

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 4, 2020

Ray B. Ortiz
Regulatory Tariff Manager
Southern California Gas Company
555 West Fifth Street, GT14D6
Los Angeles, CA 90013-1011

Dear Mr. Ortiz,

This disposition letter serves as a notice of approval of Southern California Gas Company's (SoCalGas) 2020 third-party advice letter for its Small & Medium Public Program solicitation (advice letter #5724), effective December 4, 2020.

Background

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 each third-party contract, or batch of third-party contracts, that is valued at \$5 million or more and/or with a term of longer than three years, for commission review.¹ On November 6, 2020, SoCalGas filed advice letters #5724 as part of its Small & Medium Public Program solicitation.

In operationalizing the review of these 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 these advice letters is not evidence of Commission approval of future program implementation. It is the SoCalGas' responsibility to manage its portfolio to ensure it remains in compliance with its approved business plan and all Commission Decisions.

Implementation Plan Development

Decision D.18-05-041, the Business Plan Decision, Ordering Paragraph 2 requires implementation plans to be posted within 60 days of contract execution, or within 60 days of Commission approval if the contract meets the advice letter threshold. With the issuance of this disposition, implementation plans for these programs are due to be posted no later than February 2, 2021.

AB 841 was signed into law on September 30 and created the School Energy Efficiency Stimulus Program. In the Implementation Plan phase, EE staff encourages SoCalGas to consider the impact of AB 841 on this contract, and to ensure the Small & Medium Public Program third-party implementer is aware of any School Energy Efficiency Stimulus Program activities among customers eligible in for the Small & Medium Public Program.

Please direct any questions regarding Energy Division's findings in this non-standard disposition to Rob Hansen (robert.hansen@cpuc.ca.gov).

Sincerely,

Handwritten signature of Robert Hansen, with "(for)" written below it.

¹ D.18-01-004, pg. 57

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November 6, 2020

Advice No. 5724
(U 904 G)

Public Utilities Commission of the State of California

Subject: Southern California Gas Company's Request for Approval of a Third-Party Contract from the Small & Medium Public Program Solicitation, Pursuant to Decision (D.) 18-01-004

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (CPUC or Commission) a third-party contract for the Public Direct Install Program (PDIP), resulting from the Small & Medium Public Program (Pub Sm/Med) Solicitation.

Purpose

Pursuant to D.18-01-004, Ordering Paragraph (OP) 2, program administrators (PAs)¹ are directed to submit a Tier 2 Advice Letter for each third-party contract, or a batch of third-party contracts, that is valued at \$5 million or more and/or with a term of longer than three years, for Commission review.²

Background

On January 17, 2018, the Commission issued D.18-01-004, addressing the required process for third party solicitations in the context of the rolling portfolio energy efficiency (EE) programs overseen by the investor-owned utilities (IOUs) PAs. D.18-01-004 also required that independent evaluators (IE) be utilized for third-party solicitations. Moreover, the Commission required all third-party contracts to include a formal IE report to be submitted via a Tier 2 Advice Letter for those contracts that are valued at \$5

¹ In OP 2, the utility PAs are Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and SoCalGas.

² D.18-01-004, at 61.

million or more and/or with terms of longer than three years.

The SoCalGas PDIP is a turnkey cost-effective end-to-end solution that serves very small, small, and medium local government, federal government, and education (K-12) facilities. In addition to no-cost direct install technologies, the program offers advanced EE improvements that can be financed. This program will replace SoCalGas' existing Small & Medium Commercial direct install program with a focused public sector program supporting deeper energy savings and offering more comprehensive EE measures with co-pay.

The PDIP is expected to contribute 2,294,712 net therms over three years. Thirty percent of the savings will target hard-to-reach (HTR) customers and those in disadvantaged communities (DACs). The focus on these customers strengthens SoCalGas' commitment to reach its most vulnerable customers. The total resource cost (TRC) ratio for this program is forecasted to be 1.87. As such, it is one of the many cost-effective programs in SoCalGas' portfolio. This contract represents approximately two percent of SoCalGas' 40% third-party solicitation requirement.

Third-Party Contract Solicitation

The SoCalGas PDIP is the only third-party contract resulting from the Pub Sm/Med Solicitation and has a budget that meets the threshold requiring Commission approval of the contract. The PDIP contract is listed in Table A, below.

Table A: Contracts in Small & Medium Public Solicitation			
Contract		Budget	Duration
Public			
1.1	Public Direct Install Program	See Appendix B	36 months

Table B summarizes the contract requiring approval via an Advice Letter.

Table B: General Contract Summary – Synergy Companies		
1	Solicitation name	Small & Medium Public
2	Type of program: local, regional, or statewide	Local
3	Delivery Type – specify the delivery type (i.e., direct install, upstream, midstream, or downstream).	Downstream, Direct Install
3.1	A. Direct Install/Downstream Customer Targeting (Yes or No)	Yes
3.2	B. Customer Targeting brief description, if applicable.	The delivery approach begins with intelligent outreach to potential program participants that are in the previously listed

Table B: General Contract Summary – Synergy Companies		
		public market segments (i.e., K-12 Schools, Correctional Facilities, Fire Protection, and Police Protection) utilizing iPad mapping tools and publicly available information (address, phone number, and email). Program energy advisors present the program to the decision makers and team with the maintenance staff of these public market segments to assess the sites for feasible measure installation and coordinate the technician visit for installation of program measures. In accordance with SB 535, the program also targets DACs throughout the SoCalGas service territory founded upon intelligent outreach.
3.3	C. Midstream/Upstream Market Actors receiving incentives (i.e., manufacturers, distributors, contractors, or other (specify)).	N/A
4	Market/Sector(s)	Public
5	Customer Segment(s)	Local and Federal Government and K-12 Educational Facilities
6	Third-Party Implementer/Subcontractor name	Eagle Systems International, Inc. DBA Synergy Companies Subcontractors: Energy Efficiency Inc., dba Synergy Companies; RMS Energy Consulting
7	Name of program or service	Public Direct Install Program
8	Brief description of program or service (2-3 sentences).	The SoCalGas PDIP is a turnkey cost-effective end-to-end solution that serves very small, small, and medium local government, federal government, and education (K-

Table B: General Contract Summary – Synergy Companies		
		12) facilities. In addition to no-cost direct install technologies, the program offers advanced EE improvements that can be financed.
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)	2,294,712
12	HTR Customers. ¹ 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.	Program Year (PY) 2021 – 150 customers and 229,471 forecasted net therms PY2022 – 150 customers and 229,471 forecasted net therms PY2023 – 150 customers and 229,471 forecasted net therms
13	DAC Customers. ² 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 over all years program is in effect.	Program Year (PY) 2021 – 150 customers and 229,471 forecasted net therms PY2022 – 150 customers and 229,471 forecasted net therms PY2023 – 150 customers and 229,471 forecasted net therms
14	Forecasted Number of Customers Served by PY	PY2021 – 500 PY2022 – 500 PY2023 – 500
15	Area(s) Served (including service territory, climate zones, cities, and/or counties, as applicable).	Across SoCalGas' service territory.
16	Program TRC ratio [Cost Effectiveness Tool (CET) output]. ³	1.87
17	Program Administrator Cost (PAC) ratio (CET output)	2.49
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)	\$0.46

Table B: General Contract Summary – Synergy Companies		
23	Program \$/therm (PAC levelized cost, CET output)	\$0.35
24	Budget: Forecast budget by PY for each year contract in effect.	See Appendix B
25	Budget: Forecast expenditures by PY for each year contract in effect.	See Appendix B
26	Budget: Total Program Budget (include explanation for difference, if any, from total contract budget provided in Table A).	See Appendix B
27	Budget: If EE/Demand Response component to the program, provide dollar amount and percent of total budget dedicated to EE/DR component.	N/A
28	Measure(s)	<ul style="list-style-type: none"> • Tank Insulation • Showerheads • Showerhead Flow Control Valves • Low Flow Pre-Rinse Spray Valves • Pipe Insulation • Public Lavatory Control Valves • Public Lavatory Faucet Aerators • Commercial Fitting Insulation • Instantaneous Water Heaters • Storage Heaters • Furnaces
29	Savings Determination Type (i.e., custom, deemed, Net Metered Energy Consumption, or randomized Control Trial).	Deemed
30	Savings Calculation Method(s) (Meter-Based, Deemed, Calculated, Multiple and/or Other). If Multiple or Other, please specify.	Deemed
31	Contract start date and end date.	Contract will commence for 36 months upon Advice Letter approval.
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 include customer participation period.	Customer Participation will begin shortly after Advice Letter approval and completion of Implementation Plan.

Notes:

1. HTR Customers: Specific criteria were developed by staff to be used in classifying a

customer as HTR. Two criteria are considered sufficient if one of the criteria met is the geographic criteria defined below. There are common as well as separate criteria when defining HTR for residential versus small business customers. The barriers common to both include:

- Those customers who do not have easy access to program information or generally do not participate in EE programs due to a combination of language, business size, geographic, and lease (split incentive) barriers. These barriers to consider include:
 - Language – Primary language spoken is other than English; and/or
 - Geographic – Businesses or homes in areas other than the United States Office of Management and Budget Combined Statistical Areas of the San Francisco Bay Area, the Greater Los Angeles Area, and the Greater Sacramento Area or the Office of Management and Budget metropolitan statistical areas of San Diego County.
 - For small business added criteria to the above to consider:
 - Business Size – Less than 10 employees and/or classified as Very Small (Customers whose annual electric demand is less than 20kW, or whose annual gas consumption is less than 10,000 therm, or both); and/or
 - Leased or Rented Facilities – Investments in improvements to a facility rented or leased by a participating business customer.
 - For residential added criteria to the above to consider:
 - Income – Those customers who qualify for the California Alternative Rates for Energy (CARE) or the Family Electric Rate Assistance Program (FERA); and/or
 - Housing Type – Multi-family and Mobile Home Tenants (rent and lease).
2. DAC Customers: DACs are located in the most environmentally burdened California census tracts, as determined by the top 25 percent highest scores when using California Environmental protection Agency's (CalEPA's) CalEnviroScreen tool. DACs are the communities that suffer a disproportionate impact from one or more environmental hazards and are likely to experience disparate implementation of environmental regulations and socioeconomic investments in their communities.
 3. TRC is for the implementer only. The TRC filed in The California Energy Data and Reporting System will include SoCalGas administrative costs.

Solicitation Process Overview

The Pub Sm/Med Solicitation was conducted in a two-stage process in accordance with D.18-01-004. The two-stage solicitation comprised of a Request for Abstract (RFA) stage and a Request for Proposal (RFP) stage, with oversight from the Energy Efficiency Procurement Review Group (EE PRG) and IE. The IE for this solicitation was Apex Analytics. Further details of the solicitation process are explained below.

1. IOU Solicitation Process

1.a) Solicitation Timeline

Stage One – Requests for Abstracts

The first stage began with an RFA, which was open to all interested parties. Potential bidders were notified of the release of the Stage One RFA through a SoCalGas posting

to the Proposal Evaluation and Proposal Management Application (PEPMA) website on January 31, 2019. PEPMA is a public website, administered by the California IOUs, under the auspices of the Commission. The PEPMA notice directed bidders to access the SoCalGas sourcing platform, PowerAdvocate, to download the RFA documents and receive additional information regarding the solicitation. Respondents were required to utilize the provided abstract template to respond to the solicitation. Bidders had 35 days to develop RFA documents, which were required to be submitted to PowerAdvocate on March 14, 2019. Abstracts were evaluated by SoCalGas, with oversight by the IE, and presented to the EE PRG. SoCalGas' evaluation of the abstracts, in consultation with the EE PRG, determined which Bidders were selected to continue to Stage Two. Bidders selected to move to the next stage were notified on August 1, 2019.

The RFA was intentionally designed to be less burdensome for Bidders and aimed to foster a marketplace for innovative ideas. However, Bidders were advised to carefully adhere to the RFA's guidelines and seek to present information regarding themselves and their proposed program designs, implementation approaches, and management of the proposed program that were clear and convincing and included sufficient detail to enable SoCalGas to assess whether the program was likely to be successful in implementation.

The RFA included exhibits and attachments that, if required, must have been responded to by the Bidder and returned with the Bidder's submittal. Exhibits provided necessary supplemental information to the Bidder. Attachments were submitted by the Bidder as a response to the RFA. Additionally, several required and mandatory fields needed to be completed by the Bidder in PowerAdvocate. All required fields and schedules were identified in the RFA Checklist section of the RFA.

Determination of which Bidders would move to Stage Two was based on the evaluation criteria including the Bidder's proposed program design, implementation approach, and demonstrated ability to implement a successful program.

Stage Two – Requests for Proposals

Based on abstracts submitted in Stage One, SoCalGas selected a limited number of respondents to move to the RFP stage. The Stage Two RFP release was issued through PowerAdvocate on August 29, 2019. Bidder submissions were due through PowerAdvocate on October 7, 2019.

The RFP requested Bidders to provide more details about their proposed abstract(s), including cost-effectiveness calculations, measurement and verification (M&V) information, and other documents to assist SoCalGas in making its selection. Bidders were encouraged to maximize the program's cost-effectiveness as measured by the CPUC's TRC and PAC tests. The Bidders' Stage Two proposals were required not to offer a program that was materially different than the program described in the Bidders'

Stage One abstracts. Failure to comply with this requirement would have resulted in immediate rejection and disqualification of the Bidder's Stage Two proposal.

After scoring the proposals, with oversight by the IE, and presenting to the EE PRG, SoCalGas notified the selected shortlist of Bidders on January 22, 2020. Negotiation of contracts followed, with execution of the contract requiring Advice Letter approval occurring on August 31, 2020.

1.b) Communications With Respondents

SoCalGas managed all solicitation activity through PowerAdvocate. All interested Bidders were required to register in PowerAdvocate to access the respective RFA and RFP documents, submit questions to SoCalGas, and ultimately submit their abstracts and proposals. SoCalGas hosted optional Bidder conferences for both the RFA and RFP stages. Any communication with respondents outside the Optional Bidder Conference, until negotiation with the selected Bidder, was required to be sent in the messaging tab via PowerAdvocate. No questions from respondents were to be directed to any SoCalGas employees and any direct contact with any SoCalGas employees regarding the Pub Sm/Med Solicitation may have resulted in disqualification.

In addition to the formal bidding process through PowerAdvocate, SoCalGas also conducted optional Bidder conferences to explain the process and answer potential Bidder inquiries. During the RFA stage, a pre-bid conference was held on February 7, 2019. During the RFP stage, a pre-bid conference was held on September 4, 2019.

In the RFA stage, SoCalGas held one round of questions and answers (Q&A), and in the RFP stage, SoCalGas held two rounds of Q&A, allowing respondents to ask questions about the specific solicitation.

Over the course of the Pub Sm/Med Solicitation, SoCalGas received a total of 23 questions from the bidding community. In the RFA stage, overarching themes included clarification on budget, customer segment and scope of work. In the RFP stage, overarching themes included explanation of contractor licenses requirements, payment structure, and SoCalGas Enhanced Support Services available.

1.c) Independent Evaluator Participation

The Pub Sm/Med IE, Apex Analytics, was involved in the preparation and review of the RFA and RFP Packages. The IE reviewed all Bidder communication prior to SoCalGas issuance, including Bidder shortlisted communications, Bidder webinar notifications, Q&A responses, CET technical review bidder feedback, and finalist notifications. Following RFA and RFP release, the IE reviewed the respective optional Bidder conference presentation materials and attended the optional Bidder conferences. The IE also reviewed the composition of the scoring team prior to the commencement of the evaluation period. Once Bidder submittals were received, the IE conducted

independent scoring of all Bidder abstracts and proposals and participated in the calibration and shortlist meetings. The IE also monitored the entire contract negotiation process.

The RFA and RFP scoring processes consisted of the following key steps with IE oversight:

- A. Pre-screening:
 - RFA and RFP: After the bids were due, SoCalGas Supply Management conducted a Threshold Assessment to see if all required documents were submitted on-time. SoCalGas provided the results of the threshold review to the assigned IE for IE's agreement/feedback.
 - RFP: A CET technical review was conducted by SoCalGas to identify any discrepancies in the assumptions. Meanwhile, an eligible programs criteria review was conducted by SoCalGas, based on the program eligibility criteria identified in the RFP. SoCalGas provided the results of both to the assigned IE for IE's agreement/feedback.
 - RFP: An RFA/RFP consistency review was conducted by SoCalGas to confirm whether the proposal was significantly different from the abstract, based on the criteria identified in the RFP. At the end of the evaluation period, the assessment was presented for further discussion with the IE.
- B. Scoring Training: SoCalGas conducted scoring team training to help inform the scoring team about the scoring process and answer any immediate questions. The IE reviewed the training materials and guidance document; and observed the scoring training meeting.
- C. Individual Scoring: SoCalGas distributed the RFA and RFP bid submissions that passed pre-screening to the scoring team and IE, with a due date/time. The IE conducted "shadow scoring" to better understand the way the scoring team was conducting its scoring and to help ensure the results were fair. IE scores were not part of SoCalGas' official scores.
- D. Calibration Meeting: The meeting was held after individual scoring was completed. IEs also participated in calibration meetings and offered observations.
- E. Shortlists Meetings: The SoCalGas scoring team, including SoCalGas management and IE, met to discuss the results of the bids and recommendations.
- F. Contract Negotiations: The IE oversaw the entire negotiation process and was included on all e-mail communications and invited to observe all meetings between SoCalGas and contractors.

The following section summarizes IE recommendations and input. The full IE redacted report is provided in Attachment A.

Consensus/Calibration Scoring Meetings:

- Consensus Meeting Process: Overall, the process was fair and transparent.

The process worked well, and the scoring team was generally focused on consistently applying the rubric. Apex shadow scores were consistently in line with the scoring team (sometimes higher, sometimes lower –which were viewed as success). Apex also liked the way the team used the full range of the scorecard – there were quite a few 0s and 4s and the general impressions of RFA qualities were born out in the final consensus scores.

RFA Shortlist Process:

- Overview of Responses: Apex thought SoCalGas generally had several solid bids to move to the RFP phase. There were experienced bidders in the mix, and some unique ideas, but overall, the bids were not hugely innovative. The bids were vague and weaker than Apex had hoped, and Apex was disappointed that bidders did not focus more on public sector issues specifically. Apex believes the RFP may need to force bidders to address and discuss public-sector issues and segments (rather than allowing bidders to provide generic commercial program designs that generically address public). Additionally, the use of NMEC by two of the bidders seems risky and may be targeting savings too small for adequate evaluation quality or to for adequate risk protection to bidders.
- Shortlist Decisions: Prior to the shortlist meeting, the Apex team shared insights with SoCalGas on its perspective. Generally, Apex was in alignment with scoring and the shortlist decision by SoCalGas and appreciated the opportunity to meet and discuss.
- Scorecard Lessons Learned: After the Round 1 scoring process, SoCalGas (with Apex and Mendota Group support) made substantial edits to the scorecard to improve the clarity. While the Round 2 scorecard was an improvement from Round 1, there were still many lessons learned and needed adjustments.
 - Adjustments during the scoring process: The scorecard did not account for all possibilities, so several adjustments were made during the scoring process. Apex agreed that these changes were transparent and fair and led to a better RFA outcome and worked with SoCalGas to ensure implementation consistency between the two consensus meetings (i.e., commercial and public).
 - General Guidance: Apex saw reviewers having some of the same issues that arose during Round 1. Based on this, Apex recommends that SoCalGas develops and maintains an FAQ document for scoring. This should include guidance on whether and when reviewers can consider responses outside of the question and insights on cost-effectiveness and program experience.

RFP Development:

- Relatively smooth due to template strategy. Consisted of quick review of documents, and fresh review for Public-sector related issues.
- IE reviewed the RFP package for SoCalGas' responses to PRG feedback and

- provided additional feedback as needed.
- Key comments addressed by SoCalGas:
 - SoCalGas made many edits based on PRG redlines.
 - Normalized Metered Energy Consumption (NMEC) limited to below-code: Based on discussions with Public Advocates Office, the RFP language was adjusted from the PRG checklist to soften limits on NMEC to below-code savings
 - Consistent with PRG guidance, SoCalGas has defined a staff member to be a “policy gate keeper” to track comments across solicitations to ensure consistency. Additionally, SoCalGas added relevant comments from other RFPs to its checklist to support consistency.
 - SoCalGas identified a proof-reader for documents prior to submission to PRG or to the market.
 - Key comments to be addressed in the future:
 - Consolidating documents
 - One PRG member recommended that SoCalGas post solicitations to social media; SoCalGas is looking into this.
 - Key comments considered, not fully accepted:
 - Combine public and commercial due to similarity in North American Industry Classification System codes. Two PRG members’ comments questioned the solicitation strategy of separating public and commercial given similarities. SoCalGas did not combine the RFPs; IEs will continue to watch for efficiency opportunities across RFPs.
 - Prescribing Key Performance Indicators (KPIs). PRG members requested that SoCalGas identify required and optional KPIs. SoCalGas did not make this change.
 - Separating categories for M&V scoring. One PRG member asked for M&V scoring to be separated, but this was not consistent with PRG direction of reducing number of scoring elements. The current scorecard element outlines key considerations for reviewers related to M&V and consistent with the PRG guidance on this topic.

RFP Stage:

Cost Effectiveness Test (CET) Adjustments and Feedback to Bidders

- Although SoCalGas developed a CET process document, it does not provide clear guidance on the granularity of CET feedback that should be provided to bidders and what information can be changed by SoCalGas for final scoring.
- SoCalGas should more clearly define the guidance for feedback to bidders and inputs that may be changed. Apex recommends more specific guidance to bidders. Apex also recommends SoCalGas engineers change inputs that are inaccurate based on secondary sources (e.g., workpapers) but do not change design-related inputs, such as forecast of units, unless the CET clearly deviates from the proposal. Consistent with previous feedback on the scorecard tool, Apex recommends forecast confidence is included in the scorecard to address potential inaccuracies in forecasts.

Application of the Scorecard

- In several cases, the IE found that scorers did not follow the definitions in the scorecard. This was often due to misinterpretation of the scorecard criteria.
- IE recommends that SoCalGas:
 - Include mock training exercise for scorers during training scorer training meetings.
 - Require that at least two reviewers score each element.
 - Ask reviewers who only score specific elements of the scorecard to review the entire proposal to ensure they don't miss key design elements.

Calibration Meeting

- Prior to the meeting, the Solicitation team flagged scores that had more than a two-point deviation among scorers. The IE scores were not included in the deviation analysis, but the IE was able to stop the meeting to discuss non-flagged items.
- Prior to the calibration meeting, SoCalGas should ask the IE if there are any unflagged areas that the IE would like the calibration meeting to cover and include these in the meeting materials. Or, SoCalGas could include the IE scores in the deviation analysis.

Scorecard Improvements

- The RFP scorecard worked relatively well, but certain areas of the scorecard and related RFP questions could be improved.
- Topics to address in the future include:
 - Reducing complexity of scorecard elements.
 - Adding a cost-per-therm metric and a forecast confidence metric.
 - Adjusting or removing questions that bidders consistently struggled with such as disadvantaged workers, portfolio metrics, and innovation.
 - Clarifying KPI scoring requirements.

Evaluating Bidder Approaches to Compensation

- Recommendation: Public Advocates Office recommended that SoCalGas use relative scoring to evaluate bidder approaches to compensation. Apex disagreed with this approach and suggested that SoCalGas' approach (assigning scoring bands to different approaches to compensation) was preferable. Apex discussed this issue with Public Advocates Office and believes that Public Advocates Office now agrees with this conclusion.

RFP Shortlist Process:

- SoCalGas held a shortlist meeting with all scorers, the program manager and the IE. The team discussed the selection possibilities and decided to move to the contracting phase for the highest scoring bid, which was consistent with IE perspective. Apex appreciated that SoCalGas included the IE in the discussion of the shortlist with the SoCalGas team, rather than presenting a decision after it has been made.

Contract Negotiations:

- SoCalGas has included IEs in all emails, meetings and internal discussions.

- SoCalGas's process is organized and includes a comment tracker for back and forth with bidder across multiple elements. Because Synergy is in negotiations for two programs, SoCalGas has combined some meetings (e.g., NMEC) for efficiency and consistency across programs.
- SoCalGas developed a cover letter and highlighted key questions to be discussed in early negotiations, including measures included, data security, and support services. Within this cover letter, it also explained the timeline and the expectation to include the IE in all communications. SoCalGas edited and provided comments within specific documents and included them on a Comment Tracker for ease of tracking back and forth. Many of the questions were clarifications of the proposal, team, measures and aligning KPIs with the portfolio.
- Collaboration on Final Program Design & Scope:
 - SoCalGas and Synergy collaborated on the final program design both in terms of reconfiguring the program to meet its achievements with a lower budget than proposed and in terms of increasing the comprehensiveness of the measures offered. The budget reduction came through negotiations regarding mix of measures, measure-specific deliverable pricing, incentive versus non-incentives costs as well as the amount of administration and marketing costs. In terms of comprehensiveness, the measure mix was revised to align with the 10% comprehensive projects goal. Additionally, revisions were made to KPIs to allow for goals to be measured against planned implementation rate and language clarified to indicate the source of information and how often it is measured.
 - The bidder's proposed program design did not change substantially from what was proposed. Apex believes the collaboration with Synergy met the definition of a third-party program per D.16-08-019. The collaboration and consultation between Synergy and SoCalGas did not result in a violation of the requirement that the program be designed by the third party.
- Fairness of Negotiations:
 - Apex believes the contract negotiations were generally fair, transparent and effectively run. Contract negotiations occurred over a four-month period. SoCalGas used a comment tracker for ease of tracking information and met multiple times with the bidder. In general, the negotiations focused on the structure of the program and pricing and less so on the contract structure. In multiple areas of the contract, the IE pointed out some SoCalGas contract terms that seemed to place risk on the contractor, such as indemnities and force majeure language, although these were not requested negotiations from the bidder.
 - The most substantial negotiation came in the form of price negotiations. SoCalGas requested improved pricing on all measures multiple times. SoCalGas conducted an assessment of prices and determined that some of the measure prices were high by their estimation and therefore requested reductions. The bidder was responsive and often made some

shifts in pricing which were requested, but sometimes the shifts would be accompanied by changes in pricing elsewhere (e.g., more administrative costs). Although Apex understands the value of getting the lowest cost for ratepayers, it also seemed that SoCalGas could have made its price negotiations more effective and efficient. For example, at one point SoCalGas suggested alternative prices and when Synergy's response was close to those amounts, SoCalGas asked for further reductions.

2. Marketing and Outreach

To increase public and potential Bidder awareness of the Pub Sm/Med solicitation process, SoCalGas posted a notification to the California Energy Efficiency Coordinating Committee (CAEECC) website and hosted a webinar on August 29, 2018 in preparation for the Rolling Portfolio Program solicitations. The webinar included information regarding RFAs. SoCalGas also posted a notice on the CAEECC website and conducted a Bidders' conference with potential Bidders on December 5, 2018 at SoCalGas' Energy Resource Center in Downey, California.

Furthermore, SoCalGas announced the RFA event on the PEPMA website, which is administered by California's four IOU's, under the auspices of the CPUC. The PEPMA announcement directed the Bidders to PowerAdvocate, SoCalGas' sourcing platform.

3. Solicitation Event Schedule

The event schedule for the solicitation is presented in Table C.

Table C: Solicitation Event Schedule		
Activities		Date
Stage 1 RFA Events		
1	RFA issued	1/31/19
2	Pre-Bid Conference (optional)	2/7/19
3	Bidder's deadline to submit written questions	2/13/19
4	IOU response due to bidder questions	2/21/19
5	Bidder's abstract submission due	3/14/19
6	Shortlist notification	8/1/19
Stage 2 RFP Events		
1	RFP issued	8/23/19
2	Pre-Bid Conference (optional)	9/4/19
3	Bidder's deadline to submit questions to IOU (two rounds)	9/9/19, 9/19/19
4	Bidder's deadline to submit CET to IOU for preliminary review (optional)	N/A
5	IOU responses due to bidder questions (two rounds)	9/16/19, 9/24/19
6	IOU responses due to preliminary CET review	N/A
7	Bidder's proposal submission due	10/7/19
8	Bidder interviews conducted by IOU	N/A
9	Bidder shortlist notification	1/22/20
10	Contract negotiations and execution	8/31/20
11	Tier 2 Advice Letter submission	11/6/20

4. Independent Evaluator

As required by D.18-01-004, SoCalGas selected an IE for oversight and consultation throughout the process. The IE for the Pub Sm./Med Solicitation was Apex Analytics (Apex).

A full description of the IE's involvement, recommendations, and input is provided in Section 1 - IOU Solicitation Process, above. Please see Appendix A in Attachment A for the full redacted IE Report.

The IE provided findings to the EE PRG on:

- Final RFA Package - 1/7/19
- RFA Evaluation Results and Shortlist Recommendations – 6/4/19
- Final RFP Package – 8/6/19

- RFP Evaluation Results and Shortlist Recommendations - 12/3/19
- Contract Update report-outs - 4/7/20, 5/5/20, 6/2/20, 7/7/20, 8/4/20

Transition Plan from Pre-Existing Program to New Program

The PDIP will replace SoCalGas' existing Commercial Direct Install program, SCG3817. The PDIP "Effective Date" will be the date that the CPUC issues its written approval ("Written Approval") of the Advice Letter, which will also begin shutdown activities for the current CDI program. Shut down activities include direction that all services must be complete, all projects and measures installed, all incentives paid, along with the issuance of a Final Program Report.

Confidentiality

Due to the confidential nature of the information in Appendices A-E of Attachment A, a declaration requesting confidential treatment is included. The unredacted version of Appendices A-E of Attachment A is only being provided to Energy Division under the confidentiality provisions of General Order (GO) 66-D, Section 583 of the Public Utilities Code, and D.17-09-023.

All information marked for redaction is subject to non-disclosure agreements, confidentiality agreements, and/ or other confidentiality restrictions. Such information includes:

- Vendor bid and pricing information (including rates and invoices)
- Customer and/or vendor proprietary information

Please see attached declaration of confidentiality in support of these designations.

Protest

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date of this Advice Letter, which is November 26, 2020. The address for mailing or delivering a protest to the Commission is:

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

A copy of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit (EDTariffUnit@cpuc.ca.gov). Due to the COVID-19 pandemic and the shelter at home orders, SoCalGas is currently unable to receive protests or

comments to this Advice Letter via U.S. mail or fax. Please submit protests or comments to this Advice Letter via e-mail to the address shown below on the same date it is mailed or e-mailed to the Commission.

Attn: Ray B. Ortiz
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No.: (213) 244-4957
E-mail: ROrtiz@socalgas.com

Effective Date

SoCalGas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. This submittal is consistent with D.18-01-004. Therefore, SoCalGas respectfully requests that this submittal be approved on December 6, 2020, which is 30 calendar days from the date submitted.

Notice

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in R.13-11-005 and A.17-01-013. Address change requests to the GO 96-B service list should be directed via e-mail to tariffs@socalgas.com or call 213-244-2837. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or via e-mail at process_office@cpuc.ca.gov.

/s/ Ronald van der Leeden
Ronald van der Leeden
Director – Regulatory Affairs

Attachments



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.:

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person:

Phone #:
E-mail:
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

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

Confidential treatment requested? Yes No

If yes, specification of confidential information:

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:

Resolution required? Yes No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

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

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

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

**DECLARATION OF ERIN BROOKS
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS
PURSUANT TO D.17-09-023**

I, Erin Brooks, do declare as follows:

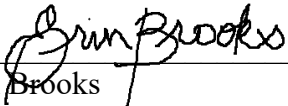
1. I am Erin Brooks, Customer Programs Policy & Support Manager in the Customer Programs and Assistance Department of Southern California Gas Company (“SoCalGas”). I was delegated authority to sign this declaration by Jeffery Walker, in his role as Vice President of Customer Solutions at SoCalGas. I have reviewed the confidential information included within SoCalGas’ Energy Efficiency Public Small & Medium Third-Party Solicitation Advice Letter regarding the *CONFIDENTIAL Appendices A-E* submitted concurrently with this Declaration. I am personally familiar with the facts in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

2. I hereby provide this Declaration in accordance with Decision (“D.”) 17-09-023 and General Order (“GO”) 66-D to demonstrate that the confidential information (“Protected Information”) provided in the Response is within the scope of data protected as confidential under applicable law.

3. In accordance with the narrative justification described in Attachment A, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 6th day of November 2020, at Los Angeles.



Erin Brooks
Customer Programs Policy & Support Manager

ATTACHMENT A

SoCalGas Request for Confidentiality of its Public Small & Medium Energy Efficiency Third-Party Solicitation Advice Letter Appendices A-E

Location of Protected Information	Legal Citations	Narrative Justification
<p>All information marked for redaction in the documents provided to SoCalGas by bidders are subject to non-disclosure agreements, confidentiality agreements, and/ or other confidentiality restrictions. Such information includes:</p> <ul style="list-style-type: none"> • Vendor bid and pricing information (including rates and invoices) • Customer and/or vendor proprietary information 	<p>CPRRA Exemption, Gov't Code § 6254(k) ("Records, the disclosure of which is exempted or prohibited pursuant to federal or state law")</p> <ul style="list-style-type: none"> • See, e.g., D.11-01-036, 2011 WL 660568 (2011) (agreeing that confidential prices and contract terms specifically negotiated with a program vendor is proprietary and commercially sensitive and should remain confidential), • Valley Bank of Nev. v. Superior Court, 15 Cal.3d 652, 658 (1975) (financial information is protected--especially of non-parties) 	<p>Based on input received by bidders, and based on SoCalGas' concurring position, the produced documents are proprietary, and represent and contain proprietary, commercially sensitive, trade secret, and other content not intended for public disclosure.</p> <p>All bidders engage in work product that is intended only for access by designated members. Public disclosure would pose potential negative impacts to bidder.</p>

ATTACHMENT A

Advice No. 5724

- Appendix A – (Redacted) Final Independent Evaluators Report
(Confidential) Final Independent Evaluators Report**
- Appendix B – (Confidential) Solicitation Process Overview**
- Appendix C – (Confidential) Selection Spreadsheets**
- Appendix D – (Confidential) Third-Party Contract Summary**
- Appendix E – (Confidential) Contract**

**Confidential and Protected Materials
Pursuant to Public Utilities Code Section 583,
General Order 66-D, and D.17-09-023**

Energy Efficiency Independent Evaluators'
Final Report
Southern California Gas Company
Local Small-Medium Public Program Solicitation

Contract: [REDACTED] SoCalGas [REDACTED]

Prepared by:
Apex Analytics



September 2020

Southern California Gas Company
Local Small-Medium Public Program Solicitation



Local Small-Medium Public Program Solicitation

Table of Contents

No table of contents entries found.



Executive Summary

Southern California Gas Company (SoCalGas or the Company) solicited third-party contractors to propose new energy efficiency programs for their local small-medium public segment (Public). The solicitation enabled SoCalGas to comply with the requirements of California Public Utility Commission’s (CPUC or Commission) Decision 16-08-019 and to fulfill commitments as presented in the Company’s Business Plan¹ and Solicitation Plan². This solicitation was part of the second round of solicitations for SoCalGas’ procurement of third-party energy efficiency programs in compliance with D. 16-08-019; small-medium commercial and agricultural programs were solicited concurrently. The solicitation process resulted in selection of a single program to serve small and medium public customers (less than 50,000 Therms)—Synergy’s Public Direct Install Program (PDIP).

The solicitation was successful in procuring a third-party implementer to design and implement a program that will help meet its D. 16-08-019 obligations, implement its Business Plan, and provide energy efficiency benefits to its customers and the State. SoCalGas’ conduct and management of the energy efficiency program solicitation has been transparent, fair, and equitable. SoCalGas’ solicitations are consistent with Commission guidance, including support of portfolio goals and metrics such as targeting of hard-to-reach and disadvantaged communities. During the solicitation process, SoCalGas included the Independent Evaluator (IE)—Apex Analytics—in all processes and reported to the Peer Review Group (PRG) on a monthly basis on key milestones including Request for Abstract (RFA) and Request for Proposal (RFP) selections. SoCalGas leveraged templates and processes developed during the first round of solicitations and made process and document improvements over time based on lessons learned.

The solicitation resulted in a contract with [REDACTED] collaborated on the final program design, both in terms of reconfiguring the program to meet its achievements with a lower budget than proposed and in terms of increasing the comprehensiveness of the measures offered.

As described in the program’s contract, the “The SoCalGas Public Direct Install Program (PDIP) is a turnkey cost-effective end-to-end solution for SoCalGas that serves very small, small, and medium local government, federal government, and education (K-12) facilities. In addition to no cost direct install technologies, the program offers advanced energy efficiency improvements that can be financed.”

A summary of the program’s goals as incorporated into its contract follows.

Item	Amount
Contract Term	3 years
Budget	[REDACTED]
Net Therms (MM, First Year)	[REDACTED]
Total Resource Cost test (TRC)	[REDACTED]

¹ https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas_Business_Plan-1.17.17-FINAL.PDF

² https://4930400d-24b5-474c-9a16-0109dd2d06d3.filesusr.com/ugd/0c9650_d1aee41e53654b75932213f644a7131e.pdf



Total Resource Cost test (PAC)	█
Cost per Therm (\$/Therm, first year)	█
Disadvantaged Communities (% Savings From)	15%
Hard-to-Reach Customers (% Savings From)	15%



1. Background

This Independent Evaluator Final Solicitation Report (Report) provides an evaluation of Southern California Gas Company’s (SoCalGas’) solicitation process for selecting a third-party contractor to implement new energy efficiency programs for the local small-medium public program. Apex Analytics LLC³ (Apex), working as the Independent Evaluator (IE), generated this report to summarize the solicitation process to ensure its compliance with California Public Utilities Commission (CPUC or Commission) requirements. The Report is intended to reflect and provide a record of the entire solicitation in compliance with CPUC direction⁴.

In August 2016, the CPUC adopted Decision 16-08-019, which defined a “third-party program” as a program proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility program administrator. In January 2018, the Commission adopted Decision 18-01-004, directing the four California investor-owned utilities (IOUs)—Pacific Gas & Electric Company (PG&E), Southern California Edison Company (SCE), SoCalGas, and San Diego Gas & Electric Company (SDG&E)—to ensure that their Energy Efficiency portfolios contain a minimum percentage of third-party designed and implemented programs by specified dates. In October 2019, SoCalGas (and the other IOUs) submitted a request to the CPUC for an extension of this requirement because of the additional time needed to establish new solicitation process protocols and procedures. On November 25, 2019, the CPUC granted the IOUs an extension of time to meet the minimum percentage thresholds as shown below⁵:

- At least 25 percent by June 30, 2020 (for SDG&E and PG&E);
- At least 25 percent by September 30, 2020 (for SoCalGas and SCE);
- At least 40 percent by December 31, 2020; and
- At least 60 percent by December 31, 2022.

To fulfill the requirements for third-party programs, SoCalGas began releasing solicitations in 2018 with the desired result of contracting with third parties to propose, design, implement, and deliver new energy efficiency programs. SoCalGas is required by the CPUC to conduct a two-stage solicitation approach to soliciting third-party program design and implementation services as part of the energy efficiency portfolio. All IOUs are required to conduct a Request for Abstract (RFA) solicitation, followed by a full Request for Proposal (RFP) stage.⁶

The CPUC also requires each IOU to assemble an Energy Efficiency Procurement Review Group (EE PRG or PRG). The IOU’s EE PRG, a CPUC-endorsed entity, is composed of non-financially interested parties such as advocacy groups, state energy commissions, utility-related labor unions, and other non-commercial, energy-related special interest groups. The EE PRG is charged with overseeing the IOU’s energy efficiency program procurement process (both local and statewide), reviewing procedural fairness, examining overall procurement prudence, and providing feedback during all solicitation stages. Each IOU briefs its PRG on a periodic basis throughout the process on

³ Light Tracker, DBA Apex Analytics, LLC.

⁴ Decision 18-01-004, OPN 5.d.

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 Id, p. 31.



topics including RFA and RFP language development, Abstract and Proposal evaluation, and contract negotiations.

Each IOU is required to select and utilize a pool of Energy Efficiency IEs to serve as consultants to the PRG. The IEs are directed to observe and report on the IOU's entire solicitation, evaluation, selection, and contracting process. The IEs review and monitor the IOU solicitation process, valuation methodologies, selection processes, and contracting to confirm an unbiased, fair, and transparent competitive process that is devoid of market collusion or manipulation. The IEs are privy to viewing all submissions. The IEs are invited to participate in the IOU's solicitation-related discussions and are bound by confidentiality obligations.

2. Solicitation Overview

2.1. Overview

This Report summarizes the solicitation process for the Local Small and Medium Public (Public) solicitation. It reflects Apex's observations as the IE through the entire process, from the development of the RFA to finalizing the contract with the selected third-party energy efficiency contractor. Due to its budget (greater than [REDACTED] this contract requires a Tier 2 Advice Letter filing. Therefore, per Ordering Paragraph 5 of CPUC D. 18-01-004, this report will be attached to SoCalGas' Advice Letter filing that seeks Commission approval for its contract. We will also submit the report to SoCalGas' PRG.

Solicitation Scope

SoCalGas initiated the Public solicitation to develop a resource-based, innovative, and comprehensive program for small and medium public-sector customers. A small or medium public customer is defined as a customer whose maximum annual demand is less than or equal to 50,000 Therms.⁷ The solicitation requested that potential bidders address the local government, state government, federal government and education market segments, but exclude public buildings covered by statewide programs.

Programs were requested to address all or a subset of very small, small, and medium public-sector customers in SoCalGas' service territory. Bidders were allowed to propose additional optional measures that save water and/or electricity. The solicitation aimed to obtain program ideas to address various segment barriers identified in SoCalGas' Business Plan through comprehensive strategies such as, but not limited to:

- Providing energy assessments and other forms of technical assistance;
- Providing simple/low-cost energy efficiency retrofits;
- Assessing customer copays for comprehensive/higher-cost energy efficiency retrofits;
- Leveraging available financing options to fund project co-pays (e.g. On-Bill Financing, Public Funding Assistance, private sector financing etc.);
- Partnering with local small business organizations and community-based organizations;

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



- Including ways to use local technical consultants, contractors and vendors;
- Including focus on modifying organizational decision-making and adoption in rural and disadvantaged communities (DACs); and
- Leveraging existing SoCalGas Local Government Partnerships.

The solicitation anticipated that the program would be available to small and medium public-sector customers throughout SoCalGas’ service territory but that programs would also include the flexibility to target specific customers based on criteria such as specific climate zones, customer site-specific energy savings potential, business size, distribution system needs, hard-to-reach (HTR) status, and members of DACs.

Objectives

The objective of this solicitation was to invite the energy efficiency industry to collaborate with SoCalGas in offering an innovative program for the very small, small, and medium customer groups. The Public solicitation was based on the needs and customer group profiles identified in SoCalGas’ approved Business Plan⁸; the solicitation was designed to achieve comprehensive, long-term energy savings.

2.2. Timing

The Public RFA was released in January 2019, and the RFP was released in August 2019. RFP selections occurred in December 2019, and contract negotiations began in March 2020. Contract negotiations were completed in August 2020. The Public solicitation was generally on schedule as originally planned⁹, although some delays were experienced after the RFP selection phase and into contracting. This delay was primarily due to this solicitation being one of the first solicitations to enter into contract negotiations, and therefore SoCalGas needed to develop processes consistent with PRG guidance as well as conduct extensive price negotiations during the contracting phase. Table 2.1 below outlines key milestones for the Public solicitation.

Milestones	Actual Completion Date
RFA	
RFA Released	January 31, 2019
Optional Bidder Webinar	February 7, 2019
Questions Due from Bidders	February 13, 2019
Responses Provided by Company	February 21, 2019
Bidder Abstracts Due	March 14, 2019
Abstract Review Period Ends	April 22, 2019
Calibration Meetings Held	May 9, 2019

⁸ See SoCalGas Business Plan, available at https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas_Business_Plan-1.17.17-FINAL.PDF.

⁹ Joint IOU Program Solicitations Schedule, dated December 2018. Subsequently, the IOUs updated the Joint IOU Program Solicitation Schedule to reflect changes to other solicitations. Solicitation schedules are updated periodically by the IOUs, and the current schedule can be found at caeecc.org.



Shortlist Meetings Held	May 16, 2019
Shortlist Presented to PRG	June 4, 2019
RFP	
RFP Released	August 23, 2019
Optional Bidder Webinar	September 4, 2019
Questions Due from Bidders – Round 1	September 9, 2019
Responses Provided by SoCalGas – Round 1	September 16, 2019
Questions Due from Bidders – Round 2	September 19, 2019
Responses Provided by SoCalGas – Round 2	September 24, 2019
Bidder’s Proposal Due	October 7, 2019
Calibration Meetings Held	November 11, 2019
Shortlist Meetings Held	November 18, 2019
Shortlist Presented to PRG	December 3, 2019
Contracting & Implementation	
Selected Bidder(s) Notified	January 22, 2020
Contract Executed	August 31, 2020
Advice Letter Approved	Expected November 2020
Contract Begins (Notice to Proceed)	December 2020
Implementation Plan	January 2021

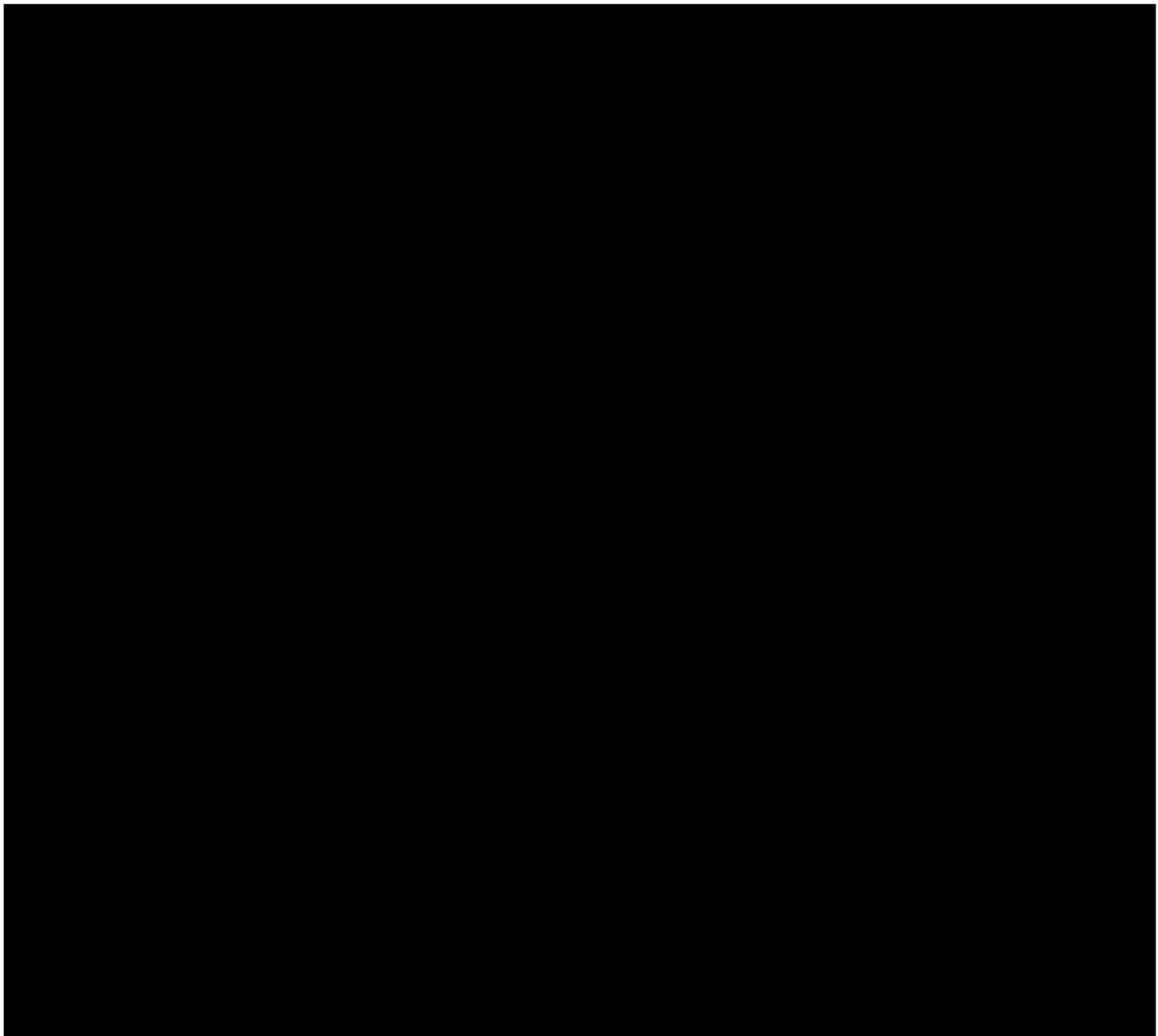
2.3. Key Observations

Overall, we find that the solicitation was successful in procuring a program that will help meet SoCalGas’ D. 16-08-019 obligations, implement its Business Plan, and provide energy efficiency benefits to its customers and the State. SoCalGas’ conduct and management of the energy efficiency program solicitation has been transparent, fair, and equitable. This solicitation was consistent with Commission guidance, including support of portfolio goals and metrics such as targeting of HTR and DACs.

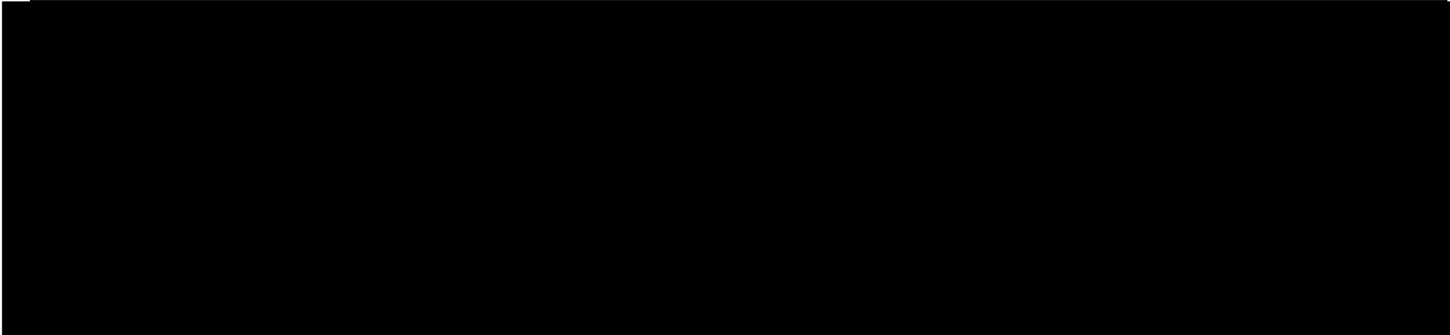
Table 2.2 summarizes the key observations made during each solicitation stage. In general, the solicitation process through the RFA and RFP issuance and selection was smooth and straightforward. SoCalGas allowed for IE input into every step of the process and integrated feedback where relevant. Although it was an effective process, this solicitation represented the second round of third-party solicitations for SoCalGas, and therefore we identified some process improvements and lessons learned. SoCalGas was receptive to IE feedback and made many changes to subsequent rounds of solicitations based on these lessons learned. Table 2.2 provides a summary of the key observations with IE-suggested remedies and outcomes/lessons learned from the process.

Table 2.2: Key Issues and Observations			
Topic	Key Observation	Potential Remedy	Outcomes/Lessons Learned
RFA Stage			





RFP Process



CET Feedback to

SoCalGas provided



Bidders and Adjustments to CET Inputs	feedback to bidders with a general comment about the need for CET alignment with 2020 workpapers [REDACTED]	[REDACTED]
[REDACTED]		

Contracting and Negotiations

[REDACTED]

3. Solicitation Outreach and Bidder Response

3.1. Bidder Response to Solicitation

Bidders were informed about solicitation opportunities through three main sources. SoCalGas used Proposal Evaluation & Proposal Management Application (PEPMA) to notify bidders regarding the solicitation. Contractors registered in PEPMA received emails informing them of the solicitation opportunity. SoCalGas also communicated with potential bidders through its Solicitation Website¹⁰

¹⁰ <https://www.socalgas.com/regulatory/efficiency/index.shtml>



and California Energy Efficiency Coordinating Committee (CAEECC¹¹) web site.

SoCalGas' outreach approach using PEPMA, supplemented with additional communications, is fair, transparent, and equitable. SoCalGas was fair in its selection of bidders who received information about the bid and transparent in terms of the ways the utility sought to engage potential bidders. Table 3.1 provides statistics on the bidder response to the Public Solicitation.

SoCalGas led the solicitation outreach without IE involvement. We tracked the progress of the outreach efforts based on abstracts and proposals received, as well as questions from bidders.

For the RFA, [REDACTED]. Although this is not a large number of responses, it was reported by SoCalGas to be consistent with their expectation of the response to the Public market. From our perspective, this level was sufficient for competition and not unexpected given the focused nature of this solicitation on the Public sector. [REDACTED]

	Number
Abstracts Expected	[REDACTED]
Abstracts Received	[REDACTED]
Abstracts Disqualified	[REDACTED]
Proposals Invited	[REDACTED]
Proposals Received	[REDACTED]
Proposals Disqualified	[REDACTED]
Bidders Advanced to Contracting	[REDACTED]

3.2. Bidder's Conference and Q&A

SoCalGas held bidder conferences and responded to the bidders' questions at both the RFA and RFP stages in a complete, accurate, and timely manner consistent with their solicitation schedules (conferences are summarized in Table 3.2). SoCalGas developed written responses to questions posed by bidders during the webinar and submitted to PowerAdvocate. SoCalGas sent these responses to all potential bidders through PowerAdvocate.¹³ In both phases, the IE was asked to review conference materials and review Q&A responses prior to sending them to bidders. We suggested minor edits which were accepted and included by SoCalGas.

At the RFA Bidder's Conference, approximately¹⁴ [REDACTED] and bidders asked many clarifying questions addressing budgets, pay-for-performance, workpapers, and support services.

¹¹ <https://www.caeccc.org/third-party-solicitation-process>.

¹² These bids were not complete responses; instead they represented basic bidder information and no attachments with responses to the RFA questions.

¹³ PowerAdvocate is SoCalGas' online solicitation tool.

¹⁴ SoCalGas' systems do not allow the tracking of the specific number of participants and/or bidder companies that participate

For the RFP phase, SoCalGas moved the Webinar platforms in order to record the conference, per PRG feedback and to support bidder flexibility. SoCalGas used one platform for the conference and another platform for live questions from bidders. There were some technical difficulties with the conference, delaying the start of the Webinar.

At the RFP phase, SoCalGas offered two rounds of bidder Q&A. Bidders posed six questions in Round 1 of Q&A and no questions in Round 2. Round 1 questions covered topics such as webinar logistics, overall third-party solicitation goals, license requirements, Normalized Metered Energy Consumption (NMEC) scoring preference, disadvantaged workers, and enhanced support services. In all cases, SoCalGas was able to point to areas of the RFP or PowerAdvocate where information responding to the question was located.

RFA Bidder Conference Date	February 7, 2019
Number of Questions Received	17
RFP Bidder Conference Date	September 4, 2019
Number of Questions Received	6

3.3. Solicitation Design Assessment

The solicitation design met SoCalGas’ intended need to procure a resource-based program(s) targeted at the Public sector within the very small, small, and medium-sized customer groups. SoCalGas’ solicitation strategy aligned with its 2017 Business Plan¹⁵ and the Company’s dedicated Third-Party Energy Efficiency Solicitations web site, Energy Efficiency Third Party Solicitations¹⁶. The solicitation requested that bidders propose programs that would help achieve SoCalGas’ savings goals and applicable portfolio and sector-level metrics as incorporated into the Annual Budget Advice Letter. Specifically, the Public segment solicitation sought to obtain program ideas to address various segment barriers identified in the Business Plan, with a focus on providing simple/low-cost energy efficiency retrofits; incorporating customer copays for comprehensive/higher-cost energy efficiency retrofits; leveraging available financing options to fund project copays; and including ways to use local contractors and vendors.

The Public sector solicitation was conducted as a two-stage process (RFA followed by an RFP), consistent with the requirements of D. 18-01-004 and SoCalGas’ Solicitation Plan. The IOU actively involved both the PRG and IE at every stage.

4. RFA and RFP Design and Materials Assessment

4.1. RFA Design Requirements and Materials

¹⁵ https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas_Business_Plan-1.17.17-FINAL.PDF

¹⁶ <https://www.socalgas.com/regulatory/efficiency/index.shtml>

The RFA for the public solicitation was composed of 12 documents, including the RFA description, the RFA itself, 3 attachments for the bidder to populate, and 8 exhibits for bidder reference. We believe this was a reasonable number of documents for the RFA. The RFA was primarily based in Microsoft Word, with some associated Microsoft Excel tables.

Overall, we believe that the RFA packet was well designed in terms of clarity and quantity of required information to be provided by the bidder. In general, SoCalGas used a template strategy, where they developed a template to use with all solicitations. Therefore, for the Public solicitation (which was part of Round 2), SoCalGas leveraged the Round 1 RFA templates, which had been reviewed by the IE pool prior to Round 1 issuance. SoCalGas used lessons learned from Round 1 to improve the Public RFA template and scorecard. The IE provided a detailed review of the scorecard for consistency and clarity, and this feedback was accepted by SoCalGas. Additionally, prior to issuance, Apex conducted a detailed review of the RFA templates and found some opportunities for improvement, all of which were addressed by SoCalGas. Improvement areas included: defining that multiple contractors may be selected through the process, clarifying treatment for deemed/prescriptive/custom measures, and other minor edits.

4.2. RFP Design Requirements and Materials

For the RFP stage of the Public solicitation, SoCalGas released a total of 29 documents, including instructional documents for the RFP and the bidder conference, attachments to be completed by the bidder, and exhibits for informational purposes. After release, SoCalGas amended the RFP instructions to request that bidders submit CET input sheets. We believe this was a reasonable number of documents for the RFP, although substantially more than the RFA phase and with an opportunity for streamlining in the future. The RFA was primarily based in Microsoft Word, with some associated Microsoft Excel tables.

Overall, the RFP packet was effective in requesting information from bidders. The RFP design was a relatively smooth process due to SoCalGas' development of templates for solicitation documents. Similar to the RFA process, in early 2019, the SoCalGas IE pool reviewed and provided feedback on the first RFP template in preparation for the Single-Family and Multifamily RFP process. Therefore, for the Public solicitation, the IE review consisted of a quick review of documents and a fresh review for Public-sector-related issues. During the initial RFP design, Apex provided substantial feedback to the Round 1 RFP Guide draft. Edits included:

Discussion with IEs and SoCalGas resulted in agreement that the proposal should be "stand-alone" rather than requiring reviewers to search back to the RFA. This was recommended based on the often-thin information in the RFA abstract responses. Therefore, edits were required to ensure that the RFA components were all included in the RFP. Due to timing and approach, the RFP templates differed from the released RFAs in both structure and content (e.g., the RFP templates use slightly different questions, the RFAs requested more granularity for some questions, etc.). To improve efficiency for bidders, the IE recommended that SoCalGas update future RFAs to align with the new RFP structure.

Based on IE feedback, SoCalGas adjusted the RFP for several factors. PRG members also provided feedback on the RFP design. Most comments were accepted and addressed by SoCalGas,



[REDACTED]

Based on IE feedback, SoCalGas adjusted the RFP for several factors including:

- More clearly specifying information on Public-targeted sub-segments to encourage more specific Public sector bids.
- Combining all scope of work-related components into one section of the RFP document.
- Delaying the bidder conference to after Labor Day (to avoid the Friday before Labor Day).

4.3. Response to PRG and IE Advice

As noted above, SoCalGas shared both initial templates of RFA and RFP materials first with the IEs and then with the PRG. Then, for the specific RFA and RFP, those were also shared with the solicitation-specific IE and then the PRG for feedback. In the majority of cases, PRG and IE feedback was incorporated into solicitation materials.

[REDACTED]

Overall, the IE believes there are advantages and disadvantages to both approaches, and both approaches are consistent with industry best practices. Apex finds the SoCalGas approach of focused solicitations to be reasonable, and consistent with the strategies outlined in its Business Plan and Solicitation Plan.

At the RFP phase, the PRG provided feedback on the RFP design. Most comments were accepted



and addressed by SoCalGas, including basic edits [REDACTED]

Based on PRG guidance, SoCalGas committed to consolidating future RFP documents to reduce the number of exhibits and attachments, and SoCalGas committed to investigating if social media can be used for creating more awareness on future solicitations.

5. Bid Evaluation Methodology Assessment

During both the RFA and RFP bid evaluation stages, SoCalGas performed a threshold assessment in which the Company evaluated abstracts to ensure bidders provided all required information and were eligible for scoring. [REDACTED]

5.1. Bid Screening Process

At both the RFA and RFP stage, SoCalGas utilized a bid-screening process consistent with the approach presented to bidders in solicitation materials. First, SoCalGas supply management conducted a threshold assessment (pass/fail) on the following factors:

- A. On-Time Submittal Via PowerAdvocate
- B. Proposal Responsiveness (Bidder must complete and upload all mandatory documents and attachments in PowerAdvocate)
- C. Bidder and Proposed Program are eligible if bidder meets the RFP requirements and the Proposal does not include the following:
 - Unproven new energy efficiency technologies, tool development, research and development (R&D), or completion (i.e. market testing) of a product;
 - Demonstration, pilot, or “proof-of-concept” projects, R&D prototypes, and limited



- production technologies that cannot support a full-scale energy efficiency program;
- Energy efficiency programs and programs that overlap or duplicate the efforts of statewide energy efficiency programs;
 - Programs that are primarily based on behavioral measures (Note: Resource program designs that include a behavioral-based strategy are acceptable);
 - Income-Qualified energy efficiency programs and non-energy efficiency products or services;
 - Programs that solely promote demand response;
 - Non-energy efficiency programs/services and services that support other energy efficiency programs;
 - EM&V consulting services and program support services;
 - Programs that are solely non-resource (Note: Resource program designs which include non-resource strategies (e.g., marketing, training, etc.) are acceptable.);
 - Local Government Partnership or Regional Energy Network Programs or programs that overlap or duplicate the efforts of Local Government Partnerships or Regional Energy Networks;
 - Programs based solely on deemed measures, without supporting CPUC-approved workpapers or Database of Energy Efficiency Resources (DEER) identification.

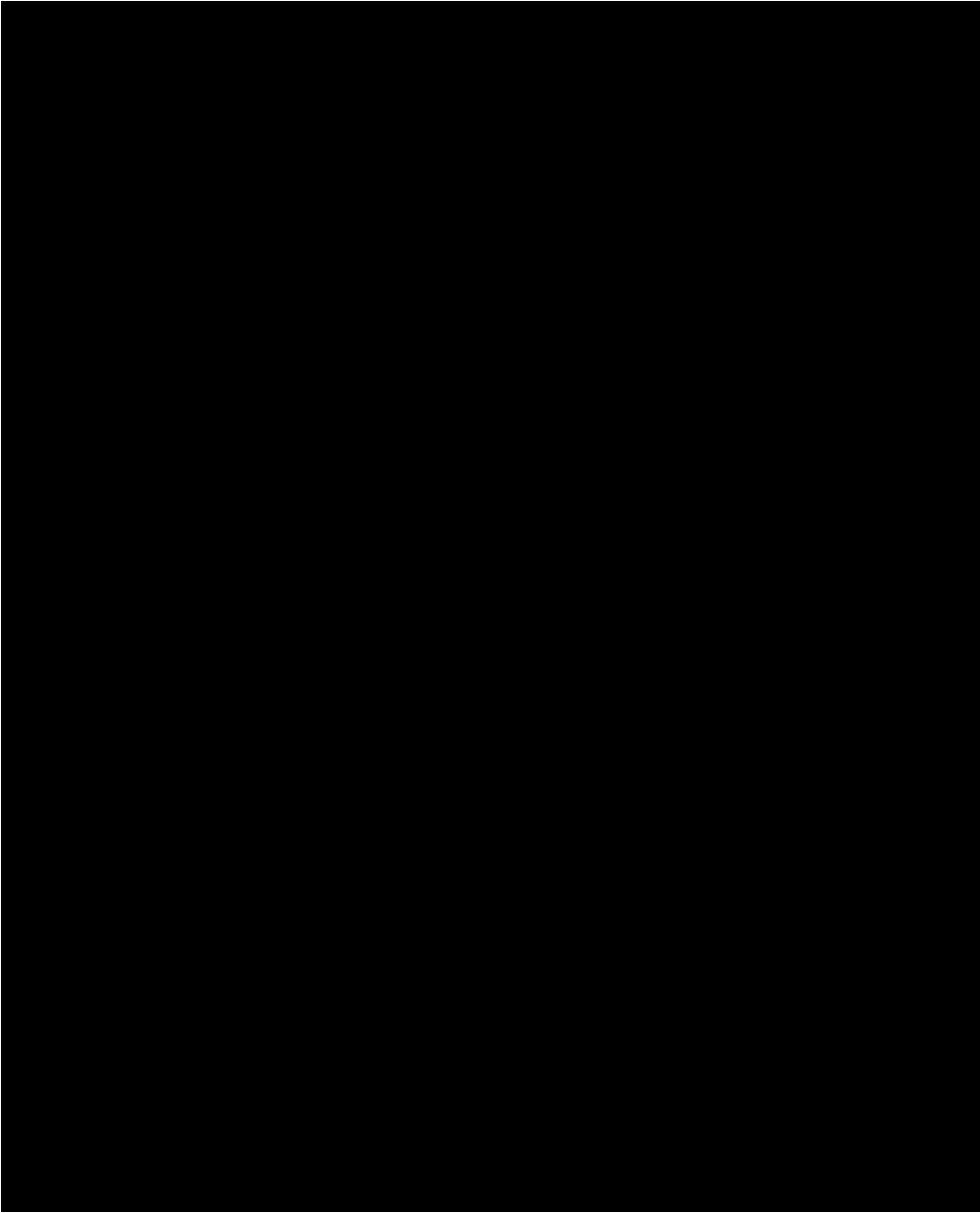
[REDACTED]

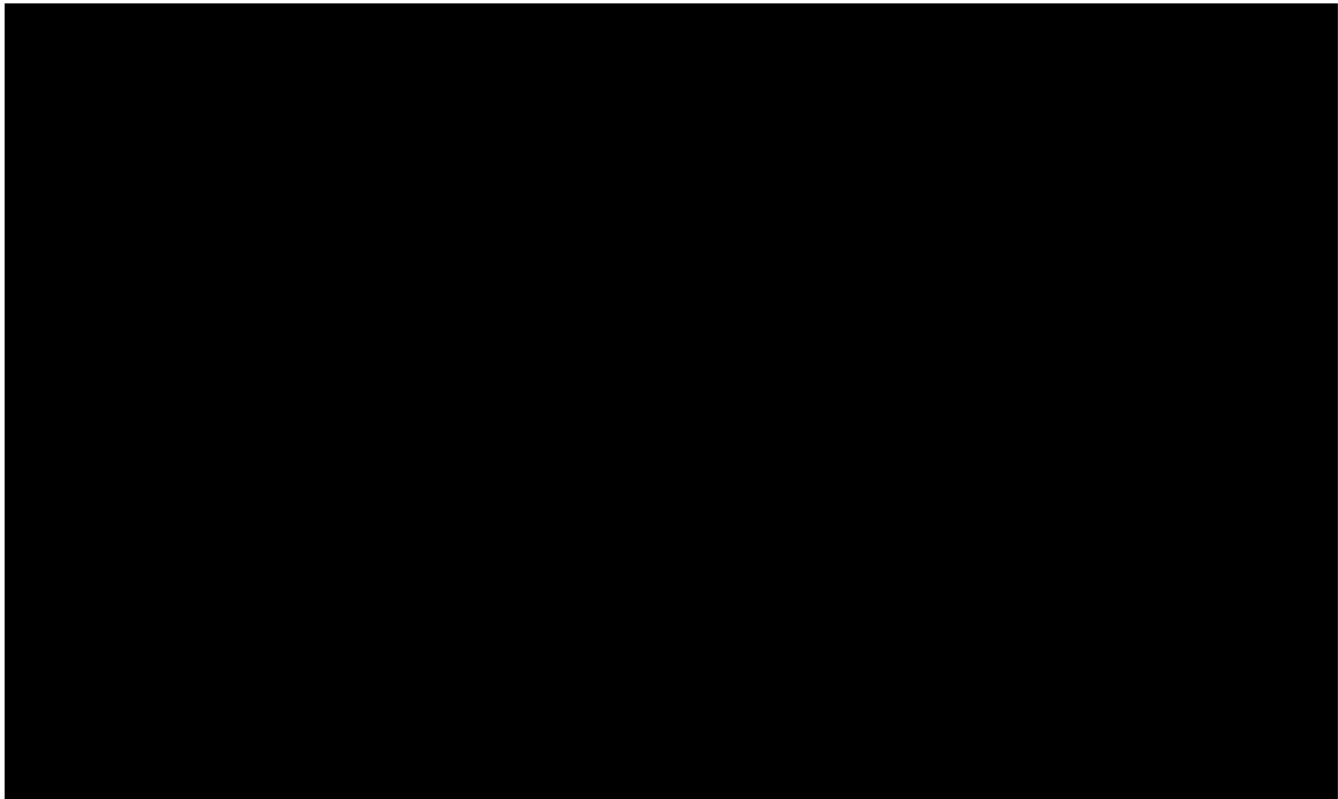
At the RFP phase, all bids met the screening requirements and were moved to the scoring phase. An additional step was taken at this phase to assess all bids for RFA/RFP conformance. SoCalGas hosted a meeting with the scoring team and IE to discuss the results. The IE agreed with the SoCalGas assessment that all bids were sufficiently similar to the RFA.

5.2. Scoring Rubric Design

[REDACTED]

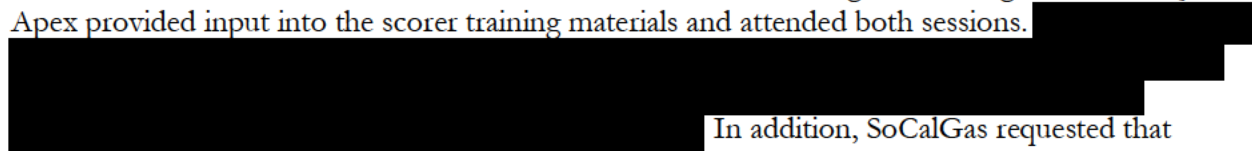
[REDACTED]



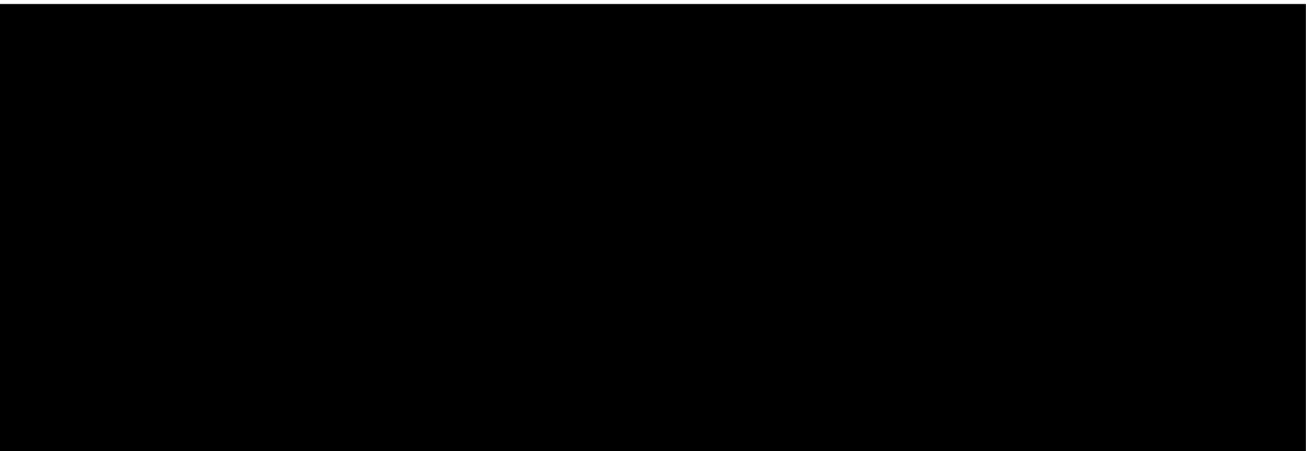


5.3. Evaluation Team Profile

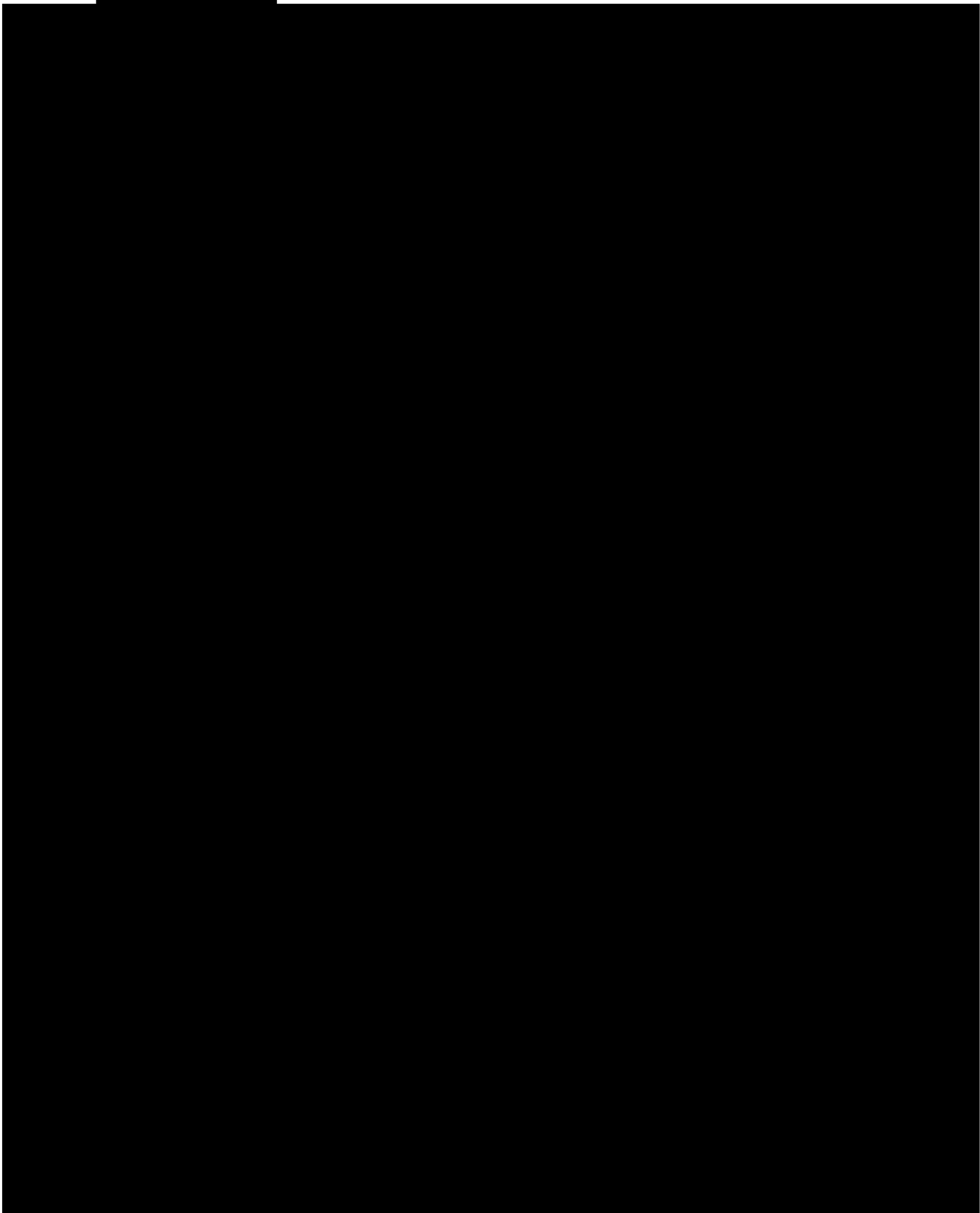
For the RFA and RFP, SoCalGas maintained a consistent team of scorers, as shown in Table 5.3 below. SoCalGas conducted scorer training for the RFA on March 26th, 2019 and for the RFP on October 2, 2019, which included detailed information on the scoring rubric, weights, and FAQs. Apex provided input into the scorer training materials and attended both sessions.



In addition, SoCalGas requested that reviewers attest there was no Conflict of Interest related to performing their evaluation responsibilities; there were no conflicts of interest reported by scorers.



5.4.





5.5. Response to PRG and IE Advice



6. Final Bid Selection Assessment

6.1. Conformance with Established Evaluation Processes

The SoCalGas process to score bids was consistent with established scoring criteria and defined processes. The calibration team meetings were well planned and well facilitated. The process worked well, and the scoring team was generally focused consistently applying the rubric. IE shadow scores were consistently in line with the scoring team (sometimes higher, sometimes lower). The scorecard worked well

SoCalGas integrated the IE into key meetings, including the RFA/RFP conformance, CET assessment, calibration meetings, post-calibration meetings and shortlisting.



[REDACTED]
SoCalGas was also very careful to ensure consistency in scoring and process for the Commercial and Public sector bids (which were concurrent Round 2 solicitations).

6.2. Management of Deficient Bids

As noted above, [REDACTED] In the RFP phase, there were no deficient bids.

6.3. Shortlist and Final Selections

A) Conformance with Established Evaluation Processes

The shortlisting and final selections conformed with established processes and scoring rubric. SoCalGas held a shortlist meeting with all scorers, the program manager, and the IE. The team discussed the selection possibilities and decided to move the highest scoring bid to the contracting phase, which was consistent with IE perspective. We appreciated that SoCalGas included the IE in the discussion of the shortlist with the SoCalGas team, rather than presenting a decision after it has been made.

Prior to each shortlist meeting, IE insights were shared with SoCalGas. Generally, the IE and SoCalGas were in alignment with scoring and the shortlist decision by SoCalGas.

[REDACTED]

B) Portfolio Fit

The winning bidder's proposal was consistent with the Scope of work and consistent with the Business Plan needs. Portfolio fit was not directly used in the bid selection.

6.4. Response to PRG and IE Advice

At the RFA and RFP shortlist phases, the IE agreed with the shortlist decisions and the PRG did not share any concerns regarding the selection of bids. For the final RFP selection, PRG staff recommended moving forward with the winning proposal [REDACTED]

[REDACTED]

[REDACTED]

In February 2020, PRG members raised concerns with SoCalGas about delays in moving to the contracting stage for this solicitation.

6.5. Affiliate Bids and Conflict of Interest

The IOU did not receive a bid from an affiliate and there were no identified conflicts of interest.

7. Assessment of Selected Bids

7.1. Bid Selections Respond to Portfolio Needs

For the final selection, the bid selected to move forward to contracting met portfolio needs. The final selection is consistent with SoCalGas' portfolio needs as identified in its Business Plan and Solicitation Plan.

7.2. Bid Selections Provide Best Overall Value to Ratepayers

Overall, we find that the selected program, [REDACTED] was chosen through a transparent, competitive process; was the highest scoring bidder of both the RFA and RFP processes; and met SoCalGas business plan goals. [REDACTED] was the highest scoring bid coming out of the RFP and generally demonstrated superior attributes relative to the other proposals.

Program Description

[REDACTED] describes the program as a turnkey, cost-effective, end-to-end solution for the Public sector that serves local government, federal government, and education facilities. In addition to no-cost direct install measures, the program offers advanced energy efficiency improvements that can be financed by the customer. The principal measures of the program include: tank insulation, showerheads, pre-rinse spray valves, lavatory control valves and aerators, water heaters, and furnaces. The proposed program employs efforts to leverage relationships with electric and water utilities serving customers that overlap with SoCalGas' service territory.

Quantitative Metrics

The following table shows a summary of the quantitative information from the [REDACTED]

[REDACTED]

Item	Amount	SoCalGas Business Plan
Budget	[REDACTED]	[REDACTED]
Net Therms (MM, First Year)	[REDACTED]	[REDACTED]
Total Resource Cost test (TRC)	[REDACTED]	[REDACTED]



Total Resource Cost test (PAC)	
Cost per Therm (\$/Therm, first year)	
Disadvantaged Communities (% Savings From)	
Hard to Reach Customers (% Savings From)	

The [REDACTED] aligns with California energy policies in helping achieve energy savings and other benefits in the Public sector. Specifically, the program aligns with Senate Bill 350’s pursuit of doubling statewide energy efficiency savings by 2030 and seeking to overcome barriers to disadvantaged communities participating in energy efficiency programs.¹⁷ The program relies on a direct install approach for gas measures, with the aim to advance customers down a clean energy path by leveraging partnerships and end-user financing to drive a more comprehensive solution.

The program has a strong TRC which, as evidenced by Table 7.1 above, was higher than anticipated in the 2017 Business Plan. Innovative features include comprehensive direct install measures, along with high-efficiency measure offerings to leverage financing and other utility funding. In addition, the program has a target of 15 percent of its savings coming from HTR customers and those living within DACs.

Measurement and Verification (M&V)

The program primarily consists of deemed measures and, therefore, its M&V requirements are limited to confirming installations, ensuring that measures are working properly, and inspecting a sampling of installations.

Compensation

The program’s compensation structure is 100% percent fixed-unit pricing and does not have any “pay-for-performance” components¹⁸.

[REDACTED]

[REDACTED] We believe this approach strikes a reasonable balance between utility and the third party’s interests, in that ratepayers will not pay if the program does not achieve measure installations. On the other hand, contractor risk is not excessive in that the contractor is likely confident that they can meet established goals and ensure that they are reasonably compensated for work completed.

Support for Portfolio and Applicable Sector Metrics Achievements

The final contracted program and its KPIs support the portfolio and applicable sector metrics, as shown in Table 7.2 below.

¹⁷ SB 350 is the Clean Energy and Pollution Reduction Act of 2015. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB350

¹⁸ CPUC D. 18-01-004 has associated specifically with programs using meter-based savings methodologies (measured and verified savings).



Table 7.2: Program KPIs and SoCalGas Metrics	
Program KPI	SoCalGas Metric
Energy Savings Delivered	Energy Savings
Project Installations Delivered	Installations
Penetration of Energy Efficiency Programs in the eligible market	Conversion to Comprehensive Energy Efficiency Projects
Goals/ Expenditure Alignment	N/A
Hard to Reach and Disadvantaged Communities	Penetration of EE.
Diverse Business Enterprise Spend*	N/A

8. Reasonableness of Contracting Process

8.1. Collaboration on Final Program Design and Scope

[REDACTED] collaborated on the final program design both in terms of reconfiguring the program to meet its achievements with a lower budget than proposed and in terms of increasing the comprehensiveness of the measures offered. [REDACTED]

[REDACTED] This budget reduction came through negotiations regarding mix of measures, measure-specific deliverable pricing, incentive versus non-incentive costs, as well as the amount of administration and marketing costs. In terms of comprehensiveness, the measure mix was revised to align with the 10% comprehensive projects goal. Additionally, revisions were made to KPIs to allow for goals to be measured against planned implementation rate and language clarified to indicate the source of information and how often it is measured. [REDACTED]

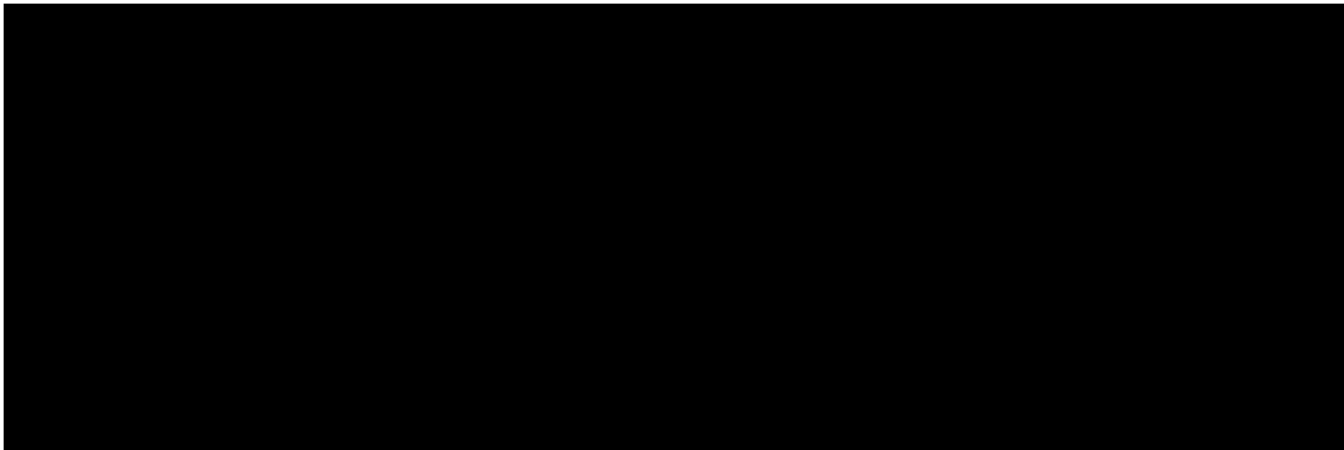
The bidder’s proposed program design did not change substantially from what was proposed. We believe the collaboration [REDACTED] met the CPUC’s definition of a third-party program per OPN 10 of Decision 16-08-019: “the program must be proposed, designed, implemented, and delivered by non-utility personnel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

8.2. Fairness of Negotiations

The contract negotiations were generally fair, transparent, and effectively run. Contract negotiations occurred over a four-month period. SoCalGas used a comment tracker for ease of tracking information and met multiple times with the bidder. In general, the negotiations focused on the structure of the program and pricing and less so on the contract structure.

In multiple areas of the contract, [REDACTED]





There was no evidence of positive or negative bias [redacted] during contract negotiations.

8.3. Changes to Contract Terms & Conditions

With the exception of moving the payment terms and schedule to Schedule C, there were no changes to the CPUC’s Modifiable Contract Terms and Conditions. The CPUC’s Standard Contract Terms and Conditions were also adopted, unchanged.

8.4. Conformance with CPUC Policies and Objectives

Table 8.1 provides a summary of the way elements of the program align with CPUC Policies and Objectives.

Table 8.1: Contract to Guidance Comparison	
PRG Guidance and Other Considerations	Apex Comment
IOU should develop standard contract template with CPUC standard terms, compliant with applicable CPUC policies, decisions or specific directives, consider PRG and IE feedback, not use language/concepts that are inappropriate or typically not used in the EE industry. (PRG Guidance on Contracting, Section 6.1.1)	Confirmed. SoCalGas developed contract template and received review from PRG.
Contract must include all CPUC standard (non-modifiable) contract terms in the contract (6.1.2)	Confirmed. Final contract includes all CPUC standard (non-modifiable) contract terms.
Contract includes CPUC modifiable contract terms as a starting point. (6.1.3)	Confirmed. Contract template included CPUC modifiable contract which remained unchanged except for moving the payment terms to Schedule C of the contract.
Other aspects of the contract template do not conflict with CPUC terms and conditions, policies, decisions or direction. (6.1.4/5)	Confirmed. IE reviewed the contract in entirety for conflicts.
IE pool reviews standard contract template and provides comment (6.1.6)	Confirmed. IE pool reviewed contract template.
IOU must present its contracting negotiation process to the IE/PRG for review (6.2.1)	Confirmed. IE was informed of the IOU process and approach to contract.

IEs should monitor all bidder communications during the negotiation process (6.2.2)	Confirmed. IE was included in all bidder communications and invited to all meetings.
IOUs should explain its contracting process to selected bidders (6.2.3)	Confirmed. The IOU met with the bidder early in the process to explain the contracting process.
Prior to execution, the assigned IE and PRG should review final contracts for each program recommended for award. (6.3.1)	Confirmed, the IE reviewed final contracts on 7/29/20.
Reasonable number of KPIs.	Confirmed. There are 10 KPIs addressing different aspects of the Contractors performance.
KPIs make sense in terms of measuring, scale, timeframe.	Confirmed. IE provided comments on the initial draft to ensure Company and Contractor considered program ramp up time and KPIs were adjusted.
Contract includes appropriate performance issue remedies.	Confirmed. Time and scores that trigger performance issues are identified and described.
Contract clearly addresses Support Services.	Confirmed. Attachment 2 lays out Support Services offered by SoCalGas.
Innovative aspects of program are retained.	Confirmed. The innovative features that distinguish the SoCalGas [REDACTED] are: (1) a clear path to Zero Net Energy; (2) Electric and Water Utility Leveraging; and (3) HTR and DAC Deep Saturation. The small portion NMEC measurement was removed due to the small role but relatively large commitment it would play in the program offering.
If applicable, IDSM components are included.	The path to Zero Net Energy has IDSM components.
If applicable, program considerations for HTR and DAC are incorporated.	Confirmed. The program goal is 30% DAC/HTR.

8.5. Uniformity of Contract Changes

Only one contract for the Public sector was negotiated for this solicitation. Yet, SoCalGas did work to ensure consistency of contracts with the Bidder, [REDACTED]

9. Conclusion



The solicitation was conducted fairly, transparently, and without bias. As noted in this report, the overall process for the solicitation from RFA documents to contract negotiations was transparent and effectively run. SoCalGas effectively ran the internal processes for internal bid scoring as well as PRG and IE review of all steps in the process.

There were some issues raised by the IE and PRG raised during the solicitation process, which were largely resolved. SoCalGas also used lessons learned to improve future solicitations.

Overall, SoCalGas' Public sector segment solicitation produced programs that will enable the Company, its customers and the State to benefit from the more efficient use of energy. The contract [REDACTED] will help the Company cost effectively achieve its energy savings goals while also fulfilling the metrics documented in the Company's Annual Budget Advice Letter (ABAL) filing.

