component	N/A
28	Measure(s)	N/A
29	Savings Determination Type (i.e., custom, deemed, Net Metered Energy Consumption, or Randomized Control Trial)	N/A
30	Savings Calculation Method(s) (Meter-Based, Deemed, Calculated, Multiple and/or Other) If Multiple or Other, please specify	N/A
31	Contract start date and end date	10/23/2023** - 12/31/2025
32	Program start date and end date. If program dates aren't defined by the period the program is open for customer participation, explain, and also include customer participation period.	10/23/2023** - 12/31/2025

* For detailed explanation of the difference between total program budget and total contract values, please see Section 1.1.B, pg. 7).

** Estimated start date as CPUC approval is required.

C. Solicitation Process Overview

I. Solicitation Strategy & Design

D.18-01-004,¹⁵ provides flexibility to bypass the RFA process and narrowly limits the utilization of a single-stage process due to schedule-related reasons. With Support from EE PRG, PG&E designed the SW C&S Advocacy Program solicitation as a single-stage RFP based on the short timeline required to have contracts in place to support the CEC's upcoming energy code proceedings.

PG&E consulted the non-lead IOU PAs when developing the scope and requirements for the SW C&S Advocacy RFP. The non-lead IOU PAs were not involved in the evaluation of any proposals. PG&E as lead PA was solely responsible for the end-to-end administration of the solicitation process and evaluation of the program submissions.

Bidders shortlisted in the RFP were invited to participate in contract negotiations to determine final contract awards.

Don Arambula Consulting was assigned as the Independent Evaluator (IE) to observe the solicitation. IE activities included the review of solicitation materials such as solicitation plans, solicitation language, evaluation criteria, solicitation procedural steps, solicitation scoring, contract template review, and monitoring contract negotiations. The IE and company are listed below in *Figure 1 – SW C&S Advocacy Independent Evaluator*.

FIGURE 1 – SW C&S Advocacy Program Independent Evaluator	
Organization / Company	Independent Evaluator
Don Arambula Consulting	Don Arambula

II. Solicitation: Detailed RFP Overview

PG&E desired broad participation in this RFP process and strived to lower barriers to participation. Bidders were provided the flexibility to propose to implement any combination of the program roles (PC, FC&SA, SASA, and SBICA) including identified specific advocacy-related tasks (e.g., research, proceeding support, etc.). PG&E required bidders to register and use the solicitation management platform Wood Mackenzie® when submitting documents or questions to PG&E.

The purpose of the RFP was to conduct a comprehensive evaluation of each proposal and identify a shortlist to advance to contract negotiations. The rest of this section describes in detail the execution of SW C&S Advocacy RFP process.

RFP Scope & Structure: PG&E structured the single-stage RFP to solicit proposals from

¹⁵ D.18-01-004, p. 57, Conclusion of Law (COL) 5.

qualified third-party implementers with subject matter expertise in various topic areas to coordinate and support advocacy in advancing State Appliance Standards, State Building Codes, and Federal Codes and Standards.

Bidders' proposals had to demonstrate expertise relevant to at least one of the topic areas related to the SW C&S Advocacy Program. The topic areas may have included but were not limited to program coordination, motors, electronics, plumbing products, ventilation and air conditioning (HVAC), water heating, lighting, high-performance building envelop design, white goods, plug loads, industrial processes, energy storage, and other topics.

RFP Eligibility: The eligibility requirements included disclosing any potential conflict of interest as an IOU affiliate or any involvement as a California evaluation, measurement, and verification (EM&V) program evaluator.

RFP Submission Format: A complete RFP submission consisted of a Narrative Response Form which was provided as a pre-formatted MS Word document collecting text question responses, a Data Response Form which was a pre-formatted MS Excel worksheet to collect numerical and graphical data, team resumes appended into a single PDF document, a Transmittal Letter, a Small Business Self-Certification Form, an Hourly Labor Rate Schedule and Labor Classifications Chart, a Subcontracting Plan, and lastly the direct entry of Supply Chain Responsibility information into the Wood Mackenzie® platform.

RFP Evaluation Criteria: The single-stage RFP was focused on program approach, compensation and performance, company qualifications and experience and supply chain responsibility.

Bidders were requested to provide a description of the topic area and understanding of State and National energy policy regulatory landscape, rulemaking processes, program milestones, data collection strategies, stakeholders, and the barriers that limit the adoption of effective C&S. Additionally, bidders were asked to highlight the innovative elements and strategies, to provide the hourly labor rate and labor classification for the compensation, to propose key performance indicators, to describe the collective capabilities and credentials of the proposed team, to submit prior track record for program implementation, and to provide supply chain responsibility information and other details to demonstrate a comprehensive understanding of the program to ensure a successful SW C&S Advocacy Program delivery. *Figure 2 – SW C&S Advocacy RFP Evaluation Criteria* lists the various sub-criteria used to evaluate each proposal submission.

FIGURE 2 – SW C&S Advocacy RFP Evaluation Criteria	
Tier I Criteria	Tier II Criteria
Program Approach	Topic Description & Market Understanding
	Innovative Elements
Compensation & Performance	Compensation (Time & Material)

	Key Performance Indicators
Organization, Qualifications & Experience	Team Composition & Qualifications
	Prior Implementation Experience
Supply Chain Responsibility	Small Business Enterprise / Diverse Business Enterprise / Sustainability

RFP Final Document Review: In the months leading up to RFP launch, PG&E presented to the PRG the SW C&S Advocacy RFP structure and RFP scoring methodology for early feedback. In May 2022, PG&E presented the completed RFP solicitation documents including the solicitation instructions, the scoring criteria and weighting, and the narrative and data response forms for PRG review. During the process, PG&E collected comments and feedback from the IE and the PRG regarding the overall RFP process and the RFP documents. PG&E provided a response to each comment and explained what action, if any, it planned to take with each comment. A high-level summary of the feedback received from the PRG and IE pool during the RFP document review can be found in section 1.C.VIII.

RFP Launch: PG&E issued the SW C&S Advocacy RFP solicitation on June 7, 2022. PG&E raised awareness of the solicitation launch by posting a Contract Opportunity Announcement (COA) to PG&E's Third-Party Energy Efficiency Solicitations website, PG&E's Business to Business Opportunities website, the California Statewide IOU and EE Proposal Evaluation & Proposal Management Application (PEPMA) website, California Energy Efficiency Coordinating Committee (CAEECC) website and relevant CPUC service list. PG&E provided the RFP participation instructions and the link to Wood Mackenzie® registration site to access the RFP solicitation documents.

RFP Bidders Conference: The RFP Bidders' Conference was held on June 15, 2022, via webinar. The webinar was attended by 20 individuals, inclusive of IOU and IE staff. The IE reviewed the presentation materials prior to the conference and monitored the discussion during the event for accuracy and fairness.

RFP Bidder Information Sharing (Optional): To encourage participation by Diverse Business Enterprises (DBEs) and Small Business Enterprises (SBEs), whether bidding as prime contractors or subcontractors, and to support the formation of diverse teams and new entrants, PG&E provided the option of a voluntary RFP Participation Contact List to enable interested DBEs, SBEs, prime contractors, and subcontractors to circulate their information (i.e. names, area(s) of specialty, and/or certification statuses) and be contacted by other bidders, if desired, in connection with this RFP. A total of 6 bidders provided consent to share their information so PG&E posted the RFP participation Contact List to Wood Mackenzie® on June 30, 2022.

RFP Question and Answer Period: The deadline for bidders to submit written questions to PG&E via the Wood Mackenzie® platform was June 21, 2022. In total, PG&E received 37 questions from bidders. After reviewing with the IE, PG&E uploaded the final Bidder Q&A to

Wood Mackenzie® on June 24, 2022 (4 days before the planned deadline), for all bidders to access. High level observations of the questions received can be found in section 1.C.VII.

RFP Evaluation Team Training: The PG&E RFP evaluation team consisted of 6 PG&E subject matter experts in C&S program management and engineering, 1 C&S program consultant, 1 subject matter expert focused on compensation criteria, and 1 subject matter expert focused on supply chain responsibility. Evaluators were screened for potential conflict of interest before placement on the evaluation team. Prior to receiving proposals for evaluation, PG&E conducted a training session with the evaluation team and IE to provide an overview of the evaluation process, orientation to the scorecard, and guidance on how to apply the scoring criteria consistently and fairly.

RFP Submission and Validation: On July 19, 2022, PG&E received 7 proposals (each proposing a combination of 2 or more program roles) from 7 unique bidders. Each proposal was reviewed for conformance with solicitation eligibility requirements prior to scoring. No proposals were rejected due to non-conforming with eligibility requirements. A breakdown of the proposals received can be found below in *Figure 3 – Proposals Received*.

FIGURE 3 – Proposals Received						
Proposal #	Program Role				Non-Conforming	Proposal Evaluated Yes/No
	PC	FC&SA	SASA	SBCA		
1		X	X	X	-	Yes
2	X	X	X	X	-	Yes
3		X	X		-	Yes
4		X	X	X	-	Yes
5		X	X	X	-	Yes
6	X	X		X	-	Yes
7		X	X	X	-	Yes
TOTAL	2	7	6	6		

RFP Evaluation: Individual scoring of proposals started on July 21st, lasted for 2.5 weeks, and were due on August 9th. Each proposal was reviewed against the evaluation criteria and sub-criteria listed in *Figure 2 – SW C&S Advocacy RFP Evaluation Criteria*. PG&E evaluation team members individually assigned a preliminary score for each sub-criterion within their area of specialization, and as the outcome, one final score was determined for each proposal. IE performed a parallel evaluation of each proposal.

RFP Calibration: PG&E conducted the calibration discussions in 2 meetings on August 11th and August 12th. Preliminary scores from the PG&E evaluation team members and the IE were collected and compared. Calibration discussions were an opportunity to discuss points of disagreement observed in scoring and evaluation team members could adjust preliminary scores based on the insights shared by others. The IE participated in these

calibration meetings and also monitored the meetings to ensure the discussions did not impart unfair bias for/against any Bidder. The process prioritized discussions on criteria that exhibited high levels of disagreement and were limited to proposals with sub criteria scores (including IE scores) with a range between the maximum and minimum score of 2 or greater. As a result of the calibration discussions, a limited number of changes were made to individual scorecards, but it did not substantively change the outcome.

RFP Re-evaluation: In August 2022, PG&E in consultation with the IE and PRG, proceeded with the re-evaluation of bidders' proposed program roles instead of the entire program proposal. Although the re-evaluation of the proposals based on the individual program roles prolonged the RFP evaluation timeline, it did not impose additional work or cost for bidders. With the re-evaluation approach, each proposed program role was reviewed against the evaluation criteria and sub-criteria listed in *Figure 2 – SW C&S Advocacy RFP Evaluation Criteria*. The evaluation team members individually assigned a preliminary score for each sub-criterion to each individual program role. PG&E determined that assigning a final score to each proposed program role within each proposal would provide a better scoring basis to support shortlisting recommendations for individual program roles.

PG&E conducted a training session with the evaluation team and IE on September 8, 2022, to provide an overview of the re-evaluation process and guidance on how to apply the scoring criteria consistently and fairly. Individual scoring of the proposed program roles started on September 9th and concluded on September 20th.

PG&E conducted the calibration meeting on September 26th. Preliminary scores from the PG&E evaluation team members and the IE were collected and compared. The IE participated in these calibration meetings and also monitored the meetings to ensure the discussions did not impart unfair bias for/against any Bidder. The process prioritized discussions on criteria that exhibited high levels of disagreement and were limited to proposals with sub criteria scores (including IE scores) with a range between the maximum and minimum score of 2 or greater. As a result of the calibration discussions, several changes were made to individual scorecards, but it did not substantively change the outcome.

RFP Optional Bidder Interviews: Bidder interviews are an opportunity for bidders to clarify aspects of their proposals with PG&E; however, PG&E determined there was no need for bidder interviews and decided to proceed directly to contract negotiations.

RFP Final Scores: After the calibration discussions concluded, any scoring adjustments from PG&E evaluation team members were recorded and final individual program role scores were calculated. Final scores only considered PG&E evaluation team scores and did not include the IE's scores.

Negotiations Shortlist: On October 6, 2022, PG&E presented the RFP shortlist to the PRG and discussed the shortlisting approach. A breakdown of the shortlisted program roles proposed by a total of 7 distinct bidders can be found below in *Figure 4 – SW C&S*

Advocacy RFP Shortlist by Program Role.

FIGURE 4 – SW C&S Advocacy RFP Shortlist by Program Role				
Program Roles	Received	Non-Conforming	Evaluated	Advance to Negotiations
Program Coordinator	2	-	2	1
FC&SA	7	-	7	2
SASA	6	-	6	2
SBCA	6	-	6	5
Total	21	-	21	10

III. Contract Negotiations

PG&E planned to conduct contract negotiations in 2 waves. A breakdown of the 2 contract negotiations waves can be found below in *Figure 5 – SW C&S Advocacy Contract Negotiations*.

FIGURE 5 – SW C&S Advocacy Contract Negotiations	
Program Roles	Wave 1 Contract Negotiations
Program Coordinator	1
FC&SA	2
SASA	2
SBCA	1
Program Role	Wave 2 Contract Negotiations
SBCA	4
Total	10

The wave 1 contract negotiations started on November 15, 2022, and PG&E's General Conditions and Specific Conditions served as the starting point for negotiations as they contain all the PG&E and CPUC terms. The Scope of Work for each individual program role being contracted was refined by the bidder and attached to PG&E's General Conditions and Specific Conditions. PG&E and the bidders engaged in discussions of proposed changes to modifiable contract terms, program scope, compensation, and KPIs.

2050 Partners' Federal C&S Advocacy contract which is the subject of this advice letter was the result of the wave 1 contract negotiations. 2050 Partners' contract was reviewed by the IE and presented to the PRG. Final contract award occurred when parties were able to reach mutually agreeable terms and that agreement also provided the best overall available benefits to California customers while effectively managing program delivery risk. PG&E holistically considered the proposed program approach, Bidder qualifications and historical team experience when making final contract award determination.

IV. Solicitation Timelines

The following table depicts the planned timeline of solicitation events for the SW C&S Advocacy RFP compared to the actual timeline with notes on when and why deviations occurred.

FIGURE 6 - RFP Solicitation Process Event			
Event	Planned date	Actual Data	Notes
RFP Issued <i>RFP documents available to bidders in Wood Mackenzie® for download.</i>	June 7, 2022	June 7, 2022	
Pre-Bid Conference (optional) <i>Webinar access instructions available in Wood Mackenzie®</i>	June 15, 2022	June 15, 2022	
Q&A Deadline <i>Deadline to submit written questions to PG&E in Wood Mackenzie®</i>	June 21, 2022	June 21, 2022	
PG&E Q&A Response Deadline <i>Deadline to respond to bidders' questions. Bidders had access to all written questions and to PG&E's responses in PowerAdvocate.</i>	June 28, 2022	June 24, 2022	PG&E responses were provided 4 days before the planned deadline
Bidder Information Sharing (optional) <i>Deadline to submit "Approval Agreement For Disclosing Limited Interested Bidder Information" in Wood Mackenzie®</i>	June 28, 2022	June 28, 2022	
RFP Contact List for Bidder Information Sharing <i>RFP contact list available to Bidders in Wood Mackenzie®</i>	June 30, 2022	June 30, 2022	
RFP Closed – Proposals Due <i>Bidder's Proposal submission due date - registration in Wood Mackenzie® was required to submit a Proposal</i>	July 19, 2022	July 19, 2022	
RFP Evaluation and Scoring	July 21, 2022 –	July 21, 2022 –	

<i>Scoring and Calibration</i>	August 12, 2022	August 12, 2022	
RFP Re-evaluation by Program Role <i>Re-scoring and Calibration</i>	September 9, 2022 – September 26, 2022	September 9, 2022 – September 26, 2022	
RFP Shortlist Presented to PRG	September 2022	October 6, 2022	Delayed by 1 week due to re-evaluation by program role
Wave 1 - Contract Negotiations <i>Detailed contract discussion</i>	October – November 2022 (Tentative)	November 15, 2022 – April 10, 2023	Wave 1 negotiations were prolonged because a) negotiations started during the holiday season in 2022, b) Parties took longer to agree on contract terms and conditions, c) PG&E negotiated 6 contracts with 3 Implementers.
Wave 1 – Executed Contracts	November – December 2022 (Tentative)	March 28, 2023 – September 2023	Wave 1 contract execution timeline was prolonged because PG&E signed a total of 6 contracts with 3 Implementers.
Wave 1 – Advice Letter(s) <i>PG&E files 2 Advice Letters</i>	January 2023 (Tentative)	August 2023 – September 2023	Filing 2 advice letters for 4 contracts
Wave 2 – Contract Negotiations	July - December 2023	TBD	
Wave 2 – Executed Contracts	January – March 2024	TBD	
Wave 2 – Advice Letter(s)	April 2024	TBD	

V. Solicitation Marketing Outreach

To generate awareness of upcoming solicitation contracting opportunities in advance of a solicitation, PG&E utilized the following information distribution channels:

- PG&E Bidding Opportunities website
- PG&E EE Third-Party Solicitations website
- California Statewide IOU Energy Efficiency Proposal Evaluation & Proposal Management Application (PEPMA) website
- California Energy Efficiency Coordinating Committee (CAEECC) website
- PG&E's Service List of Community Based Organizations
- Service list maintained by the State of California's Department of General Services - Office of Small Business and DVBE Services.

VI. Efforts to increase bidder's awareness of the process and the tools/platforms used to communicate this opportunity.

In addition to the outreach and education efforts discussed in section 1.C.V, PG&E also strived to improve awareness and engagement with the solicitation process in the following ways:

- EE resources were provided on PG&E's EE Solicitations website "Resources" tab.
- PG&E collected relevant EE reference materials on important CPUC Decisions, policies and other CA legislation, PG&E's EE Portfolio, PG&E's solicitation strategy, and PG&E's Energy Savings Platform Rulebook.

VII. Communications with Bidders

Communications between PG&E and bidders were managed within the Wood Mackenzie® platform. Use of a single communications platform during a solicitation reduces the risk of conflicting information being shared in different venues, maintains a complete record of communications, and allows easy access for IE to monitor discussions for bias.

RFP Question Themes Observed

In the RFP question and answer period, PG&E observed the following question themes: clarification around bidder eligibility requirements, bidder information sharing, proposal submission requirements, budget, contracting, project teams and subcontracting.

PG&E provided responses to these questions during the RFP Q&A period.

VIII. Independent Evaluator

PG&E engaged one IE from the Commission's approved list of IEs for this SW C&S Advocacy RFP process. PG&E engaged the IE throughout the solicitation process. IE feedback was openly received, considered, and discussed. The principal areas of engagement with the IE included:

- Review of solicitation documentation before the solicitation was issued;
- Independent evaluation of the proposal submissions;
- Shortlist development;
- Monitoring communications, feedback calls, and contract negotiations with bidders;
- Reporting to the PRG and participation in monthly PRG meetings.

The final IE Contract Report¹⁶ is provided as Public Attachment A, and the supplemental final IE Contract Report is provided as Confidential Appendix A.

(a) Summary of IE input in RFP

Throughout the development of the RFP solicitation materials and during the review of final solicitation documents, the IE recorded in a comment tracker all input and recommendations to: the general instructions and response forms; the contract term sheet, scoring criteria and weightings; and alignment between the scoring criteria and solicitation documents. PG&E generally accepted or partially accepted IE and PRG feedback. A summary of overall IE observations that PG&E incorporated into the RFP process included the following:

- Revisions to General Instructions, Narrative and Data Response Forms to improve clarity and completeness;
- Promotion of partnering among potential bidders especially for SBE and DBE firms; and
- Clarification around the solicitation objective.

(b) Summary of IE input in Negotiations

The IE reviewed the draft contract forms prior to kicking off contract negotiations. Additionally, the IE monitored communications between PG&E and bidders during contract negotiations to ensure discussions were conducted fairly.

2. TRANSITION PLAN FROM EXISTING TO NEW PROGRAM

The SW C&S Advocacy Program – FC&SA, SASA, and SBCA – continues to be third-party program and will maintain the existing Program IDs. There are no changes in the program administration.

¹⁶ "Given that we are not requiring that all third-party contracts be submitted for formal approval by the commission, we will require a formal IE report to accompany only those contracts required to be submitted via a Tier 2 advice letter." D. 18-01-004 p. 37.

3. CONFIDENTIALITY

In support of this advice letter, PG&E provides the following confidential information: executed Third-Party Implementer SW C&S Advocacy Program contracts, information about the participants and offers submitted in response to the SW C&S Advocacy Program solicitation including the evaluation and analysis of the value of such offers, information and program metrics, financial and performance statistics of the parties, and the confidential results of the solicitation.

A Declaration Seeking Confidential Treatment is submitted in support of this advice letter, as required by D. 08-04-023, to demonstrate the confidentiality of material and to invoke the Commission's protection of confidential utility data and information provided under D.06-06-066 (see, Appendix 1, ("IOU Matrix")) and Appendix C D. 08-04-023 or General Order 66-D.

Confidential Attachments:

Confidential Appendix A: Independent Evaluator Report (Redacted version included with public submittal)

Confidential Appendix B: Solicitation Process Overview

Confidential Appendix C: SW C&S Advocacy Program Selection

Confidential Appendix D: Third-Party Contract Summary

- a) Table 1 Contract Summary
- b) Table 2 and 3 Major Contract Provisions

Confidential Appendix E: Third-Party Contracts

Public Attachment A

Final Independent Evaluator Report

(Redacted)

September 21, 2023

Energy Efficiency Independent Evaluator's
Final Report

Pacific Gas & Electric Company's
Statewide Codes & Standards Advocacy Solicitation

Contract: 2050 Partners, Inc.

Prepared by:
Don Arambula Consulting



September 2023

Pacific Gas & Electric Company
Statewide Codes & Standards Advocacy Solicitation

Disclaimer: This report includes sensitive and confidential information.

Contents

1.	Solicitation Overview	1
1.1.	Background	2
1.2.	Timing.....	4
1.3.	Key Observations.....	5
2.	RFP, Bidder Response, and Selections	9
2.1.	RFP Development	9
2.2.	RFP Bidders' Conference.....	10
2.3.	RFP Bidders' Response	10
2.4.	Proposal Selection Process	10
2.5.	PRG and IE Feedback to Proposal Process and Selections	14
3.	Contracting Process.....	15
3.1.	Contract Negotiations	15
3.2.	Final Selection.....	18
3.3.	Contract Execution.....	18
3.4.	PRG and IE Feedback to Contracting.....	18
4.	Assessment of Final Contract.....	19
4.1.	Bid Selection Respond to Portfolio Needs	19
4.2.	Bid Selection Provides the Best Overall Value to Ratepayers	20
5.	Overall Assessment of Solicitation.....	21

Executive Summary

In the Statewide Codes & Standards Advocacy Program (SW C&S Advocacy or Program) solicitation, Pacific Gas & Electric Company (PG&E or the Company) sought proposals from qualified third-party implementers with subject matter expertise in various topics to support the state appliance standards, state building codes, and national codes and standards advocacy. The California Public Utilities Commission (CPUC) identified PG&E as the lead investor-owned utility (IOU) for the Statewide Codes & Standards Advocacy Program on behalf of Southern California Edison Company, San Diego Gas and Electric Company, and Southern California Gas Company.¹ The SW C&S Advocacy solicitation enables PG&E to comply with the CPUC requirement to solicit for third-party energy efficiency programs proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility Program Administrator.²

The Independent Evaluator Report (IE Report or Report) is the final assessment of PG&E's third-party energy efficiency (EE) program solicitation process and executed contracts between the IOU and the program implementers. This IE Report is provided by Don Arambula Consulting, an Independent Evaluator (IE) assigned to monitor PG&E's Statewide Codes & Standards Advocacy program solicitation.

The Report addresses PG&E's contract (Contract) with 2050 Partners, Inc. (2050 Partners) for implementing the State Appliance Standards Advocacy and Federal Codes & Standards Advocacy program roles of the SW C&S Advocacy Program.

Program Summary

The implementer, 2050 Partners, will advocate for energy conservation standards and test procedure development under Title 20. At the national level, the implementer will advocate for appliance energy conservation standards, national model code development, voluntary programs, and test procedure development. In addition to energy efficiency objectives, advocacy activities may include transportation electrification and building decarbonization that support the CEC's broader clean energy goals.

The 2050 Partners' combined program budget for these advocacy activities is \$19,745,805. 2050 Partners forecasts that 6.31% of the budget will be spent by certified Diverse Business Enterprise (DBE) subcontractors. 2050 Partners estimates that 24.49% will be spent by certified Small Business Enterprises (SBEs).

1. Solicitation Overview

¹ Decision 18-05-041, OP 26.

² Decision 16-08-019, OP 10.

This final IE Report summarizes the Statewide C&S Advocacy Program solicitation process. It provides the IE's assessment of the solicitation from developing the draft Request for Proposal (RFP) through contract execution. Due to the individual contract values (greater than \$5 million, the 2050 Partners contract requires PG&E to file an advice letter, with this final IE Report, requesting CPUC contract approval.³

1.1. Background

In August 2016, the CPUC adopted Decision 16-08-019, which defined a "third-party program" as proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility program administrator.

In January 2018, the CPUC directed all California IOUs to ensure their EE portfolios contain minimum percentages of third-party-designed and -implemented programs by predetermined dates.⁴ In November 2019, the CPUC granted IOUs various extension requests to meet the CPUC's initial 25% threshold requirement⁵ due to delays with the initial phases of the third-party solicitation efforts. Beginning December 31, 2022, the IOUs must maintain at least 60% of third-party programs within their EE portfolios. The IOUs must list their current third-party contracts, including an aggregate dollar value, in their Annual Energy Efficiency Reports on the CPUC's CEDARS reporting system.⁶

The CPUC also required PG&E to assemble a Procurement Review Group (PRG). The IOU's PRG, a CPUC-endorsed entity, is composed of non-financially interested parties such as advocacy groups, utility-related labor unions, and other non-commercial, energy-related special interest groups. The PRG oversees the IOU's EE solicitation process (both local and statewide), reviewing procedural fairness and transparency. This oversight includes examining the procurement process and providing feedback during all solicitation stages. Each IOU briefs its individual PRG periodically throughout the process on topics including Request for Abstract (RFA) and RFP language development, abstract and proposal evaluation, contract negotiations, final contracts, and program Implementation Plans.

The CPUC requires each IOU to select and utilize a pool of EE IEs to serve as consultants to the PRG.⁷ The IEs must observe and report on the IOU's entire solicitation process, preparation, evaluation, selection, and contracting process. The IEs review and monitor the IOU solicitation process, valuation methodologies, selection processes, and contracting to confirm that a fair, unbiased, and transparent competitive process is devoid of market collusion or manipulation. The IEs, bound by confidentiality obligations, are invited to participate in all phases of the IOU's Solicitation through selection-related discussions. The IEs are privileged to view all submissions.

On March 11, 2020, the CPUC's Energy Division provided additional guidance to the IOUs regarding concerns raised during the semi-annual CPUC-hosted public workshops about solicitation delays. Among other guidance, the Energy Division provided guidance on program solicitation timing, including:

³ Decision 18-01-004, OP 5.b.

⁴ Decision 18-01-004, OP 1.

⁵ CPUC Letter to IOUs regarding the "Request for Extension of Time to Comply with Ordering Paragraph 4 of Decision 18-05-041", November 25, 2019.

⁶ Decision 18-01-004, OP 8.

⁷ Id, OP 5.a.

- Allocate up to 12 weeks from RFA release to notification of bidders' invitation to respond to RFP.
- Allocate up to 15 weeks from RFP release to notification of bidders' invitation to contract negotiation.
- Execute the contract 12 weeks after an invitation to contract negotiation unless the IOU is conducting multiple negotiations within the same solicitation, the Program is complex, or the contract addresses challenging contract elements.

One-Stage Solicitation

At the beginning of this solicitation, the CPUC had required the IOUs to conduct a two-stage solicitation approach for soliciting third-party program design and implementation services as part of the energy efficiency portfolio. The CPUC did allow the IOUs to utilize a one-stage solicitation if the timing was critical.⁸ With advice and support from its energy efficiency PRG, PG&E determined that it was appropriate to conduct a one-stage solicitation due to the need for the new program implementer(s) to support the California Energy Commission's upcoming energy code proceeding. Subsequently, the CPUC modified the two-stage solicitation process such that it is no longer required to be the predominant approach.⁹

A. Scope

In the SW C&S Advocacy Program solicitation, PG&E sought proposals from qualified third-party implementers with subject matter expertise in various topics to support the State Appliance Standards, State Building Codes, and Federal Codes and Standards Advocacy subprograms. PG&E proposed creating a pool of qualified third-party implementers to deliver advocacy-related activities, including developing CASE Reports and comment letters to advance energy efficiency building codes and appliance standards test procedures at the state and national levels.¹⁰ The program solicitation budget was up to \$66.0 million over four years.

B. Objectives

To align efforts with various regulatory code and standards-related proceedings, PG&E sought several implementers to coordinate and advocate for advancing state appliance standards, state building codes, and national codes and standards. As a statewide offering, implementers would coordinate all work (e.g., discrete project scopes, project budgets, etc.) with PG&E, the lead Program Administrator.

As an existing statewide program for over 20 years in the IOU portfolios, the Statewide C&S Advocacy Program has defined program roles that align with the regulatory proceedings it is tasked to influence. Thus, PG&E's solicitation scope allowed bidders to propose implementing any combination of four program roles (see below), which included advocacy-related tasks (e.g., research, proceeding support, etc.). The following describes the four program roles identified in the SW C&S solicitation RFP instructions.

Program Coordinator Role

⁸ Decision 18-01-004, p. 31.

⁹ Decision 23-02-002, OP 7.

¹⁰ Examples of past Title 24, Part 6 CASE reports can be reviewed at <https://title24stakeholders.com/> and examples of past Title 20 CASE Reports can be found in the CEC docket associated with the rulemaking the document supported.

The Program Coordinator role connects, assembles, and leads the coordination of the various Statewide C&S project teams (Project Teams) in national and state advocacy efforts.

Federal Codes & Standards Advocacy Role

The Federal Codes & Standards Advocacy (FC&SA) role supports complex national codes and standards, which requires detailed planning and project management to ensure success in advocacy in support of the CEC, Department of Energy (DOE), Energy Star, and Federal Trade Commission (FTC) Notice and Comment Rulemakings, DOE Appliance Standards Rulemaking Federal Advisory Committee (ASRAC) negotiations, ASHRAE 90.1 proceedings, and the triennial update of the International Energy Conservation Code (IECC). The FC&SA role must assemble subject matter experts who can rapidly assess and respond to DOE staff and other stakeholder issues. The FC&SA activities are primarily driven by federal appliance standard rulemaking, which is subject to change.

State Appliance Standards Advocacy

The State Appliance Standards Advocacy (SASA) role responds and furthers state advocacy efforts to maximize technically feasible cost-effective energy savings available in the appliance market. The SASA role participates in public rulemaking processes for California's Title 20 rulemaking cycle. The program role provides CASE Reports to the CEC to aid the CEC in making an informed policy decision on efficiency enhancements to California's Title 20 appliance EE standards. The SASA program role activities are primarily driven by the CEC's Title 20 Standards schedule, which is subject to change.

State Building Code Advocacy

The State Building Codes Advocacy (SBCA) role advocates for advancements in energy systems within building types covered by California's Title 24 building energy standards. The SBCA program role:

- seeks measures to propose or update that have the potential to maximize energy savings and greenhouse gas emissions reductions (in new or altered buildings throughout the state) and be cost-effective (by the CEC's methodology, technically feasible, and commercially available for procurement and use by the effective date of the Energy Code under revision),
- develops CASE proposals to provide information for the CEC to make an informed policy decision on efficiency enhancements to the Energy Code,
- participates in public processes for California's Title 24 rulemaking cycles,
- develops and maintains communication resources that publicly share progress on the rulemaking,
- invites meaningful engagement with the many stakeholders affected by the outcome of the process, and
- maintains an archive of past CASE reports.¹¹

1.2. Timing

The program solicitation release was consistent with the projected release timeframe, as shown in the IOU's solicitation schedule presented to the bidder community through the [CAEECC site](#). PG&E delayed notifying bidders of the RFP results by one month to complete its evaluation and scoring process due to the complexity of the various program roles proposed by bidders. PG&E opted not to hold bidder interviews because it believed the bidders' written submission provided sufficient

¹¹ [Title 24 Stakeholders | California Energy Codes & Standards](#)

information to complete the evaluation process. PG&E also experienced delays in contract negotiations due to discussions associated with the proposed scope of work, compensation, and other provisions (e.g., insurance). Contract execution was further delayed accommodating PG&E's internal contract approval process, which typically takes six weeks or more. Table 1.1 below includes key milestones for this single-stage program solicitation and identifies the duration of each phase.

Table 1.1: Key Milestones		
Milestones	Completion Date	Duration
RFP Stage		
1. RFP Released	June 7, 2022	15 weeks
2. Optional Bidder Conference	June 15, 2022	
3. Bidder Questions Due	June 21, 2022	
4. Responses to Bidder Questions Due	June 28, 2022	
5. Bidder Information Sharing (Optional)	June 28, 2022	
6. Bidder Contact List Shared with Registrants	June 30, 2022	
7. Bidder's Proposal Due	July 19, 2022	
8. Optional Bidder Interviews	Not held	
9. Notification Selection	October 24, 2022 *	
Selections & Contracting Stage		
1. Contract Negotiations Begin	November 15-16, 2022 *	36 weeks
2. Contract Execution Date	July 28, 2023 *	
Contract Approval and Program Rollout		
1. Advice Letter Filed	Q4 2023	
2. CPUC Contract Approval	Q4 2023	
3. Contract Issued (Notice to Proceed)	Q4 2023	
4. Implementation Plan Uploaded to CEDARS	Q1 2024 **	
5. Full Program Roll Out	Q1 2024 **	
* - Delayed from the original schedule. ** - Estimated.		

1.3. Key Observations

The solicitation successfully procured multiple implementers who can lead and deliver multiple program roles within the Statewide Codes & Standards Advocacy Program, including 2050 Partners, who will implement the SASA and FC&SA program roles in coordination with other selected program implementers.

PG&E's conduct and management of the energy efficiency program solicitation were fair, equitable,

and transparent.

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

During the solicitation, the IE shared recommendations with the IOU and the PRG. The IOU had an opportunity to review, consider, accept, or reject the IE recommendations. Table 1.2 presents the IE's key recommendations and the IOU's responses during the solicitation and new recommendations identified in the development of the final IE Report.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
RFP			
Calibration Meetings Should Discuss Significant Differences in Scores	PG&E had proposed to discuss only scores with differences that were 3 points or greater (on a 5-point scoring scale).	The IE recommended that this threshold be reset to 2 points or greater. The scoring team should discuss any 2-point or greater difference in scores because this may indicate an inconsistent application of the scorecard among evaluators.	PG&E agreed to apply this threshold to the Statewide Codes and Standards Advocacy solicitation.
Reduce the Number of Sub-questions in the RFP Form	Consolidating questions in the scorecard makes assigning the appropriate score to a particular bidder's response difficult. There appears to be little efficiency gained by consolidating questions, which may lead to more divergent scores and discussions during a calibration session.	Future scorecards should not consolidate questions under one scoring category (e.g., combining program role with program milestones and QA) or have questions with many sub-questions.	New recommendation.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Providing Real-time Responses to Bidder Questions During the Bidders Conference	PG&E allowed potential bidders to ask questions at the virtual bidders' conference, but PG&E did not attempt to answer them during the conference.	The IE recommends that PG&E answer process-related questions that are simple to answer (e.g., bidder questions due date, etc.) via chat during the conference.	PG&E believes there is limited benefit to responding in real-time to questions that it will likely need to provide in a written format after the conference.
Remove KPI-related Bidder Questions	The IE found that the bidders' responses to the KPI-related question seemed to provide little insight into the bidders' capabilities, as many repeated PG&E's proposed program tasks presented in the RFP's Response Form.	The IE recommends that future RFPs not include KPI-related questions. Instead, during contract negotiations, PG&E and the invited bidder can address the KPIs best suited for the selected program design and delivery.	PG&E's PRG prefers that PG&E ask KPI-related questions because it may provide insight into the bidder's ability to implement the proposed program.
Calibration Discussion by Question	During the calibration meeting, PG&E applied a different approach by reviewing scores across questions rather than by proposal. This approach enabled evaluators to calibrate scores for the same question across bidder proposals.	The IE considers this an effective practice that PG&E should apply to calibration sessions in future solicitations.	New recommendation.
Negotiations and Contracting			
Timely Contract Negotiations	The xx weeks of negotiations, including PG&E's internal contract approval process, have surpassed both PG&E and ED's target of completing contract negotiations within 12 weeks.	The IOU should create a project schedule with weekly agendas and discrete objectives and deliverables in future solicitations. Negotiating parties should agree to the project schedule. A project schedule will enable both parties to commit the necessary resources and time to complete negotiations on schedule.	New recommendation.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
	PG&E's internal review and contract execution process takes several weeks, delaying the final contract execution.	PG&E should reflect on its internal contract approval process and whether adjustments can be made to accommodate more timely contract execution, especially with smaller value contracts (e.g., <\$2.5 million) with a limited financial commitment for PG&E.	New recommendation.
Future Contract Extensions	PG&E executed a contract with 2050 Partners on July 28, 2023, more than a year after the single-stage RFP was released. The Contract extends through 2025.	Due to the length of the various regulatory proceedings involved in the SW C&S Advocacy Program and the time required to conduct a program solicitation, PG&E should consider extending the Contract term and budget to support the dynamic regulatory landscape at the state and national levels.	New recommendation.
DBE Subcontractor Spend	The contract value is nearly \$20 million, representing mostly labor costs. The DBE subcontractor spend is expected to be less than 7%.	To increase the use of DBE subcontractors, PG&E should encourage the implementer to actively recruit additional DBE subcontractors to support future advocacy efforts throughout the contract.	New recommendation.
Bidder Debriefing Sessions	During these sessions, bidders mentioned needing help recalling their specific experience from the time of their proposal. PG&E held sessions about a year after the proposals were submitted.	In the future, it would benefit the bidders for PG&E to offer debriefing sessions immediately after informing the bidder that they were not selected to advance in the solicitation.	PG&E will consider recommendations for future solicitations.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
	PG&E offered feedback to the bidder based on strengths, weaknesses, and performance compared to other bidders. During a session, a bidder suggested to PG&E that it provide more detail regarding the strengths and weaknesses of their proposals. The bidder believed the information would help them better understand where to focus their efforts on future solicitations.	PG&E should improve their feedback by giving bidders specific details about the strengths and weaknesses of their proposals instead of just stating whether the proposal was strong or weak in a particular area.	

During the solicitation, the IE observed emerging effective practices by the IOU that made the process more effective, efficient, and transparent. The IE recommends that the IOU continue these practices, as presented below, and share them with other IOUs for their consideration and potential adoption.

Table 1.3: Effective Practices	
Emerging Effective Practice	IE Analysis
Evaluation Team Check-in Meetings	PG&E's evaluation team met weekly to check on the evaluators' review progress. This encourages evaluators to conduct scoring reasonably throughout the review period. These check-in meetings also allowed evaluators to ask clarifying questions on the proper application of scoring criteria as they conducted their evaluations.
Periodic Check-In Meetings with Assigned IE	PG&E held weekly status meetings with the assigned IE to discuss solicitation activities and to address any emerging issues identified by the IE or the IOU.

2. RFP, Bidder Response, and Selections

2.1. RFP Development

The RFP balanced the need for information to evaluate bidder proposals with the effort placed on the bidder in responding to the RFP. The RFP included general instructions, a response form (narrative and data), and the CPUC-required standard and modifiable contract terms and conditions. PG&E also presented its proposed Company-specific terms and conditions for the bidder's consideration. PG&E asked bidders to respond to questions and populate program-related data in a workbook template. However, specific questions included several sub-questions. In one instance, PG&E included seven sub-questions as part of one question. The large number of sub-questions may

have diluted the importance of some of those questions since PG&E typically assigned a single score to each bidder response. In the future, PG&E should limit the use of sub-questions.

The RFP imposed reasonable page limits that allowed ample opportunity for bidders to provide a clear and complete response.

2.2. RFP Bidders' Conference

PG&E held an RFP bidders' conference on June 15, 2022, consistent with its posted solicitation schedule. Attendance at the bidders' conference was optional. Six potential bidders attended.

PG&E allowed potential bidders to submit written questions via Wood Mackenzie before and during the virtual conference through the MS TEAMS chat function. However, PG&E believes there is limited benefit to responding in real-time to questions as PG&E would need to provide a written response after the conference anyway. The IE recommends that PG&E answer those real-time questions (e.g., via virtual chat) that can be simple to answer (e.g., bidder questions due date, etc.) via chat.

After the conference, PG&E also provided potential bidders with an opportunity to provide written questions. PG&E received 37 questions covering various topics, including bidder eligibility, bidder information sharing, budget, compensation, contracting, project teams, program coordinator role, subcontracting, submission requirements, and teaming. Questions mostly focused on the program coordinator role, submission requirements, and subcontracting. Bidder questions were due on June 21, 2022.

PG&E allowed the IE to review PG&E's draft response to each question before releasing it to the bidders. The IE recommended minor adjustments to a few draft responses, and PG&E accepted the IE's recommendations. The responses were complete and accurate. PG&E timely responded to all bidder questions by June 28, 2022.

2.3. RFP Bidders' Response

PG&E received seven proposals in response to the RFP, which exceeded its expectations, as presented in Table 3.1 below.

Table 3.1: Solicitation Response	
	Number
Proposals Expected	4-5
Proposals Received	7
Proposals Disqualified	0

2.4. Proposal Selection Process

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

PG&E screened all bids before scoring. PG&E screened proposals for completeness, responsiveness, and potential conflicts of interest. All bids passed the screening process, and there were no deficient bids. The IE confirmed the IOU's process.

Below was the makeup of PG&E's evaluation team. The evaluators reviewed and scored the entire proposal except for the bidders' responses to labor rates and supply chain responsibility-related questions.

[illegible]

The PG&E scoring rubric design and weighting followed the PRG and the IE guidance. The following is the scoring rubric PG&E applied in evaluating the proposals received in the RFP stage.

D. RFP Evaluation Processes and Scoring Calibration

[REDACTED]

[REDACTED]

The Statewide C&S Advocacy Program is structured based on four unique program roles: Federal Code & Standards Advocacy, State Appliance Standards Advocacy, State Building Code Advocacy, and Program Coordinator. This construct allows the program to effectively engage and coordinate various regulatory proceedings at the state and national levels.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Ultimately, PG&E chose [REDACTED] as it believed this option would best meet the solicitation objective to create a pool of qualified third-party implementers to deliver advocacy-related activities. The PRG supported PG&E's approach for final selection. As a result, PG&E invited 2050 Partners to contract negotiations.

2.5. PRG and IE Feedback to Proposal Process and Selections

A. Adherence to PRG Guidance and Feedback

RFP

The PRG provided the IOU with the PRG Guidance document, which includes more than 100 PRG recommendations regarding the RFP stage. As confirmed by the IE, PG&E incorporated all applicable PRG recommendations into the RFP materials and scoring rubric except for the following PRG recommendations as presented in the PRG Guidance document:

- **Adjust Proposal Due Date to Accommodate Major Holidays:** The PRG Guidance recommends that the IOU adjust the proposal due date to account for major holidays. As presented in the RFP schedule, bidder proposals were due on July 19, 2022. **Response:** The RFP has no technical aspects (e.g., cost-effectiveness showings) or budgeting requirements; therefore, PG&E believed a six-week timeframe was sufficient for bidders to submit proposals.
- **The RFP Should Seek Bidder's Proposed Performance Milestones:** The PRG Guidance recommends that the RFP should ask bidders to identify performance milestones and expected outcomes at each milestone. **Response:** The milestones and processes are readily available online and are driven by the CEC or the Department of Energy. Asking bidders to write up the process isn't PG&E's preferred method of determining their expertise and understanding of the process and ability to influence.

PG&E proposed that a single-stage solicitation was necessary to procure and have in place a new program to timely support the upcoming CEC regulatory proceedings on changes to the state energy codes. The CPUC directed that all IOU EE third-party solicitations be predominantly a two-stage approach.¹² The CPUC did allow the IOUs to utilize a one-stage solicitation if the timing was critical.¹³ PG&E's rationale for opting for a single-stage solicitation is consistent with the CPUC's allowable exception, as the SW C&S Advocacy Program implementers were needed to support upcoming energy code proceedings. The PRG provided feedback to PG&E supporting the IOU's decision to conduct

¹² Decision 18-01-004, COL 5.

¹³ Id, p. 31.

a single-stage solicitation.

B. Response to IE Feedback

The IE provided 26 discrete comments and corresponding recommendations, including recommendations from the PRG's Guidance document. Except for the PRG recommendations presented above, PG&E accepted all but two of the IE's recommendations, as listed below.

- **Avoid Head-to-head Competition Among Bidders during Contract Negotiations:** The RFP Instructions explained that multiple bidders may be invited to negotiations. **Recommendation:** PG&E should clarify to selected bidders that multiple bidders may be invited to negotiations with the possibility of contracting with all invited bidders. **Response:** To ensure ratepayer funds are spent appropriately, competitive contract negotiations provide PG&E the opportunity to select the best program(s).
- **PG&E Should Not Require Bidders to Assist During the CPUC Advice Letter Process:** The RFP describes a process by which the bidder is expected to support the IOU filing if needed. Bidders do not file the advice letter and can't receive financial compensation for work performed prior to contract approval. **Recommendation:** PG&E should communicate to bidders that they are not required to support PG&E's advice filing requirements. **Response:** PG&E will lead the drafting and submission of the advice filing but will ask the bidder to compile program data if needed and respond to questions and protests timely.

3. Contracting Process

PG&E held contract negotiations with 2050 Partners beginning November 15, 2023. The contracting period includes the start of negotiations through final contract execution.

3.1. Contract Negotiations

From November through February 2023, PG&E held five meetings with 2050 Partners, including several Contract turns via PG&E's online procurement system. The parties discussed various topics associated with the Contract, such as, key performance indicators, compensation, and insurance requirements.

Negotiations, including contract execution, spanned over 36 weeks, extending well beyond the CPUC Energy Division's target of completing contract negotiations within 12 weeks. Many contracting issues, such as finalizing the scope of work, were completed within 12 weeks, but certain items (e.g., insurance requirements) lingered beyond this period. PG&E's internal review and contract execution process takes several weeks, delaying the final contract execution. PG&E should reflect on its internal process and whether adjustments can be made to accommodate more timely contract execution, especially given that these energy efficiency program funds are held in discrete utility balancing accounts by PG&E and other funding IOUs.

In future solicitations, the IE also recommends that the IOU create a negotiation schedule supported by weekly written meeting agendas that include specific deliverables at the onset of negotiations. Parties can agree to the set schedule and agenda at the onset of negotiations. The preset schedule will allow parties to track deliverables, work on multiple issues concurrently, and make the necessary resources (e.g., legal, etc.) available to both parties to complete deliverables and arrive at resolutions promptly.

A. Collaboration on Final Program Design and Scope

In Decision 16-08-019, the CPUC allows the IOU and the selected bidder, after program selection, to collaborate on the ultimate program design implemented by the third party.¹⁴ Collaboration enables the IOU to share its understanding of its customers and prior program implementation experience with the selected bidder to optimize the program offers. Contract negotiations are also the time for the bidder to share greater levels of program details and to address any IOU concerns regarding the program design and delivery.

PG&E and 2050 Partners addressed several contract issues during negotiations. Below is a summary of these key negotiated items:

Table 4.1: Key Contract Negotiation Topics	
Topic	Discussion and Agreement
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
Key Performance Indicators	Parties agreed to discrete key performance indicators tied to effective stakeholder engagement, data-driven advocacy, and written communication on advocacy efforts conducted by the implementer.
Scope of Work	Parties agreed to a scope of work that included advocacy for energy conservation standards and test procedure development under California Title 20. At the national level, the implementer will advocate for appliance energy conservation standards, national model code development, voluntary programs, and test procedure development. In addition to energy efficiency objectives, advocacy activities may include transportation electrification and building decarbonization that support the CEC's broader clean energy goals. SOW discussions addressed the roles and responsibilities of 2050 Partners relative to other program implementers, the statewide utility team, and other external stakeholders. The SOW clearly defines the roles of each of these entities.

¹⁴ Conclusion of Law 57.

B. Fairness of Negotiations

The contract negotiations were fair and transparent. The contract negotiations resulted in a contract that closely resembled the scope of the bidder's proposal related to the SASA and FC&SA roles.

C. Changes to Contract Terms & Conditions

To comply with CPUC directives, PG&E provided the bidder with modifiable and non-modifiable CPUC terms and conditions at the start of contract negotiations.¹⁵ The IE reviewed all documents and confirmed that the Contract includes the CPUC's standard terms and conditions. The IOU also proposed a set of additional terms and conditions. These other terms do not conflict with the CPUC standard terms and conditions since PG&E included an additional contract term that clarified that the CPUC non-modifiable terms and conditions take precedence over any potentially conflicting terms in the Agreement. The IOU and the bidder agreed to all terms and conditions. The IE also reviewed the Contract against the PRG's Contract Checklist and found no issues with PG&E's contract.

D. Conformance with CPUC Policies and Objectives

The table below summarizes how the program elements align with those CPUC policies and other PRG recommendations the contracted Program should support.

Table 4.2: Contract Alignment with CPUC Policies and Objectives	
PRG Guidance and Other Considerations	IE Response
IOU should develop a standard contract template with CPUC standard terms to be compliant with applicable CPUC policies, decisions, or specific directives, consider PRG and IE feedback, and not use language/concepts that are inappropriate or typically not used in the EE industry. (PRG Guidance on Contracting, Section 6.1.1)	See Section 3.1.C.
The Contract must include all CPUC standard (non-modifiable) contract terms in the contract (6.1.2)	See Section 3.1.C.
The Contract includes CPUC modifiable contract terms as a starting point. (6.1.3)	See Section 3.1.C.
Other aspects of the contract template do not conflict with CPUC terms and conditions, policies, decisions, or direction. (6.1.4/5)	See Section 3.1.C.
IE pool reviews the standard contract template and provides comments (6.1.6)	Confirmed. The IE reviewed the contract template.
IOU must present its contracting negotiation process to the IE/PRG for review (6.2.1)	Confirmed. The IOU informed the IE and PRG of the process and approach to the Contract.
IEs should monitor all bidder communications during the negotiation process (6.2.2)	Confirmed. The IE was included in all bidder communications and attended all meetings.
IOUs should explain their contracting process to selected bidders (6.2.3)	Confirmed. The IOU presented the contracting process to the bidder at the initial meeting.
Before execution, the assigned IE and PRG should review the final contracts for each Program recommended for award. (6.3.1)	Confirmed. The IE reviewed the final Contract.

¹⁵ Decision 18-10-004, OP 7.

Table 4.2: Contract Alignment with CPUC Policies and Objectives	
PRG Guidance and Other Considerations	IE Response
A reasonable number of KPIs.	Confirmed. The Contract includes 4 KPIs addressing the program implementer's effectiveness and budget management, which appear reasonable.
KPIs make sense in terms of measuring, scale, and timeframe.	Confirmed.
The contract includes appropriate performance issue remedies.	Confirmed. The Contract identifies the process to remedy KPI performance issues, including developing a remedial action plan when the implementer is not achieving a goal.
The contract clearly addresses Support Services.	Due to the nature of the Contract services, no IOU support services are provided.
Innovative aspects of the Program are retained.	Confirmed.
If applicable, IDSM components are included.	Not applicable.
If applicable, program considerations for Hard-to-Reach (HTR) and Disadvantaged Communities (DAC) are incorporated.	Not applicable.
Changes proposed by the IOU and the implementer were reasonable and fair.	Confirmed.

E. Uniformity of Contract Changes

PG&E consistently applied changes to contract terms during negotiations across multiple bidders. Throughout parallel negotiations with all bidders, PG&E considered and responded to bidders' proposed contract changes (e.g., insurance requirements, compensation, etc.) uniformly.

3.2. Final Selection

PG&E made its final selection based on the outcome of its evaluation, the ranking of all the proposals, and the need for a pool of qualified implementers with diverse expertise in code advocacy. As presented in Section 2.4 of this Report, PG&E concluded that 2050 Partners should be the lead implementer for the SASA and FC&SA program roles within the SW C&S Advocacy Program.

3.3. Contract Execution

PG&E executed the Contract with 2050 Partners on July 28, 2023. The Contract is effective upon CPUC contract approval.

Due to the length of the various regulatory proceedings involved in the SW C&S Advocacy Program and the time required to conduct a program solicitation, PG&E may consider extending the Contract term and budget to support the dynamic regulatory landscape at the state and federal levels.

3.4. PRG and IE Feedback to Contracting

The IOU sought and considered PRG and IE feedback throughout the contracting process. As previously stated, PG&E's standard contract agreement met the PRG contracting recommendations. The IE actively monitored all contract negotiations. The IOU also met with the IE to discuss emerging contracting issues throughout the contracting phase. Section 3.1 of this Report addresses many of these issues.

PG&E presented the general status of contract negotiations to the PRG at monthly PRG meetings throughout contract negotiations. The IE also presented a list of emerging issues to the PRG at the monthly meetings.

PG&E sought input from the PRG and IE on the completed draft Contract between 2050 Partners and PG&E. The PRG did not comment on the draft Contract, with one exception. The PRG requested that PG&E incorporate into the Contract a recent CPUC directive that clarified that the advocacy work should include transportation electrification and building decarbonization that support the CEC's broader clean energy goals.¹⁶ PG&E agreed with its PRG and conferred with the assigned IE to develop language for the SOW that addressed the PRG's concern.

The IE provided 15 discrete recommendations to PG&E on the draft Contract, which covered various topics, such as defining the responsibilities of other SW C&S Advocacy implementers and the relationship to the bidder's role. PG&E agreed to accept all IE recommendations.

PG&E's Debriefing Sessions

If a bidder is unsuccessful, PG&E offers them the chance to attend a debriefing session to learn why their proposal was not chosen. These sessions take place after PG&E has completed contract negotiations with the selected proposals. During these sessions, bidders mentioned that they struggled to recall their specific experiences from the time of their proposal. PG&E held these sessions about a year after the proposals were submitted. In the future, it would be beneficial to the bidders for PG&E to offer debriefing sessions immediately after informing the bidder that they were not selected to advance in the solicitation.

During the debriefing sessions, PG&E offers feedback to the bidder based on strengths, weaknesses, and performance compared to other bidders. PG&E provided this feedback at the scoring criteria and sub-criteria levels presented in the RFP. During a debriefing session, a bidder suggested to PG&E that it provides more detail regarding the strengths and weaknesses of their proposals. The bidder believed the information would help them better understand where to focus their efforts on future solicitations. The IE agrees. The IE suggests that PG&E should improve their feedback by giving bidders specific details about the strengths and weaknesses of their proposals instead of just stating whether the proposal was strong or weak in a particular area.

4. Assessment of Final Contract

The final Contract represents the bidder's proposed program design and delivery. The final Contract represents a third-party proposed, designed, and delivered program consistent with the CPUC's definition of a third-party program. The Contract complies with all specific CPUC directives related to third-party contracts, including incorporating all standard CPUC terms and conditions without modification. The final KPIs and implementer compensation structure allows the IOU to actively monitor the implementer's effectiveness with stakeholder engagement in advancing energy codes and standards.

4.1. Bid Selection Respond to Portfolio Needs

¹⁶ Decision 23-04-035, COL 12.

The Contract with 2050 Partners fulfills PG&E's intended solicitation objective. PG&E, on behalf of the funding IOUs and their EE portfolios, sought qualified third-party implementers with subject matter expertise in various topics to support the State Appliance Standards and National Codes and Standards Advocacy program roles.

4.2. Bid Selection Provides the Best Overall Value to Ratepayers

A. Introduction

[REDACTED] PG&E's competitive solicitation for implementers to deliver the FC&SA and SASA roles within the SW C&S Advocacy Program.

The IE monitored every aspect of the solicitation, including the IOU's evaluation leading to PG&E's final selections. Based on this monitoring, the IE agrees with PG&E's assessment that 2050 Partners, and other selected implementers provide the best value to the IOUs' ratepayers.

B. Program Description

The implementer, 2050 Partners, will advocate for energy conservation standards and test procedure development under Title 20. At the national level, the implementer will advocate for appliance energy conservation standards, national model code development, voluntary programs, and test procedure development. In addition to energy efficiency objectives, advocacy activities may include transportation electrification and building decarbonization that support the CEC's broader clean energy goals.

C. Budget and DBE/SBE Commitment

The 2050 Partners' combined program budget for these advocacy activities is \$19,745,805. 2050 Partners forecasts that 6.31% of the budget will be spent by certified Diverse Business Enterprise (DBE) subcontractors. To promote the presence of DBE firms in this highly specialized program area, PG&E should encourage the implementer to actively recruit additional DBE subcontractors to support future advocacy efforts over the contract.

2050 Partners estimates that 24.49% will be spent by certified Small Business Enterprises (SBEs).

[REDACTED]

Performance Assurance

There is no performance assurance presented in the Contract. PG&E does not typically impose such requirements.

E. Key Performance Indicators

The Program's KPI achievement is the primary means of assessing the Program's operational performance on an ongoing basis. The Contract contains four KPIs related to monitoring the effectiveness of stakeholder engagement and budget management, which parties developed exclusively during contract negotiations. The KPI performance is monitored monthly throughout the program implementation period. If PG&E determines that the implementer does not meet one or more KPIs,

then the implementer will provide PG&E with an action plan detailing the reasons and the steps the implementer will take to remediate and achieve its KPI(s) in a timely manner. [REDACTED]

5. Overall Assessment of Solicitation

PG&E's conduct during the SW C&S Advocacy Program solicitation was fair, equitable, and transparent.

Reduce Contract Negotiation Schedule

Negotiating and executing the contract took more than 36 weeks, which is longer than the CPUC Energy Division's goal of completing the contract negotiation within 12 weeks. Although most contracting issues were resolved within that time, some matters, such as insurance requirements, took longer. PG&E's internal review and contract execution process also contributed to the delay in finalizing the contract, which took several weeks. It would benefit PG&E to evaluate its internal contract approval procedure and make necessary adjustments (e.g., exceptions for EE-funded contracts) to expedite the process.

Avoid Multi-part Bidder Questions

The IE suggests that future scorecards should refrain from using multi-part questions within a single scoring category. During the solicitation, PG&E had asked bidders multi-part questions regarding their proposals. This led to lengthy responses and appeared to have made it challenging for evaluators to arrive at consistent scores, as too much information had to be assessed within a single score. The IE's proposed approach is expected to minimize score discrepancies among evaluators.

Future Contract Extensions

On July 28, 2023, PG&E signed a contract with 2050 Partners, more than a year after releasing a single-stage RFP. The Contract will be valid until 2025. Considering the lengthy regulatory proceedings that the SW C&S Advocacy Program engages in and the time required to conduct a program solicitation, PG&E should contemplate extending the Contract term and budget to adapt to the dynamic regulatory landscapes at the state and federal levels.

Public Attachment B

**Statewide Codes and Standards Advocacy Program
Third-Party Solicitation Advice Letter**

**Program-Level
Measurement & Verification Plan**

Attachment B: Program-Level & Measurement & Verification Plan

There are no contracted programs calling for an exception to Normalized Metered Energy Consumption (NMEC) rules in the Statewide Codes and Standards Advocacy contracts.

PACIFIC GAS AND ELECTRIC COMPANY

PART 2 CONFIDENTIAL VERSION

September 21, 2023

Appendix A

Energy Efficiency Third-Party Solicitation Advice Letter

Independent Evaluator's Final Report

(Confidential)

September 21, 2023

Appendix B

Energy Efficiency Third-Party Solicitation Advice Letter

Solicitation Process Overview

(Confidential)

September 21, 2023

Appendix C

Energy Efficiency Third-Party Solicitation Advice Letter

Selection Spreadsheet

(Confidential)

September 21, 2023

Appendix D

Energy Efficiency Third-Party Solicitation Advice Letter

Third Party Contract Summary

(Confidential)

September 21, 2023

Appendix E

Energy Efficiency Third-Party Solicitation Advice Letter

Third-Party Contracts

(Confidential)

September 21, 2023

**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 Community Choice Association
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
Downey Brand LLP
Dish Wireless L.L.C.

East Bay Community Energy Ellison
Schneider & Harris LLP

Electrical Power Systems, Inc.
Fresno
Engineers and Scientists of California

GenOn Energy, Inc.
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
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