

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 24th, 2021

Joseph Mock,
Director, Regulatory Affairs
Southern California Gas Company
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

Dear Mr. Mock,

This disposition letter serves as a notice of approval of Southern California Gas Company's (SCG) 2021 Third-Party Solicitation:

5846: ICF Resources, LLC Gas Emerging Technologies (GET) Program

This Advice Letter is effective August 24th, 2021.

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 July 23rd, 2021, SCG filed this Gas Emerging Technologies (GET) Program advice letter as part of its Statewide Gas Emerging Technologies Solicitation.

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 Commission approval of future program implementation. It is SCG'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 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 plan for this program is due to be posted no later than October 24th, 2021.

¹ D.18-01-004, pg. 57

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Please direct any questions regarding Energy Division's findings in this non-standard disposition to Sasha Merigan (Alexander.Merigan@cpuc.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "ER" followed by "(f01)" in parentheses.

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division

Cc: Service List R.13-11-005
Pete Skala, Energy Division
Jennifer Kalafut, Energy Division
Alison LaBonte, Energy Division
Sasha Merigan, Energy Division
Jordan Christenson, Energy Division



Joseph Mock
Director
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July 23, 2021

Advice No. 5846
(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 Statewide Gas Emerging Technologies 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 Gas Emerging Technologies (GET) Program, resulting from the Statewide Cross-Cutting Sector 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 (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE), and SoCalGas.

² D.18-01-004, OP 2 at 61.

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

D.18-05-041 assigned lead PAs to specific statewide (SW) programs and downstream pilot programs, and vested each Lead PA with full authority, including assignment of personnel to manage the program on behalf of the Commission.³ The Commission identified the various areas of sole responsibility as the lead PA.⁴ Among these responsibilities is the “procurement and contract administration” of the SW program.⁵ As the designated SW lead PA for the SW Gas Emerging Technologies Program,⁶ SoCalGas is submitting this Advice Letter for the new GET Program to be implemented on behalf of PG&E, SCE, SoCalGas, and SDG&E (California’s four IOUs).

SoCalGas’ GET Program is designed to rapidly identify, prioritize, screen and advance promising energy efficient gas technologies into the EE program portfolio and support their increased adoption by customers. GET is based on a collaborative effort with targeted markets and technology actors to provide program implementers and administrators with eligible technologies for program inclusion, information on barriers to their adoption and, where applicable, potential strategies to overcome such barriers.

GET will utilize a combination of research project tactics, e.g., paper studies, laboratory assessments, field demonstrations, showcases, and pilots to assess technologies and will disseminate the information learned through those activities to targeted audiences, e.g., program implementers and administrators, as well as more broadly to interested parties. GET will focus on completing and updating technology priority maps for gas technologies and products and completing emerging technology research projects, including technology focused pilot(s). GET will form a Technology Advisory Group made up of technical stakeholders to advise throughout each GET project lifecycle. GET will seek to ensure that technology research and project scope decisions are well supported and transparent and will incorporate six sigma practices to its project management process to support ongoing project decision-making. GET will also introduce deemed measure workpaper development as an optional program output.

GET’s project screening process will consider the needs of Disadvantaged Communities (DAC) and Hard-to-Reach (HTR) customers and GET will directly support the CPUC Disadvantaged (DA) Worker policies by hiring interns that meet the DA definition to support GET.⁷

Third-Party Contract Solicitation

SoCalGas’ GET program is the only third-party contract resulting from the Gas Emerging Technologies solicitation that meets the threshold requiring Commission

³ D.18-05-041, at 80.

⁴ *Id.*, Conclusion of Law (COL) 13 at 172-173.

⁵ *Id.*, COL 13 at 172.

⁶ D.18-05-041, Table 3 at 91-92.

⁷ D.18-10-008, at 54.

approval of the contracts. All executed and anticipated contracts are listed in Table A, below.

Table A: Contracts in the Gas Emerging Technologies Solicitation			
Contract		Budget	Duration
Gas Emerging Technologies			
1.1	The Gas Emerging Technologies Program	See Appendix B	36 months

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

Table B: General Contract Summary – ICF Resources, LLC		
1	Solicitation name	Gas Emerging Technologies
2	Type of program: local, regional, or statewide	Statewide
3	Delivery Type – specify the delivery type (i.e., direct install, upstream, midstream, or downstream).	Non-Resource, Cross Cutting
3.1	A. Direct Install/Downstream Customer Targeting (Yes or No)	N/A
3.2	B. Customer Targeting brief description, if applicable.	N/A
3.3	C. Midstream/Upstream Market Actors receiving incentives [i.e., manufacturers, distributors, contractors, or other (specify)].	N/A
4	Market/Sector(s)	Cross-Cutting
5	Customer Segment(s)	Cross-Cutting
6	Third-Party Implementer/Subcontractor name	ICF Resources, LLC Resource Innovations, Inc., National Renewable Energy Laboratory (NREL), Lincus, Energy Resources Innovations (ERI)
7	Name of program or service	Statewide Gas Emerging Technologies (GET) or (iGET) Program
8	Brief description of program or service (2-3 sentences).	GET is designed to identify and bring commercially available gas efficiency technologies promptly to the EE program portfolio through a process that identifies, prioritizes, screens, and assesses technologies via a combination of paper studies, laboratory assessments, field

Table B: General Contract Summary – ICF Resources, LLC		
		demonstrations, showcases, scaled field demonstrations, pilots, and other tactics. The Program's vision is to achieve measurable increases in technology adoption by rapidly identifying, screening, and advancing promising natural gas technologies through the ET cycle and into the program portfolio. The Program design is based on a collaborative effort with targeted market and technology actors to identify and screen technologies, identify and verify key market barriers to ET adoption, and, where applicable, develop strategies to overcome such barriers.
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	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.	N/A
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.	N/A
14	Forecasted Number of Customers Served by Program Year (PY)	PY2021 – N/A PY2022 – N/A PY2023 – N/A PY2024 – N/A
15	Area(s) Served (including service territory, climate zones, cities, and/or counties, as applicable).	Statewide
16	Program TRC ratio [Cost Effectiveness Tool	N/A

Table B: General Contract Summary – ICF Resources, LLC		
	(CET) output]. ⁸	
17	Program Administrator Cost (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 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)	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.	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.	Implementer 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 SW GET 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 Don Arambula Consulting. 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 August 22, 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 42 days to develop RFA documents, which were required to be submitted to PowerAdvocate on March 25, 2020. 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 May 15, 2020.

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 four respondents to move to the RFP stage. The Stage Two RFP release was issued through PowerAdvocate on August 21, 2020. Bidder submissions were due through PowerAdvocate on October 2, 2020.

The RFP requested Bidders to provide more details about their proposed abstract(s), including measurement and verification information, and other documents to assist SoCalGas in making its selection. 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 December 7, 2020. Negotiation of contracts immediately followed, with execution of the contract requiring Advice Letter approval occurring on June 24, 2021.

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 SW GET 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 19, 2020. During the RFP stage, a pre-bid conference was held on August 28, 2020.

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 SW GET solicitation, SoCalGas received a total of 39 questions (18 questions in the RFA Q&A round and 19 questions in the RFP Q&A rounds) from the bidding community on an array of topics. In the RFA stage, overarching themes included bidder notification process, budgets, Disadvantaged Business Enterprise qualifications, clarifying the scope of work, Technology Priority Mapping, and eligible technologies. In the RFP stage, overarching themes included schedule, Scope of Technology Focused Pilots, Targeted Number of Projects, Budget Caps and Cost Categories, and page limits specifications.

1.c) Independent Evaluator Participation

The SW GET IE, Don Arambula Consulting, 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, 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: 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 redacted IE report is provided in Attachment A.

RFA/RFP Development:

- In total, SoCalGas responded to 97 IE Comments, 57 Energy Division Comments and 11 IOU Comments relating to the SW GET RFA. SoCalGas accepted a majority of the recommendations presented by the IE and accepted all comments from Energy Division staff. PRG checklist was complete and all PRG recommendations accepted.
- Key comments addressed at the RFA Stage included: Scorecard: Improvements, marketing budget, schedule clarity, and allowable program changes between RFA and RFP stages.
- In total, SoCalGas responded to 85 IE Comments and 35 Energy Division Comments relating to the SW GET RFP. SoCalGas accepted and addressed a majority of comments and recommendations presented. SoCalGas, Energy Division and the IE had several meetings to address comments.
- Key comments addressed included: Adding bidder questions directed at ET Focused Pilots and Technical Priority maps, allowing bidders the option to develop workpaper support, Supporting Programs within the portfolio, Scorecard weighting to drive innovation and program delivery activities and preference for pay-for-performance compensation structures.
- IE reported no significant issues identified in the program solicitation.

RFA/RFP Shortlist Process:

- Abstract screening identified 3 ineligible bids as resource programs.
- Evaluation completed on remaining 5 Abstracts.
- IE reported the proposed shortlist is reasonable and should be advanced pending review of bidder eligibility (EM&V Policy).
- At the RFP stage, the IOU and IE rankings were consistent, and scores were comparable. All proposals passed screening process.
- 2-day Calibration meeting with open discussions and encouragement of consistency and adherence to scorecard.
- The IE supported the IOU's final selection.

Contract Negotiations:

- SoCalGas concluded contract negotiations with ICF in April 2020 on the SW GET Program Contract. SoCalGas responded to more than 70 IE comments with a majority being accepted. Key negotiation topics included:
 - How the contract addresses program financial commitments. The SW GET program will have multi-year ET projects which will require unspent/committed funds to be carried over from year to year. The Contract could be made clearer on what is considered a financial commitment and such commitments will be treated over the life of the contract.
 - The role of the IOU in program oversight and delivery is somewhat different than other programs as the IOU will approve discrete project milestones achievements. This may be an appropriate role

as an administrator to ensure programs funds are supporting the portfolio needs. During implementation, the CPUC Energy Division should actively monitor to confirm the implementer has adequate flexibility to deliver its program.

- The Contract notes having a collaborative relationship with the new Market Transformation Administrator (MTA). The relationship should be further developed as the MTA is established and developed.
- The Contract directs ICF to coordinate with the new electric SW ET program implementer along with the IOUs. The two implementers should be allowed the flexibility to coordinate an ongoing basis with limited involvement (administrative) by the IOUs.
- SW Emerging Technologies Coordinating Council (ETCC) Portal will continue as an IOU-managed activity. The portal is considered a project management tool for the IOUs to monitor ongoing project activity in addition to a public-facing repository for past ET projects. The portal could be viewed as part of program implementation but the addition of a project management tool, it is reasonable to retain under the Program Administrator role.
- Technical Advisory Group (TAG) and other stakeholder engagement should be well defined and orchestrated to allow for ongoing collaboration especially with program implementers.

Marketing and Outreach

To increase public and potential Bidder awareness of the GET 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. SoCalGas posted the RFA release notification on the CAEECC website on February 13, 2020, and the RFP release notification on August 24, 2020.

Furthermore, SoCalGas announced the RFA event on the PEPMA website, which is administered by California's four IOUs, under the auspices of the CPUC. The PEPMA announcement directed the Bidders to PowerAdvocate: SoCalGas' sourcing platform. Overall, the solicitation outreach was adequate, as it generated more than 154 registered bidders on SoCalGas' procurement website (i.e., PowerAdvocate) interested in the initial RFA.

2. 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	2/12/2020
2	Pre-Bid Conference (optional)	2/19/2020
3	Bidder's deadline to submit written questions	2/26/2020
4	IOU response due to bidder questions	3/4/2020
5	Bidder's abstract submission due	3/25/2020
6	Shortlist notification	5/15/2020
Stage 2 RFP Events		
1	RFP issued	8/21/2020
2	Pre-Bid Conference (optional)	8/28/2020
3	Bidder's deadline to submit questions to IOU (two rounds)	9/4/2020, 9/17/2020
4	Bidder's deadline to submit CET to IOU for preliminary review (optional)	N/A
5	IOU responses due to bidder questions (two rounds)	9/14/2020, 9/22/2020
6	IOU responses due to preliminary CET review	N/A
7	Bidder's proposal submission due	10/2/2020
8	Bidder interviews conducted by IOU	N/A
9	Bidder shortlist notification	12/7/2020
10	Contract negotiations and execution	12/18/2020- 4/26/2021
11	Tier 2 Advice Letter submission	7/23/2021

3. Independent Evaluator

As required by D.18-01-004, SoCalGas selected an IE for oversight and consultation throughout the process. The IE for the GET solicitation was Don Arambula Consulting.

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 IE Report.

The IE presented findings to the EE PRG on:

- Final RFA Package – 2/4/20
- RFA Evaluation Results and Shortlist Recommendations – 5/5/20
- Final RFP Package – 8/4/20
- RFP Evaluation Results and Shortlist Recommendations – 12/1/20

- Contract Update report-outs – 1/5/21, 2/2/21, 3/2/21, 4/6/21, 5/6/21

Transition Plan from Pre-Existing Program to New Program

SoCalGas is ramping down its local ET program and plans to complete the administration of ET research projects initiated and funded under its current local program. Several of those of those projects are expected to be completed by end of 2022. The SW GET program will begin upon approval of this Advice Letter but will not conflict with the completion of current local ET projects in process.

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 August 12, 2021. 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, 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 addresses 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
E-mail: Tariffs@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 August 22, 2021, 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 lists 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/ Joseph Mock
Joseph Mock
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:

ATTACHMENT A

Advice No. 5846

Energy Efficiency Independent Evaluator's Final Report (Redacted)

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

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

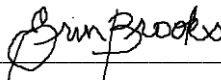
**DECLARATION OF ERIN BROOKS
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS
PURSUANT TO D.17-09-023**

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 Gillian A. Wright, in her role as Sr. Vice President and Chief Customer Officer at SoCalGas. I have reviewed the confidential information included within SoCalGas’ Energy Efficiency Solicitations SharePoint regarding the *CONFIDENTIAL Energy Efficiency Gas Emerging Technologies Solicitation Advice Letter* 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 21st day of July 2021, at Los Angeles.



Erin Brooks
Customer Programs Policy & Support Manager

ATTACHMENT A

SoCalGas Request for Confidentiality of its Gas Emerging Technologies Energy Efficiency Third-Party Solicitation Advice Letter

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) • Vendor proprietary information • Information submitted in connection with a Request For Abstract or Request For Proposal with expectations of confidentiality on the part of the bidders. • Negotiated draft contract resulting from the solicitation process. 	<p>CPRA 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"> • <i>See, e.g.</i>, D.18-01-004, 2018 WL 555610 (2018) (allowing for confidential treatment of bid information submitted in the Energy Efficiency Solicitation process); • <i>SCC Acquisitions, Inc. v. Superior Court</i>, 243 Cal. App. 4th 741, 756 (2015) (corporations have right to privacy over their financial information); • <i>See, e.g.</i>, D.20-03-021, 2020 WL 1807503 (2020) (allowing for confidential treatment of applicants' agreements and financial information); • <i>See, e.g.</i>, D.20-02-054, 2020 WL 1667279 (2020) (agreeing that non-public proprietary financial information should remain confidential); • 15 U.S.C. § 1, <i>et. seq.</i> prohibits price fixing between competitors; • Section 5 of the Federal Trade Commission Act prohibits "unfair methods of competition" and has been applied to a broad range of pricing and contracting practices; • <i>See, e.g.</i>, D.20-12-021, 2020 WL 7862639(2020) (agreeing that risk of exposure of proprietary information should outweigh public interest in disclosure of information). <p>CPRA Exemption, Gov't Code § 6255(a) (Balancing Test)</p>	<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, and other content not intended for public disclosure. This information includes budgets, compensation, program design, and personnel profiles.</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 and the bidding process. Failure to protect the bidder's investment of time and resources during the solicitation process could result in loss of competitive advantage, and result in less competition in the marketplace, which may lead to higher program prices or less innovative program elements. The public's interest is best served when energy-efficiency programs deliver the largest amount of savings in the most cost-effective manner. Bidders invest knowledge and time, and determine an acceptable level of risk and compensation, to deliver increasingly energy-efficient programs. Public disclosure of proprietary methods before contracts are executed would discourage investment into the solicitation</p>

		<p>process and result in less participation in the process, less competition and higher prices. Thus, the public's interest is better served by not disclosing the information as opposed to disclosing the information.</p> <p>The contract is provided confidentially in its entirety per the advice letter template provided by Energy Division.</p>
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Energy Efficiency Independent Evaluator's Final Report

Southern California Gas Company Statewide Emerging Technologies Program Solicitation

Contract: ICF Resources, LLC

Prepared by:
Don Arambula Consulting



July 2021

Southern California Gas Company
Statewide Gas Emerging Technologies Solicitation

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Executive Summary

Southern California Gas Company (SoCalGas or the Company) conducted a competitive program solicitation to find and fund a new Statewide Gas Emerging Technology program. The California Public Utilities Commission's (CPUC) identified SoCalGas as the lead investor-owned utility (IOU) for the Statewide Gas Emerging Technologies Program on behalf of San Diego Gas & Electric, Pacific Gas and Electric Company, and Southern California Gas Company.¹ This solicitation enables SoCalGas, and the funding California IOUs, 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 solicitation resulted in the selection of **ICF's Statewide Gas Emerging Technologies Program (GET)**.

The Final Independent Evaluator Report (IE Report) provides a final assessment of SoCalGas' third-party energy efficiency (EE) program solicitation process and executed contract (Contract) between the IOU and the program implementer. The Report is provided by Don Arambula Consulting, an Independent Evaluator (IE), assigned to monitor the SoCalGas' statewide gas emerging technologies program solicitation. The Report addresses SoCalGas' Contract with **ICF, LLC (ICF)**, the proposed program implementer, on the new Statewide Gas Emerging Technologies Program.

The program budget is [REDACTED] which includes an expected Diverse Business Enterprises (DBE) spend of 21%. The contract term is 36-months which may begin upon CPUC approval of the executed contract.

Statewide Gas Emerging Technologies Program Summary

The implementer-designed Statewide Gas Emerging Technologies Program will identify and promptly bring commercially available gas efficiency technologies (ET) to the California natural gas IOUs' EE program portfolios. The Statewide GET Program's vision is to achieve measurable increases in technology adoption by rapidly identifying, screening, and advancing promising natural gas technologies into the EE program portfolios. Achieving higher levels of adoption is crucial for all program administrators and program implementers to meet energy savings goals cost-effectively as existing EE measures are retired or transitioned out of the portfolios. ICF's innovative Statewide GET Program design is based on a collaborative effort with targeted market and technology actors to identify and screen technologies, to detect key market barriers to ET adoption, and to recommend corresponding strategies to overcome such market barriers.

The Statewide GET Program delivery involves three distinct phases: Technology Screening (Phase 1), Technology Evaluation (Phase 2), and Market Readiness (Phase 3). To support this approach, ICF, and its subcontractors, will conduct field/laboratory testing, impact modeling, and workpaper development (as applicable) for technologies directed at customer sectors. ICF will perform each technology assessment project based on a set of standard project milestone categories that will be applied to each specific project.

The IE Report addresses each aspect of the solicitation from the initial RFA development through

¹ Decision 18-05-041, OP 26.

² Decision 16-08-019, OP 10.

contract execution. Table 1.2 lists key recommendations and observations made throughout the Report. The recommendations include potential improvements to the solicitation process as well as recommendations related to the implementation of the Contract.

1. Solicitation Overview

This Final IE Report summarizes the solicitation process for the Statewide Gas Emerging Technologies solicitation and provides the IE's assessment of the solicitation from the development of the draft RFA through contract execution. Due to the contract value (i.e., >\$5 million), this Contract requires a Final IE Report to be submitted along with the IOU's Tier 2 advice letter filing seeking CPUC Contract approval. This Final IE Report is also presented to the IOU's PRG.

1.1. Overview

The IOUs are required to file a Tier 2 advice letter seeking the CPUC's approval of any proposed energy efficiency third-party contract with a value of \$5 million or greater and/or that has a contract term longer than three years.³ An IOU is required to include in the advice filing a Final IE Report on each executed energy efficiency third-party contract and the corresponding program solicitation process.⁴ Also, a Final IE Report is provided to the IOU's Energy Efficiency Procurement Review Group (PRG) regardless of contract value.⁵

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 CPUC adopted Decision 18-01-004 requiring the four California IOUs to ensure that their EE portfolios contain a minimum percentage of third-party designed and implemented programs by predetermined dates over a three-year period. Further directions were included in Decision 18-05-041, which stated:

*The third-party requirements of Decision (D.)16-08-019 and D.18-01-004 are required to be applied to the business plans of the investor-owned utilities approved in this decision. All utility program administrators shall have at least 25 percent of their 2020 program year forecast budgets under contract for programs designed and implemented by third parties by no later than December 19, 2019.*⁶

In October 2019, SoCalGas requested an extension of time from the CPUC for the 25 percent threshold target date to allow for the full execution of its planned solicitation schedule to procure new third-party programs and to account for the newness of the program solicitation process. On November 25, 2019, the CPUC's Energy Division (ED) granted SoCalGas an extension of time to meet the 25 percent threshold by September 30, 2020.⁷

The CPUC further stated that, consistent with Decision 18-05-041, the IOUs must meet at least 40 percent of their EE portfolios under contract for programs designed and implemented by third parties by December 31, 2020. No further extensions of time will be granted to the IOUs for meeting the third-party percentage requirements specified in Ordering Paragraph 4 of Decision 18-

³ Decision 18-01-004, OP 2.

⁴ Id, OP 5.d.

⁵ Id, OP 5.b.

⁶ Decision 18-05-041, OP 4.

⁷ 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.

05-041.

Two-Stage Solicitation Approach

The IOUs are required by the CPUC to conduct a two-stage solicitation approach for 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.⁸

The CPUC also requires each IOU to assemble a 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 is charged with overseeing the IOU's EE solicitation process (both local and statewide), reviewing procedural fairness and transparency. This oversight includes examining the overall procurement process and providing feedback during all solicitation stages. Each IOU briefs its PRG on a periodic basis throughout the process on 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 EE IEs to serve as consultants to the PRG.⁹ The IEs are directed to 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 conducted that is devoid of market collusion or manipulation. The IEs are privy to viewing all submissions. The IEs are invited to participate in all the IOU's solicitation through selection-related discussions and are bound by confidentiality obligations.

A. Scope

SoCalGas, on behalf of the funding California natural gas IOUs, conducted a competitive solicitation for an innovative non-resource program that could identify natural gas emerging technologies that can deliver cost-effective energy savings, ensuring that program administrators and program implementers receive actionable market information to inform program delivery, as well as helping technology manufacturers understand what measures are needed for the IOUs' EE program portfolios. In the solicitation, SoCalGas asked bidders to propose, design, implement, and deliver innovative approaches fulfilling the program's vision to anticipate the latest emerging technology trends in order to bring innovative, verified gas technologies to the IOUs' EE program portfolios as further detailed in the natural gas IOUs' Energy Efficiency Business Plans.¹⁰

B. Objectives

The statewide gas emerging technologies program solicitation sought a non-resource program with an innovative design approach, cost-efficient implementation, and timely introduction of new EE emerging technologies that could perform the following activities:

⁸ Decision 18-01-004, p. 31.

⁹ Id, OP 5.a.

¹⁰ See Emerging Technologies sector presentations within the IOUs' EE Business Plans.
<https://www.caeccc.org/business-plans-1>

- Identify, screen, assess, demonstrate, showcase, and pilot, under-utilized, commercially-available gas EE emerging technologies, products and services (including those identified by the California Energy Commission and the IOU Statewide Codes & Standards Programs for adoption in upcoming codes and standards) as appropriate for inclusion in the IOUs’ EE program portfolios.^{11, 12}
- Provide information about program portfolio EE measure needs to technology, product, and service developers, manufacturers, technology development actors, and other stakeholders that engage in the California technology development pipeline so they may tailor their offerings accordingly.¹³
- Identify the non-energy benefits of emerging and underutilized energy-saving technologies, products, and services to help utility customers better understand the value proposition of the product, thus stimulating their adoption.

1.2. Timing

The program solicitation was delayed several times during 2019 while SoCalGas had discussions with the other IOUs and the CPUC’s Energy Division staff on program scope and approach. Ultimately, the RFA was released on February 12, 2020.¹⁴ The RFP was scheduled for release in July 2020 but was also delayed until August 2020 due to extended discussions among the IOU and their PRG and assigned IE.

A list of key solicitation milestones and expected completion dates are presented in the table below. Unless otherwise noted, all milestone dates as of this Report were met or on schedule.

Milestones	Completion Date
RFA	
RFA Released	February 12, 2020
Optional Bidder Webinar	February 19, 2020
Questions Due from Bidders	February 26, 2020
Responses Provided by SoCalGas	March 4, 2020
Bidder Abstracts Due	March 25, 2020

¹¹ Decision 12-05-015 OP 99: “Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall coordinate with the Codes and Standards program and the California Energy Commission’s Codes and Standards programs to (a) support the advancement of emerging technologies and approaches, including demonstration of technologies, that are candidates for adoption into future codes and standards as well as Reach Codes, and (b) identify critical early planning workforce training needs for advanced technologies.”

¹² Decision 12-05-015 OP 91: "In the Codes and Standards program implementation plan sections of their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include a detailed description for the statewide “Planning and Coordination Subprogram” that implement the “integrated dynamic approach.” The program implementation plan should include an outline of the relevant roles of each of the Codes and Standards sub-programs relative to other IOUs programs and non-IOUs initiatives, as well as program objectives, strategies, expected outcomes, and program budgets."

¹³ Decision 12-05-015 p. 270: "The Emerging Technologies Program is well suited to take on a leadership role to bring all market actors together in order to increase coordination and to leverage the R&D opportunities, funds, and collaborative prospects."

¹⁴ Joint IOU Program Solicitation 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 caeccc.org.

Table 1.1: Key Milestones	
Milestones	Completion Date
Stage One Abstract Review Period Ends	April 10, 2020
Calibration Meetings Held	April 16–17, 2020
Shortlist Meetings Held	April 23, 2020
Shortlist Presented to PRG	May 2020
RFP	
RFP Released	August 21, 2020
Optional Bidder Webinar	August 28, 2020
Questions Due from Bidders – Round 1	September 4, 2020
Responses Provided by SoCalGas – Round 1	September 14, 2020
Questions Due from Bidders – Round 2	September 17, 2020
Responses Provided by SoCalGas – Round 2	September 22, 2020
Bidder’s Proposal Due in PowerAdvocate	October 2, 2020
Calibration Meetings Held	November 2020
Shortlist Meetings Held	November 2020
Shortlist Presented to PRG	December 2020
Contracting & Implementation	
Selected Bidder(s) Notified	December 2020
Contracts Presented to PRG	Quarter 2 2021
Contract Executed	Quarter 2 2021
Advice Letter Filed*	Quarter 3 2021
Contract Begins (Notice to Proceed) *	Quarter 3 2021
Implementation Plan Uploaded to CEDARS *	Quarter 3 2021
Program Launch *	Quarter 3 2021
* - estimated	

1.3. Key Observations

Overall, we find that the solicitation was successful in procuring a program that can identify, screen, assess, demonstrate, showcase, and pilot underutilized, commercially-available gas EE emerging technologies products and services for inclusion in the IOUs’ EE program portfolios. SoCalGas’ conduct and management of the energy efficiency program solicitation was fair, equitable, and transparent.

The IOU conducted the solicitation consistent with the CPUC’s guidance. As presented in SoCalGas’ Solicitation Plan, final selection was made after the final assessment of the bidders’ proposals.¹⁵

SoCalGas allowed the IE to monitor all aspects of the solicitation from the development of the initial RFA materials through the contract negotiations. Throughout the solicitation, the IE provided feedback to the IOU on various activities such as RFA and RFP development, bidder instructions, scorecards, and bidder questions and answers. SoCalGas was responsive to the IE’s feedback.

Table 2.2 presents key observations made by the IE during the solicitation. The IE shared these key recommendations and others with the IOU and the PRG throughout the solicitation. The IOU was

¹⁵ Southern California Gas Company’s (U 904-G) Energy Efficiency Program Solicitation, dated August 4, 2017, Section C, pp. 7-8.

provided an opportunity to review, consider, and accept, or reject these recommendations. The IOU responses are also included below.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
RFA			
GET Sector Metrics	The RFA did not include a complete list of CPUC-directed Emerging Technologies sector metrics. The metrics inform the bidder what the CPUC expectations are for the program.	A complete list of ET sector metrics should be provided to help the bidders design a program that supports the CPUC-approved metrics.	SoCalGas did not include a list of metrics since it is believed fulfillment of these metrics are considered as contractual issues.
Small Business Enterprises	The CPUC encourages Small Business Enterprises (SBEs) to participate in these program solicitations. The RFA does not address SBEs nor encourages their participation.	The RFA should define SBEs and include a statement which encourages SBE involvement in the solicitation.	SoCalGas defined SBE and encouraged SBE involvement in the solicitation.
Preexisting Program Commitments	The RFA overview appears to be directing the bidder on how to design the program.	SoCalGas' Solicitation Plan (pp. 25-26) explains that for existing IOU-implemented programs, preexisting activities will transfer to the new implementer at a date agreed upon. SoCalGas should clarify its plans for the transition of any preexisting program activities.	SoCalGas communicated to bidders that preexisting program commitments will be addressed during contract negotiations.
Diversified Business Enterprises	The solicitation outreach resulted in a limited number of DBEs bidders and subcontractors.	In future solicitations, the IOU should proactively outreach to the bidder community through its Company's Diversified Business Enterprises (DBE) outreach efforts to increase the participation of DBE-qualified bidders either as a bidder or subcontractor.	SoCalGas actively promotes DBE subcontracting during contract negotiations.
Technology Priority Map (TPMs)	TPMs are an integral part of the GET program activities. TPMs should be developed by the implementer in collaboration with the IOU and other stakeholders.	The RFA should clearly state that the Bidders should include in their program design the development of CPUC-required TPMs.	SoCalGas indicated that as the Portfolio Administrator it had the final decision on what TPMs should be pursued.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Address All Significant Differences in Scores in Calibration Session	<p>During calibration, the evaluation automatically discussed any scores with a difference of three (3) or more points among individual scores.</p> <p>The scorecard had 25 unique scoring elements. Depending on the weight of a scoring element, 2-point deviations may be impactful to the overall score and ranking.</p>	<p>The IOU should discuss any differences among individual scores of 2 points or more. This allows evaluators to share their rationale supporting the assigned scores which leads to a better understanding of the bidder's responses and greater consistency among the evaluation team.</p>	<p>The IOU adjusted their scoring guidelines to allow evaluators to raise concerns over any score regardless of point deviation.</p>
Negotiations and Contracting			
Multi-year Treatment of Ongoing ET Projects	<p>The Statewide ET program has historically maintained a number of multi-year projects which can continue much longer beyond the 3-year cycle. The Contract is silent as it pertains to the closeout of multi-year projects that extend beyond the Contract cycle.</p>	<p>The Contract should address the potential for projects being extended past the 3-year contract term. Alternatively, parties should agree, in a future change order, as to how to support such projects that extend beyond the contract term.</p>	<p>IOU will address in the future if projects extend beyond the 3-year contract term.</p>
Annual Carryover of Committed Funds	<p>The Contract does not address carryover of financial commitments from year-to-year within and beyond the Contract period. It also does not define what it is considered a program financial commitment.</p>	<p>It is important to define financial commitments as part of the program Contract, or the program's Implementation Plan, especially given the nature and long-term potential of the ET work. The CPUC has established policies in place that provide adequate direction to the IOUs to address such funding commitment policies in the Contract or the Implementation Plan.</p>	<p>SoCalGas considers such funding policies to be set by the CPUC in the annual budget filing and it would be misleading to ICF to do so in the Contract.</p>

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Coordination Among Gas and Electric Statewide ET Program Implementers	There are likely to be opportunities for the new statewide ET program implementers to coordinate on assessments of gas and electric emerging technologies. Also, there may be opportunities to share and create effective practices among these implementers at the onset and during program delivery.	To take advantage of such potential opportunities, both the gas and electric program implementers should be encouraged to closely coordinate on ET project planning and, if applicable, project delivery.	The Contract encourages coordination among the two statewide programs. ¹⁶
Program Implementer Coordination with New Market Transformation Administrator	The ET program activities and outcomes may likely be linked to upcoming market transformation activities.	The statewide ET implementers should work collaboratively, continuously, and directly with the new market transformation administrator on future market transformation initiatives.	The Contract encourages coordination with the upcoming market transformation activities. ¹⁷

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: Emerging Best Practices	
Emerging Best Practice	IE Analysis
Evaluation Team Check-in Meetings	SoCalGas' evaluation team met on a weekly basis to check on the evaluators progress with their reviews. This encourages evaluators to conduct scoring at a reasonable cadence throughout the review period. These check-in meetings also provided an opportunity for evaluators to ask clarifying questions on the proper application of scoring criteria as they conduct their evaluations.
Screening for Program Design Eligibility	The program eligibility review was conducted by the IOU's program lead. The program eligibility review confirms abstracts meet the prescribed scope of work. This is an effective practice as it avoids the evaluation team from expending time and effort scoring an abstract that does not conform to the prescribed scope of work.
Collaborative Contract Negotiations	The IOU's collaborative approach to all aspects of contract negotiations including program delivery, terms and conditions, and, especially compensation led to more productive discussions among parties which resulted in a balanced contract.

¹⁶ Schedule B, Section 4.2.7, p. 62.

¹⁷ Schedule B, Section 4.2.5, pp. 61-62.

Table 1.3: Emerging Best Practices	
Emerging Best Practice	IE Analysis
DBE Promotion During Contract Negotiations	As a standard practice during contract negotiations, SoCalGas encourages bidders to look for ways to increase its DBE spend goals. SoCalGas also conveys its willingness to aid the implementer by providing a list of DBE-qualified businesses who provide general services that may support the program.
Contract Tracker Tool	SoCalGas employed a Contract Tracker tool which recorded parties' proposed changes and responses to the draft Contract throughout negotiations. The tool helped parties efficiently track proposed changes and record discrete agreements.
Program Eligibility Review	The program eligibility review is conducted by the IOU's program lead. The program eligibility review confirms each abstract met the prescribed scope of work. This is an effective practice as the evaluation team is not spending time and effort scoring an abstract that does not conform to the prescribed scope of work.

2. RFA Bidders Response and Selections

SoCalGas' solicitation design met the IOU's intended purpose to procure an innovative program that could cost-efficiently promote the timely introduction of new EE emerging technologies into the California program administrators' EE portfolios.

The solicitation conforms to the CPUC's requirement for a competitive, two-stage solicitation. The IOU made the final selection based on the merits of the proposal and prior to contract negotiations. The solicitation was conducted with oversight from its PRG and active monitoring of all solicitation activities by the IE.

2.1. RFA Development

The RFA design balanced the need for information to evaluate the bidder's abstract and the resource burden on the bidder in responding to the RFA. The RFA requirements limited bidders to nine (9) questions regarding their program abstracts. This was a significant improvement over previous RFA solicitations. The limited number of questions helped SoCalGas more effectively review abstracts while clearly identifying the stronger program designs and teams. The bidders were limited to specific word counts for each bidder question. Word counts for program design-related questions could have been increased as some bidders appeared to leave out some details in their responses. However, enough information was provided to clearly identify those bids which should be invited to the RFP stage.

2.2. RFA Outreach

Overall, the solicitation received strong interest from the targeted potential bidder pool. The solicitation outreach generated over 100 registered bidders on SoCalGas' procurement website (i.e., PowerAdvocate) interested in the initial RFA. The solicitation outreach relied on general awareness of SoCalGas' energy efficiency program solicitations to the bidder community through several announcements and IOU-specific workshops regarding SoCalGas' upcoming EE program solicitations. SoCalGas also posted general information onto its third-party solicitation webpage and the CAEECC website. Table 2.1 summarizes SoCalGas' actual abstracts received in response to the RFA.

In future solicitations, the IOU should proactively outreach to the bidder community through its Company's Diversified Business Enterprises (DBE) outreach efforts to increase the participation of

DBE-qualified bidders either as a bidder or subcontractor. Such efforts should also be made to encourage Small Business Enterprises (SBEs) which include local businesses, as defined by the CPUC for these solicitations.¹⁸

2.3. RFA Bidders' Conference

SoCalGas held a Bidders' Conference on February 19, 2020. There were 26 potential bidders who attended the conference. Potential bidders had ample time during the conference to ask questions. Bidders were also provided an opportunity after the bidders' conference to provide written questions. By February 26, 2020, SoCalGas had received a total of 18 questions covering an array of topics, including CPUC-approved emerging technologies sector metrics, DBE eligibility, public utilities involvement in program, eligible program activities, resource program definition, and eligibility of the ET program implementer for the upcoming market transformation administrator role. The IE was provided ample opportunity to review SoCalGas' draft response to each question prior to their release to the bidders. The responses were complete and accurate. SoCalGas provided responses to all bidder questions by March 4, 2020, which was within the acceptable timeframe recommended by the PRG.

2.4. RFA Bidders' Response

The table below summarizes the number of abstracts received in response to the request for abstracts released by SoCalGas. [REDACTED] bidders were disqualified because the bidders proposed resource-type programs which made the submission ineligible under the solicitation scope of work.

	Number
Abstracts Expected	[REDACTED]
Abstracts Received	[REDACTED]
Abstracts Disqualified	[REDACTED]

2.5. RFA Abstract Selection Process

A. RFA Bid Screening Process and Management of Deficient Bids

Prior to scoring the bidder abstracts, SoCalGas conducted a bid screening process which consisted of two threshold reviews: (1) minimum requirements (timeliness and completeness of submissions) and (2) program eligibility (consistency with the prescribed scope of work). The minimum requirement screening was conducted by SoCalGas' Supply Management group and the program eligibility review was conducted by the IOU's program lead. The program eligibility review confirms abstracts meet the prescribed scope of work. This is an effective practice as it avoids the evaluation team from expending time and effort scoring an abstract that does not conform to the prescribed scope of work.

All [REDACTED] abstracts passed the initial minimal requirements screening; however, [REDACTED] abstracts did not pass the program eligibility review as they were deemed outside the scope of the solicitation. All [REDACTED] abstracts proposed to promote a specific technology and did not respond to the RFA request for a program process that can identify and assess emerging technologies. The IE agreed with the IOU's assessment for both threshold reviews.

¹⁸ SBEs are defined according to Title 2, Section 1896.12, of the California Code of Regulations.

There were [REDACTED] CPUC EM&V consultants acting as either a bidder or a subcontractor in two bids. These were noted by SoCalGas and proposed firewalls were reviewed at the RFP stage. Ultimately, the selected program, ICF’s Statewide GET Program, did not include any CPUC consultants on its subcontractor team.

B. RFA Evaluation Team Profile

The SoCalGas’ evaluation team roster is listed below. The team consisted of experienced subject matter experts drawn from the IOU’s staff. There were no conflicts of interest reported by SoCalGas or its team members. SoCalGas held a group training session for the scoring team prior to evaluating the abstracts. The training included an overview of the RFA, conformance with the Company’s code of conduct including the conflicts of interest policies, IE and PRG roles, scoring criteria, and the scorecard.

Training included a detailed review of the scorecard and how it should be applied in the evaluation of the abstracts. SoCalGas did not perform a mock exercise of the scorecard due to the amount of effort and time it takes to create an exercise plan and the lack of viable examples to apply to such training. The IE believes SoCalGas’ detailed review of the scorecard and guidelines during the evaluator training session adequately substituted for a mock exercise. The tables below present SoCalGas’ evaluation team roster during the solicitation.

Number of Reviewers	Position Title	Position Role	Area(s) Scored
1	Manager	Supply Management	[REDACTED]
4	Customer Programs Advisor	Program Staff	
1	Program Advisor	Program Staff	
1	Supervisor	Program Solicitations	

C. RFA Scoring Rubric Design

Overall, the scoring rubric properly supported the evaluation of the abstracts received. The assigned category weights are consistent with the PRG recommendations. The following is the scoring rubric that was applied in the evaluation of the bidder’s abstracts.

Category	Weighting
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

The supporting scorecard was applied to nine (9) bidder questions. This level of questions were far less than previous solicitations which helped to reduce the burden on both the IOU’s evaluation team and, especially, the participating bidders. The number of questions was sufficient to identify the quality of the bidder’s abstract and to determine a shortlist at the RFA stage.

D. RFA Evaluation Process and Scoring Calibration

The IE monitored the RFA evaluation process including the team calibration meeting. The calibration meeting was held over a two-day period to address any significant differences among scorers for discrete scoring elements. During calibration, the evaluation automatically discussed any scores with a difference of two (2) or more points among individual scores. The IE considered this an effective practice.

In calibration, team members were encouraged to share how they applied the scoring rubric for a given score. Team members, at their own discretion, could adjust their initial score to correct for misapplication of the scoring guidelines or misunderstanding of the bidder's response. In certain instances, team members elected to adjust scores. All adjustments seemed reasonable and well-founded. The IE did not see any team member force their perspective onto others during the calibration. Discussions were well-reasoned, professional and at no time were any team members encouraged to change their score. The IE had no significant disagreements with the score team's assessment of the abstracts.

E. RFA Abstract Selections

The IOU relied on the final aggregate team scores to rank the abstracts. SoCalGas relied on the natural break among scores to create the bidder shortlist. SoCalGas' process was sound and reasonable and resulted in the IOU inviting those bidders who received the highest scores into the RFP stage. Specifically, SoCalGas elected to advance the top four (4) bids into the RFP stage. The IE supported this decision. The bid not advancing, [REDACTED], was thought to be too weak of a proposal and lacked an adequate team to deliver the program. [REDACTED]

The [REDACTED] ranked bid, [REDACTED], proposed a unique customer-centric engagement approach. Some evaluators were interested in the approach, especially with regard to stakeholder engagement, and were anxious to see a full proposal. It was reasonable to invite [REDACTED] to the RFP stage as it provided a reasonable showing and scored slightly above average. During the shortlist meeting with SoCalGas' management team, there was agreement that the RFP should seek more details on the proposed approaches to program processes and to the promotion of Emerging Technology Focused Pilots (ETFPs). [REDACTED]

2.6. PRG and IE Feedback to Abstract Process and Selection

Overall, SoCalGas was very receptive to all input provided by the IE and the PRG throughout the RFA stage.

A. Adherence to PRG RFA Guidance and Feedback

In support of the IOUs' energy efficiency program solicitations, the PRG created a PRG Guidance document which listed a variety of PRG recommendations regarding all aspects of the IOUs' solicitations including the RFA stage. The PRG Guidance document included over 80 discrete PRG recommendations regarding the RFA stage. As confirmed by the IE, the IOU incorporated all applicable PRG recommendations into the RFA materials and scoring rubric.

The CPUC's Energy Division, acting as a PRG member, provided an additional 57 comments. SoCalGas accepted each of these recommendations including the potential for the statewide ET program to support workpaper (aka, measure package) development of specific emerging technologies (e.g., Emerging Technology Focus Pilots).

B. Response to IE Feedback on RFA

The IE provided 97 discrete comments to SoCalGas on its draft RFA materials including the scoring rubric. The IE comments covered an array of topics such as improvements to the scorecard, allowing bidders to propose marketing budgets, and expanding the list of allowable program changes from the RFA to the RFP stage. All recommendations were accepted by SoCalGas except for four (4) recommendations related to the IOU funding contributions and the evaluation of bidder work experience, budgets, and ETFPs.

3. RFP Bidder Response and Selections

3.1. RFP Development

Overall, the RFP did not impose excessive requirements upon the bidder. The RFP balanced the need for information to evaluate bidder proposals with the burden placed on the bidder in responding to the RFP. The RFP included general instructions and a response form (narrative and data), along with the applicable CPUC standard and modifiable contract terms and conditions. SoCalGas also presented its proposed Company-specific terms and conditions for the bidder's consideration. SoCalGas asked bidders to provide responses to 17 questions and to populate program-related data in a workbook template. The RFP imposed reasonable page limits that allowed ample opportunity for bidders to provide a clear and complete response.

The IE provided 85 discrete comments and corresponding recommendations, all but eight (8) were all accepted by SoCalGas. The comments were primarily focused on improving the quality and compliance of the RFP's general instructions, narrative response form, and the scoring guide.

3.2. RFP Bidders' Conference

SoCalGas held an RFP bidders' conference on August 28, 2020. [REDACTED] bidders invited to the RFP stage attended. [REDACTED] did not attend. No reason was provided for their nonattendance. Attendance in the bidders' conference was optional. Invited bidders had ample time during the conference to ask questions. However, no questions were asked

during the bidders’ conference. Bidders were also provided an opportunity after the conference to provide written questions by September 4, 2020, and again by September 17, 2020. SoCalGas received a total of 13 questions from bidders regarding the schedule, subcontractors, marketing, community choice aggregators eligibility, pay-for-performance compensation, IOU administrative costs and gas and electric ET project coordination. The IE was provided an opportunity to review SoCalGas’ draft response to each question prior to release to the bidders. The responses were complete and accurate. The IE recommended minor adjustments to a few draft responses, and SoCalGas accepted the IE’s recommendations. SoCalGas provided responses to bidders on all questions by September 22, 2020.

3.3. RFP Bidders’ Response

All invited bidders responded to the RFP, including WEI who did not attend the RFP’s optional bidders’ conference. The table below summarizes the actual response to the RFP released by SoCalGas.

Table 3.1: Solicitation Response	
	Number
Proposals Expected	
Proposals Received	
Proposals Disqualified	

3.4. Proposal Selection Process

A. RFP Bid Screening Process and Management of Deficient Bids

SoCalGas implemented a bid screening process that was generally consistent with the approach presented to bidders in the RFP package. All proposals passed the bid screening review. The bid evaluation consisted of two parts: (1) a threshold assessment to determine the responsiveness of the proposal to minimum requirements; and (2) proposal content scoring (for proposals that meet the threshold assessment requirements).

SoCalGas first evaluated the threshold assessment criteria (Items A, B, and C) on a pass/fail basis, as presented below. Only proposals that received a “Pass” on the threshold assessment were evaluated for proposal content.

Threshold Assessment Criteria

- A. On-time submittal via PowerAdvocate
- B. Proposal responsiveness
- C. Bidder and proposed program are eligible if bidder meets the RFP requirements, and the proposal does not include the following:
 - Programs that solely target small and medium commercial customers;
 - Programs that solely target the public sector;
 - Unproven new technologies, tool development, research and development (R&D), or completion (market testing) of a product;
 - Demonstration, pilot or “proof of concept” projects, R&D prototypes, and limited production technologies that cannot support an effective EE program;
 - Other statewide EE programs or programs that overlap with statewide programs;
 - Programs that are primarily based on behavioral measures (Note – Resource program

- designs which include behavioral components are acceptable);
- Income Qualified EE programs;
- Programs that solely promote demand response programs;
- Non-EE programs/services and services that support other EE programs;
- EM&V consulting services and program support services; and/or
- Programs that overlap or duplicate the efforts of local government partnerships or regional energy networks.

B. RFP Evaluation Team Profile

The SoCalGas’ evaluation team roster is listed below. The team consisted of experienced subject matter experts drawn from the IOU’s staff. There were no conflicts of interest reported by SoCalGas or individual team members. SoCalGas held a group training session for the scoring team prior to evaluating the proposals. The training included an overview of the RFP, conformance with the Company’s code of conduct including the conflicts of interest policies, scoring criteria, IE and PRG roles, and the solicitation scorecard.

Number of Reviewers	Position Title	Position Role	Area(s) Scored
1	Manager	Supply Management	Social Responsibilities
4	Customer Programs Advisor	Program Staff	Program Design, Compliance, Skills & Experience
1	Program Advisor	Program Staff	Cost and Pricing
1	Supervisor	Program Solicitations	Cost and Pricing

C. RFP Scoring Rubric Design

As a non-resource program, the scoring rubric weighting for the Statewide GET Program solicitation was different from previous resource scoring rubrics. The weighting generally followed the PRG and the IE guidance. The following is the scoring rubric SoCalGas applied in the evaluation of the proposals received in the RFP stage:

Category	Weighting
[Redacted Content]	

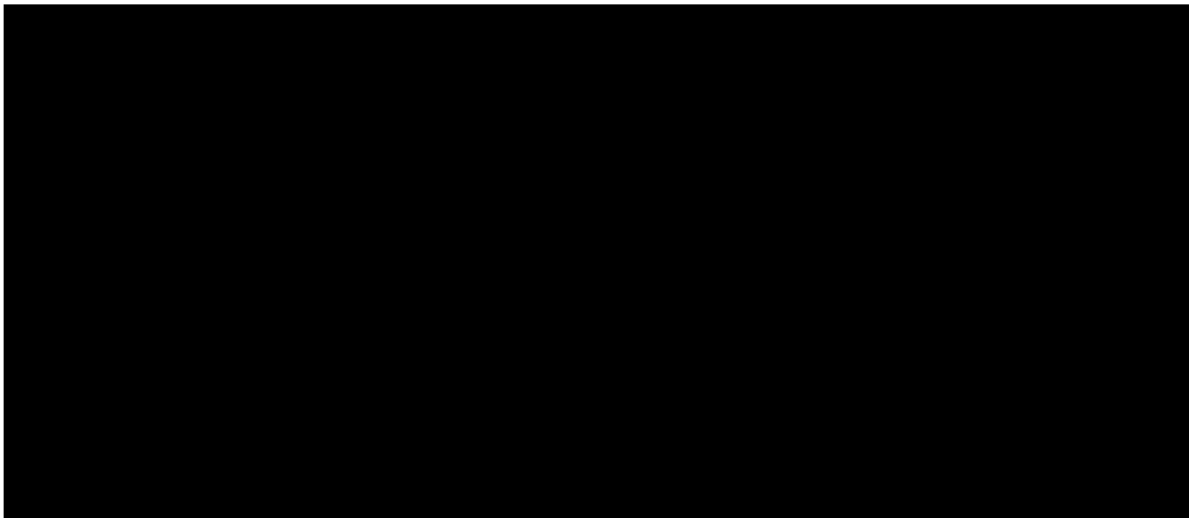
D. RFP Evaluation Processes and Scoring Calibration

SoCalGas applied the same scoring methodology to all proposals. No exceptions were made. All information provided by the bidders was scored as part of the evaluation process. The evaluation team completed its review and scoring by early November 2020. Overall, SoCalGas evaluation approach was neutral and conducted in a fair and transparent manner.

The evaluation team held calibration meetings on November 9 and 10, 2020. The IE monitored the RFP evaluation processes, including the team calibration meetings. The calibration meetings were

held to identify and address any significant differences among scorers for any of the discrete scoring elements. Team members were encouraged to discuss how they applied the scoring guidelines for a bidder response to a given scoring element. Data input errors were able to be discovered at that time. Team members, at their own discretion, were able to adjust their initial score to correct for misapplication of the scoring guidelines or misunderstanding of the bidder’s response. In some instances, team members elected to adjust scores. All adjustments seemed reasonable and well-founded. Discussions were well-reasoned and professional, and at no time was any team member coerced/encouraged into changing their scores.

Figure 2 below shows the bidders scores and ranking at the conclusion of the calibration process. The calibration process did not change the initial overall ranking of the proposals. The following are the final IOU post-calibration scores assigned to the four proposals evaluated:



E. RFP Shortlist and Final Selection

On November 12, 2020, SoCalGas held its final selection meeting. The evaluation team representatives presented the team’s final score and ranking. The team recommended that ICF be invited to contract negotiations as it was the highest ranked proposal. The IOU senior management agreed.

The IOU did not hold competitive contract negotiations nor did it opt to conduct bidder interviews. Per the IOU’s Solicitation Plan, SoCalGas invites only those bidders to negotiations that it intends to award a contract.

Table 3.4: Bids Received and Selected for Contract Negotiations		
Bidder	Selection	Program
ICF Resources, LLC	Yes	Statewide Gas Emerging Technologies Program

3.5. PRG and IE Feedback to Proposal Process and Selections

A. Adherence to PRG Guidance and Feedback

The PRG provided the IOU with the PRG Guidance document that included 114 discrete PRG recommendations regarding the RFP stage. As confirmed by the IE, the IOU incorporated all applicable PRG recommendations into the RFP materials and scoring rubric with exception of the two recommendations listed below:

Table 3.5: Response to PRG Feedback		
Issue	IE Recommendation	IOU Response
Request Bidder to Indicate a Preference for Pay for Performance-based Compensation	The PRG Guidance document requests that the IOU ask bidders to indicate whether they prefer pay-for-performance-based compensation.	SoCalGas believed that a pay-for-performance compensation was not applicable because the RFP scope required only non-resource program proposals and pay-for-performance may lead to undesired outcomes in an emerging technologies program.
RFP Scoring System Should Rely on a 1-5 Point Scale	The PRG Guidance document requests that IOUs use a 1-5 point scale system in the evaluation of the bidder's response to individual RFP questions.	SoCalGas employs a 5-point scale but uses a 0-4 point scale in lieu of the 1-5 scale.

B. Response to IE Feedback

The IE provided 85 discrete comments to SoCalGas on its draft RFP materials and corresponding scoring rubric. The IE comments covered an array of topics such as solicitation scheduling, program metrics, targeted customer groups, DBE status, disadvantaged communities, scorecard, key performance indicators (KPIs), and budget. Many of the recommendations were accepted by SoCalGas, except for the following recommendations:

Table 3.6: Response to IE Feedback		
Issue	IE Recommendation	IOU Response
Allow Bidders to Correct Simple Administrative Errors as Part of the Proposal Submittal Process	<p>The RFA explained that SoCalGas will reserve the right to seek clarifications to bids during the RFP stage. The RFP did not repeat this statement.</p> <p>The process should be restated in the RFP. By the RFP stage, the bidder has invested significant time and resources to submit a proposal. Simple administrative errors made by bidders should be addressed as part of these clarifications. Bidders should be given the opportunity to address such errors as long as it does not improve the program presentation nor present an advantage over other bidders. SoCalGas should create an internal process on how</p>	<p>SoCalGas position remains to not allow for administrative errors to be corrected after the deadline, to be fair to other bidders who followed instructions and checked their files before submitting.</p> <p>The reference in the RFA was applicable to cost-effectiveness showings which were not applicable to this non-resource program solicitation.</p>

Table 3.6: Response to IE Feedback		
Issue	IE Recommendation	IOU Response
	and when the IOU could seek such clarifications (i.e., curing process).	
Program Compliance	The compliance question was asked in the RFA. This question should be removed from the RFP.	SoCalGas retained the compliance-related question because SoCalGas is not carrying over RFA scores.
Quality Control	As part of the quality control process, the bidder should be asked to describe how they intend to confirm customer eligibility as it pertains to ETFPs. This provides an understanding of the bidder’s overall quality assurance environment.	SoCalGas believed this level of detail could be determined during program implementation when the GET implementer develops a scope of work for an ETFP; it cannot be answered meaningfully at the RFP stage.
Milestone-based Project Approval and Monitoring	Parties agreed to a milestone-based approach which results in active oversight and discrete project approval by the program administrator which could appear to limit ICF’s ability to deliver the program, however, given the nature of the non-resource program activities the oversight appears reasonable. During the initial program set-up and delivery, the CPUC’s Energy Division should closely monitor how effective the IOU milestone-based monitoring and approval process.	The IOU is supportive of the CPUC’s oversight responsibilities.

4. Contracting Process

SoCalGas held contract negotiations solely with ICF regarding its Statewide Gas Emerging Technologies (GET) Program. The second highest ranked bidder, [REDACTED] was put on notice that if contract negotiations failed with the winning bid that they may be called into contract negotiations. This never happened since SoCalGas and ICF agreed to a final contract.

4.1. Contract Negotiations

After the initial Contract meeting in December 2020, SoCalGas held weekly meetings with ICF from January 2021 through April 2021 to discuss various aspects of the Contract with a special emphasis on program design and delivery as this was the first time the statewide program would be delivered by a third-party provider. Scheduling weekly meetings in advance helped both parties maintain a good pace throughout contract negotiations as it required both parties to respond timely to emerging issues. SoCalGas also employed a Contract Tracker tool which recorded parties’ proposed changes and responses to the draft Contract throughout negotiations. The tool helped parties efficiently track proposed changes and record agreements. The tool should be considered an effective practice.

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.¹⁹ This enables the IOU to share its understanding of its customers and prior program implementation experience with the selected bidder to optimize the program offering. This is also the time for the bidder to share greater levels of program details and to address any concerns that the IOU may have regarding the program design and delivery. The Statewide ET Program was originally developed by IOU staff and delivered by IOU engineering staff for the past several decades in California. The IOU staff has a very deep understanding of the challenges and opportunities throughout the program’s end-to-end process. This was valuable in helping ICF refine its program delivery approach during negotiations.

The IOU and the bidder discussed various program and contract elements including sector metrics, workpaper development, compensation approach, standard project milestones, preexisting ET projects, IOU support services, technical advisory group, the new statewide ET portal, technology transfer, project dissemination, and DBE spend goals. Below is a summary of key negotiated items:

Table 3.7: Key Contract Negotiation Topics	
Topic	Discussion and Agreement
CPUC-Approved ET Sector Metric Achievement	SoCalGas conveyed its expectation that the Program must directly achieve, or support the reporting of, the CPUC-approved emerging technologies sector metrics. Unlike other programs, the Statewide ET Program is the only program that exists within the CPUC’s defined ET sector. As a result, the Program’s activities and the program administrator’s oversight are solely responsible for the achievement of the ET sector metrics. As presented in the final Contract, both parties have agreed to incorporate many of these sector metrics as key performance indicators. ²⁰ Also, the Program will support the reporting of achievements of the remaining sector metrics. ²¹
Workpaper Development	SoCalGas set expectations with ICF that workpapers (aka, measure packages) need not be part of every technology assessment. The IOU indicated that the individual emerging technology project plans will identify whether workpaper development or support will be a prescribed task. Both parties agreed to this approach in the development of all ET project plans including ETFPs. ²²
Compensation	

¹⁹ Conclusion of Law 57.

²⁰ Attachment 8, Table 3, pp. 91-94.

²¹ Attachment 1, Section 3.3., pp. 73-74.

²² Schedule B, Section 3.2, p. 51.

²³ Schedule C.

Table 3.7: Key Contract Negotiation Topics	
Topic	Discussion and Agreement
	[REDACTED]
Standard Project Tasks	SoCalGas and ICF agreed to a standard set of project tasks (or milestones) that would be applied to all ET projects regardless of their size or complexity. ²⁴ This standard approach allows parties to set consistent tracking and reporting structures. Also, it serves as a foundation for much of the implementer’s compensation.
Management of Preexisting ET Projects	The IOUs have been implementing the Statewide ET program since its inception in 2002. The program tends to have multi-year ET projects that may extend beyond the funding cycle. The Contract is silent regarding a transition plan for previous statewide ET multi-year projects. SoCalGas indicated that such projects are financially committed to other vendors and work would continue under those vendors and managed by the IOU until completed. It is likely the other funding IOUs will take the same approach. Also, in its bid, ICF did not propose to transfer preexisting activities into their new program. The approach to have the IOUs continue to manage these preexisting projects is reasonable and, also, recognizes the multi-year nature of the statewide ET program.
IOU Support Services	Parties discussed whether there was a need to have IOU support services both basic and enhanced. Both parties agreed that there would be minimal support services required based on the limited engagement with the customers. Per the Contract, basic IOU support services (e.g., marketing support, account management support, etc.) would be available to ICF as needed. ²⁵ Enhanced support services were considered but deemed unnecessary by both parties.
Technical Advisory Group	In its bid, ICF proposed to form a Technical Advisory Group (TAG) consisting of program representatives, industry associations, and technology subject matter experts to provide broad level market and technology perspectives to help ICF define customer/market needs, identify technologies that meet those needs, and provide specific information to help guide research efforts. Parties discussed how the TAG would be formed and how members would be compensated (e.g., time and expenses such as travel). Parties agreed that an offer to compensate members would be extended only where needed. The TAG outreach, maintenance, and compensation budget was set at [REDACTED] over the life of the program. Additional details regarding the TAG will be provided in the program manual appended to the program’s Implementation Plan.
Statewide ET Portal	Much discussion occurred among parties regarding the newly IOU-developed and managed Statewide ETCC web portal. SoCalGas shared the capabilities of the new portal with ICF. SoCalGas clarified that both the electric and gas IOUs intend to monitor discrete ET projects through this portal. The IOU-managed portal will also serve as a public repository of past ET project outcomes. The Emerging Technologies Coordinating Council (ETCC) portal

²⁴ Schedule B, Section 3.2, p. 49.

²⁵ Attachment 2, pp. 78-81.

Table 3.7: Key Contract Negotiation Topics	
Topic	Discussion and Agreement
	will not be supported by ICF so there is no funding for this activity in the Contract budget. ICF agreed and proposed to work with the IOU to enable the transfer of any necessary program data from ICF’s internal tracking system to the IOUs’ new portal. The portal could be viewed as part of program implementation but with the addition of a project management tool to monitor ongoing program activities, parties agreed that it was reasonable to retain under the program administrative role.
Technology Transfer	Parties discussed how ICF will make recommendations for technology transfer or knowledge transfer to targeted audiences. In its bid, ICF proposed to address technology transfer through a new Business Model Canvas technique that identifies pathways to ensure the successful deployment of new technologies by defining items critical for launch including market potential, recommended incentive structure, identification of channel partners, list of key product attributes including non-energy benefits, and recommended marketing/outreach strategies to the program implementers and SoCalGas. Parties agreed that each ET project plan will address the technology/knowledge transfer to the IOUs’ program portfolios. ²⁶
Project Dissemination	Parties discussed whether and how project results would be shared with the targeted audience. The Contract defines project dissemination as a communication effort to increase the overall knowledge and awareness of emerging technologies and/or ET program activities (e.g., project results/deliverable). Parties agreed to include a discrete plan for dissemination of project results as part of each individual ET project plan. Overall, the Contract recognizes that such outreach performed by ICF may extend across multiple stakeholders (e.g., program implementers, program administrators) and IOU service territories.
DBE Goal	As part of its proposal, ICF initially set a DBE spend goal at ~9% of its Contract spend. During contract negotiations, SoCalGas encouraged ICF to increase the DBE goal, if they could. This request to actively encourage higher levels of DBE spend in contract negotiations is a standard practice by the IOU which should be considered an effective practice in all contract negotiations. ICF responded by increasing the DBE goal to ~21% by including Resource Innovations (RI), a woman-owned business, as a subcontractor. The DBE will assist ICF in project dissemination activities. [REDACTED] SoCalGas had no issue with RI as a subcontractor to ICF.

B. Fairness of Negotiations

Overall, the contract negotiations were fair and transparent. The negotiations were well-managed by the solicitation lead and actively supported by the IOU’s program manager. SoCalGas and ICF agreed to extend contract negotiations an additional month to address various programmatic issues. Due to the unique complexities associated with the statewide, non-resource program, the IE and the PRG supported the extension of time.

²⁶ Schedule B, Section 4.4.1, pp. 64-65.

Much of ICF's initial program design remained intact with the most impactful change relating to the incorporation of the IOUs' newly redesigned Emerging Technologies Coordinating Council (ETCC)²⁷ portal that will be used by the IOUs to track the progress of ongoing ET projects and to act as a repository for past ET projects. As explained by SoCalGas, the statewide ETCC portal provides the IOUs the ability to meet CPUC compliance reporting requirements. The IE notes that the IOU should have shared with bidders in the RFA and RFP materials that the collective IOUs planned to revise the existing ETCC portal to monitor ongoing ET project activities.

Also, the IOU should have announced in the RFA and RFP how it was planning to treat preexisting ET projects. ICF correctly assumed only new work would be performed under the Contract but this could have easily been addressed in the solicitation materials.

[REDACTED] ICF explained that it was mostly concerned with the frequency of compensation payments over the course of the Contract term. Given the long-term nature of most ET projects this was a reasonable concern. [REDACTED]

[REDACTED]

ICF proposed a paid internship directed at both college and high school students as part of program delivery. SoCalGas shared its concern regarding an internship directed at high school students and the added protections required to manage under-age students. ICF agreed and removed the high school students from the internship offering.

The following are changes to the budget and key program activities as a result of the contract negotiations. SoCalGas recommended a reduction in the number of program goals due to the limited number of gas-related emerging technologies. The overall program budget is shown below, however, discrete ET project budgets will be negotiated as part of the development of the various ET project plans.

²⁷ ETCC is a collaborative of seven member organizations, each with emerging technology assessment responsibilities within their organization and a common mission to help fulfill California legislative and policy objectives.

Table 4.1: Proposed vs. Final Agreement		
	Proposed	Contracted
Budget	██████████	██████████
Total No. of Technology Priority Maps (TPM)	22	2
Total No. of ET Projects	71	31
Total No. of ETFPs	5	1
Outreach Events	20	5

C. Changes to Contract Terms & Conditions

To be compliant with CPUC directives, SoCalGas provided the bidder with both the standard and modifiable CPUC terms and conditions at the start of contract negotiations.²⁸ The IE reviewed all documents and confirmed that the CPUC’s terms and conditions are included in the agreement. The IOU proposed a set of additional terms and conditions. These additional terms do not conflict with the CPUC standard terms and conditions as SoCalGas included an additional contract term which clarified that the CPUC standard and modifiable terms and conditions take precedence over other potential conflicting terms in the Agreement. All terms and conditions were agreed to by the IOU and the bidder.

The IE also reviewed the Contract against the PRG’s Contract Checklist and found no issues with SoCalGas’ contract. The IE reported the results of this review to the PRG at the onset of contract negotiations.

D. Conformance with CPUC Policies and Objectives

The table below provides a summary of how the program elements align with those CPUC policies and other PRG recommendations that 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, 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 4.1.C.
Contract must include all CPUC standard (non-modifiable) contract terms in the contract (6.1.2)	See Section 4.1.C.
Contract includes CPUC modifiable contract terms as a starting point. (6.1.3)	See Section 4.1.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 4.1.C.
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	Confirmed. IE was informed of the process and

²⁸ Decision 18-10-004, OP 7.

Table 4.2: Contract Alignment with CPUC Policies and Objectives	
PRG Guidance and Other Considerations	IE Response
to the IE/PRG for review (6.2.1)	approach to the contract.
IEs should monitor all bidder communications during the negotiation process (6.2.2)	Confirmed. IE was included in all bidder communications and attended all meetings.
IOUs should explain its contracting process to selected bidders (6.2.3)	Confirmed. The IOU explained the contracting process to the bidder at the initial meeting.
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.
Reasonable number of KPIs.	Confirmed. There are 6 KPIs addressing program management, 4 KPIs related to project performance, and 7 KPIs supporting the CPUC-sector metric achievements. Since the program is classified as non-resource and represents the entire offering in the ET sector, the number of KPIs is reasonable.
KPIs make sense in terms of measuring, scale, timeframe.	Confirmed.
Contract includes appropriate performance issue remedies.	Confirmed. Contract identifies process to remedy performance issues in Attachment 8, Section 1.2 of the Contract.
Contract clearly addresses Support Services.	Confirmed. Attachment 2 of the Contract presents Support Services offered by the IOUs.
Innovative aspects of the program are retained.	Confirmed. Retains technical advisory group, six sigma process, optional workpaper development, focus on internships for disadvantaged workers in Disadvantaged Communities, and collaboration with applicable program implementers.
If applicable, IDSM components are included.	Not applicable.
If applicable, program considerations for Hard-to-Reach (HTR) and Disadvantaged Communities (DAC) are incorporated.	Confirmed. Section 3.2 describes program plans to consider the needs of HTR and DAC customers as part of the program's technology screening process.
Changes proposed by the IOU and the Implementer were reasonable and fair.	Confirmed.

E. Uniformity of Contract Changes

The IOU negotiated only one contract with one bidder.

4.2. Final Selection

Consistent with the IOU's approved Solicitation Plan,²⁹ SoCalGas made its final selection based on the outcome of its evaluation and ranking of all the proposals. ICF's proposal ranked the highest of all bids and as a result was invited to contract negotiations. The decision was supported by the PRG and the IE.

4.3. Contract Execution

²⁹ Southern California Gas Company's Energy Efficiency Solicitation Plan, Section V.C, Program Solicitation Approach.

The Contract between SoCalGas and ICF was fully executed on June 24, 2021. Upon CPUC approval of the executed Contract, the Contract will be effective and ICF may begin initial program tasks which includes the development of the program’s Implementation Plan.

Table 4.3: Executed Contracts		
Bidder	Contract Duration	Program
ICF	36 months	Statewide Gas Emerging Technologies Program

4.4. PRG and IE Feedback to Contracting

The IOU sought and considered PRG and IE feedback throughout the contracting process. As stated previously, SoCalGas’ standard contract agreement met each of the prescribed PRG contracting recommendations. The IE actively monitored all contract negotiations. The IOU also met with the IE when needed to discuss emerging contracting issues. Many of these issues are presented in Section 4.1 of this Report.

SoCalGas presented the status of contract negotiations to the PRG at the monthly PRG meeting. The IE also presented a comprehensive list of emerging issues to the PRG at the monthly meetings. Throughout the contract negotiations period, the PRG provided input to SoCalGas on discrete issues as presented in Section 4.1 of this Report. The IOU was responsive to most items. In future solicitations, the IOU should share more details with the PRG on specific contracting issues throughout the course of negotiations.

5. Assessment of Final Contract

The final Contract complies with all specific CPUC directives related to third-party contracts including the incorporation of all standard CPUC terms and conditions without modification.

The final Contract represents a program that addresses the IOU’s stated scope to procure an innovative non-resource program that can: (1) identify natural gas emerging technologies that can deliver cost-effective energy savings; (2) ensure that program administrators and program implementers receive actionable market information to inform program delivery; and (3) help technology manufacturers understand what measures are needed in the IOUs’ EE program portfolios.

The final KPIs and the ET project milestone structure allows the IOU to actively monitor key elements of program management and performance including supporting the achievement of CPUC-adopted ET sector metrics.

The final Contract represents ICF’s original program design. The final program should be considered third-party proposed, designed, and delivered consistent with CPUC’s definition of a third-party program. Parties agreed to a milestone-based approach which results in active oversight and discrete project approval by the IOU which could appear to limit ICF’s ability to deliver the program, however, given the nature of the non-resource program activities the oversight appears reasonable. During the initial program set-up and delivery, the CPUC’s Energy Division should actively monitor the collaboration among the IOU and the implementer during the ET project planning process to confirm roles are maintained among administrator and implementer.

5.1. Bid Selection Respond to Portfolio Needs

The selected Statewide GET Program, designed by ICF, directly responds to the collective IOUs’ portfolios and customer needs. SoCalGas sought to procure a non-resource program with an innovative design, a cost-efficient implementation, and an approach that would lead to the timely introduction of new EE emerging technologies into the EE program portfolios. Additionally, SoCalGas sought a program implementer that could perform several program activities such as technology screening, assessment, and dissemination, as detailed in Section 1.1.B of this Report. ICF’s Statewide GET Program addresses each of these desired outcomes through an innovative offering which relies on a collaborative approach to engage technical subject matter experts and a technical advisory group of interested stakeholders that provide feedback throughout the program’s end-to-end process.

5.2. Bid Selection Provide the Best Overall Value to Ratepayers

A. Introduction

The Statewide GET Program received the highest overall score in the competitive solicitation. SoCalGas’ selection of ICF’s Statewide GET Program was based on an established scoring rubric. SoCalGas determined that the ICF proposal provided the best overall value to ratepayers and, most importantly, the best opportunity for success. The IE monitored every aspect of the solicitation including the IOU’s evaluation leading up to SoCalGas’ final decision. Based on this monitoring, the IE agrees with SoCalGas’ decision that ICF’s Statewide GET Program provides the best value to the IOUs’ ratepayers.

B. Program Description

The Statewide GET Program is designed to identify and bring commercially available gas efficiency technologies promptly to the IOUs’ energy efficiency program portfolios. The GET Program is structured to support measurable increases in technology adoption by rapidly identifying, screening, and advancing promising natural gas technologies through the ET cycle and into the program portfolios. Achieving higher levels of adoption is crucial for program administrators and implementers to meet energy savings goals cost-effectively. The GET Program relies on a collaboration with targeted markets and technology actors to: (1) identify and screen technologies, (2) identify and verify key market barriers to emerging technologies adoption, and (3) develop strategies to overcome such barriers. Program delivery involves three distinct phases as presented below.

Phases		Activities
Phase 1	Technology Screening	The initial input into the process incorporates information and perspectives from the entire technology value chain (from technology developers/manufacturers to the end use customer) to ensure there is a viable marketplace for each technology.
Phase 2	Technology Evaluation	Involves the overall process of managing technology evaluation including preparing Technology Priority Maps (TPMs), screening potential new technologies, and evaluating technologies following the Six Sigma phases of Define, Measure, Analyze, Design, and Verify.
Phase 3	Market Readiness	Provides a Dissemination Plan for each proposed and initiated ET project that outlines next steps towards integration into energy efficiency programs including, but not limited to workpaper development, industry outreach and communication and program implementer training.

C. Budget and Cost-Efficiency

The Statewide GET Program budget is well within the CPUC cost category targets established for the aggregated third-party program portfolio. Nearly 97 percent of the program budget will support direct implementation activities, as presented below:

Table 5.2: Program Budget by Cost Category

Cost Category	2021	2022	2023	2024	Total	% of Total Budget
Administration						
Marketing						
Implementation						
Incentive						
Total Budget						

SoCalGas requires ICF to fully commit each of its annual budgets by the end of each calendar year.³⁰ However, the Contract does not define a program financial commitment nor does it address carryover of financial commitments from year-to-year within the contract period. Also, the Contract is silent as it pertains to closeout of multi-year projects that extend beyond the contract cycle. The IE notes that previous Statewide ET programs have historically maintained a number of multi-year projects which spanned over and beyond a 3-year cycle. It is important to define financial commitments as part of the program especially given the long-term nature of the ET work. SoCalGas considers such funding policies to be set by the CPUC in the annual budget filing and believes it would be misleading to ICF to do so in the Contract. The IE believes the CPUC has established policies in place that provides adequate direction to the IOUs to set such program funding commitment definitions in either the Contract or in the program’s Implementation Plan. The IE notes that the CPUC EE Policy Manual defines a financial commitment as:

Committed funds are not considered “unspent funds,” and need not be spent during that particular program cycle so long as there is an expectation that the activities will be completed and that the committed funds are spent to complete the activities for which they were committed.³¹

At a minimum, approved multi-year ET projects appear to fall under this definition.

D. Expected Program Performance

As a non-resource program, the Statewide GET Program does not have assigned energy savings performance goals. Instead, the program directly supports the achievement of the CPUC-directed ET sector metrics and targets. As presented below, the program performance goals and targets are directly linked to many of these ET sector metrics. Also, with certain CPUC-directed metrics, the source of the metric inputs (e.g., ETP-T3 - % of new codes or standards that were previously ETP technologies) will not be under direct control of ICF. In such instances, ICF will support the reporting of these remaining metrics to SoCalGas.³²

The CPUC set combined gas and electric ET metrics and targets. SoCalGas, in coordination with

³⁰ Attachment 8, Table 3, p. 92.

³¹ EE Policy Manual, Version 6.0, Section II.6.

³² Attachment 1, Section 3.4, pp.74-75.

the electric IOUs, allocated these targets among the gas and electric ET programs based on funding contribution and future ET efforts. The following gas ET targets are assigned to the GET Program as discrete targets as presented below.

Table 5.3: Program Goals and Targets					
Deliverable	2021	2022	2023	2024	Total
ETP-M1: Number of TPMs initiated including one technology-focused pilot (“TFP”) TPM	0	1	1	0	2
ETP-M2: Number of TPMs updated	0	0	1	1	2
ETP-M3: Number of Projects Initiated	0	8	14	9	31
ETP-M4: Number of outreach events with technology developers with products <1 year from commercialization, including new technology vendors, manufacturers, and entrepreneurs.	0	2	2	1	5
ETP-M5: Number of outreach events with technology developers with products <5 years from commercialization, including new technology vendors, manufacturers, and entrepreneurs	See ETP-M4				
ETP-M6: Number of projects initiated with cooperation from other internal IOU programs associated with each Technology-focused Pilot	0	0	1	0	1
ETP-M7 Number of Technology-Focused Pilot (TFP) initiated as part of the TFP TPM	0	1	0	0	1
Annual GET Program Report	0	1	1	1	3
Draft GET Final Program Report	0	0	0	1	1
Final GET Final Program Report	0	0	0	1	1
Assumed Program Launch Date	December 2021				

E. Disadvantaged Communities and Hard-to-Reach Customers

As part of the ET project screening process, the Program will consider emerging technologies that may assist hard-to-reach (HTR) customers and disadvantaged communities (DAC). Technology assessments and TPMs will include a section focused on specific needs to increase adoption within DACs and HTR customer groups. Also, the technology evaluation process will include criteria to help HTR and DAC customers realize benefits from the new technologies (e.g., incentive structures such as direct installation to increase customer installation).

F. Disadvantaged Worker Policy

As with the ICF’s approach to HTR and DAC, the GET Program’s technology evaluation process will include criteria that considers workforce education and training needs to facilitate training of disadvantaged workers and opportunities to increase employment of disadvantaged workers (e.g., installation and maintenance support of new technologies).³³

The GET Program will offer paid internships to community college students that meet the CPUC’s disadvantaged workforce eligibility requirements. Internships will be offered each program year to

³³ Schedule B, Section 3.2, p. 52.

college students enrolled in an engineering discipline. ICF believes this complements the CPUC's efforts to promote economic mobility for disadvantaged workers while helping build a clean energy workforce.³⁴

G. Workforce Standards Policy

The Contract requires the implementer, and its subcontractors, to comply with all applicable CPUC workforce standards as part of program delivery.

H. EM&V

The IOU and implementer are required to provide a detailed EM&V Plan as part of the final Implementation Plan.³⁵ The Contract requires the implementer to provide an Implementation Plan within 60 days of CPUC contract approval.

I. Compensation Structure

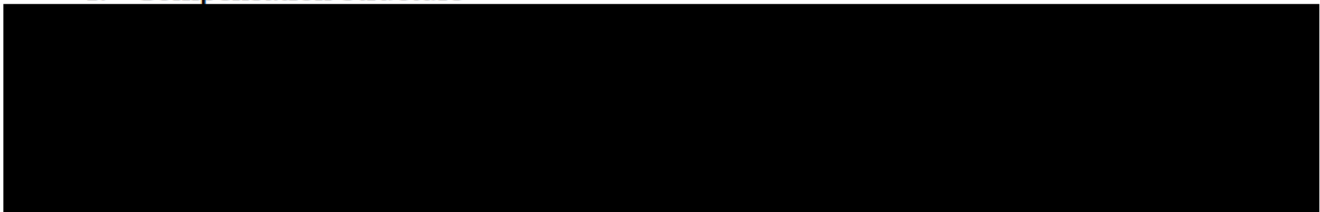
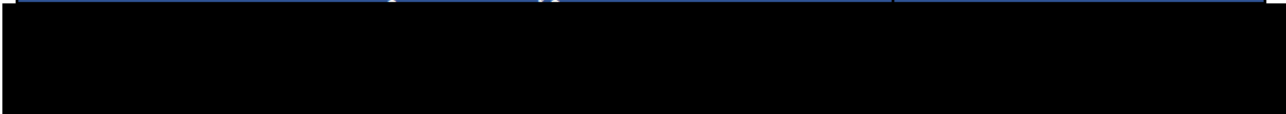


Table 5.4: Compensation Structure – Energy Efficiency Budget

Compensation Type	% of Contract Value
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For ET projects, a standard set of milestones will be universally-applied to each ET project as listed below. The first standard milestone, Project Kick-off, will identify the specific project plan that will include a project budget that will be negotiated and agreed to by SoCalGas and ICF. SoCalGas will review and approve each discrete milestone prior to compensating ICF. This approach is expected to create safeguards against non-performance while providing the implementer an opportunity to receive consistent compensation throughout the Contract term. Parties intend to make this a collaborative process. To this end, the ED should actively monitor the ET project planning phase to confirm the implementer has the ability to deliver its program and is not treated as a vendor by the IOUs.

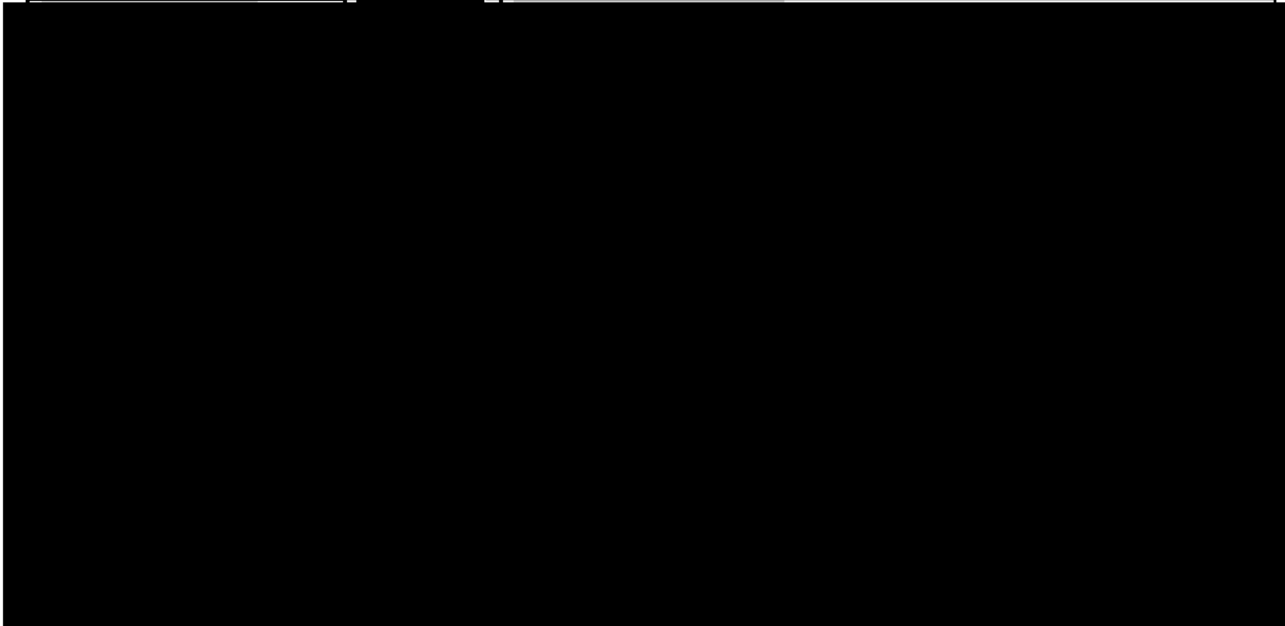
Table 5.5:

³⁴ Id.

³⁵ Implementation Plan Template, Version 2, p. 9, dated January 2020.

Table 5.5:

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The activities within each project size are expected to vary as listed below.

Table 5.6: ET Project Sizes	
Project Size	Activities
Small	Lab evaluation, market study, paper study
Medium	Demonstration showcase, field evaluation
Large	Scaled field placement, Emerging Technology Focused Pilots

J. Innovation

The Statewide GET Program offers several new, innovative design elements that focus on improving stakeholder collaboration, evaluation processes, technology transfers, disadvantaged worker promotion, and HTR/DAC outreach strategies, as presented in the table below:

Table 5.7: Program Innovations	
New Relationships with Different Stakeholders	To assist with identifying, evaluating, and/or introducing ET's, the program is based around a highly collaborative environment to provide input and guidance throughout the process.
Improved Evaluation Processes	The program's end-to-end process applies Six Sigma principles that rely on a data driven strategy for designing processes.
Improved Technology Transfer	Technology transfer uses a Business Model Canvas strategic management tool that identifies a pathway to ensure the successful deployment of new technologies by defining items critical for an ET launch including market potential, recommended incentive structure, identification of channel partners, list of key product attributes including non-energy benefits, and recommended marketing/outreach strategies.
Disadvantaged Workforce	The program will offer internships to college students that meet the

Table 5.7: Program Innovations	
Development	CPUC’s disadvantaged workforce requirements defined in Decision 18-10-008.
Disadvantaged Communities and Hard-to-Reach Customers	The program will filter potential technologies with a lens toward the needs of disadvantaged communities and hard-to-reach customers.

6. Overall Assessment of Solicitation

SoCalGas’ conduct and management of the Statewide Gas Emerging Technologies program solicitation was fair, equitable, and transparent. As required, the IE reviewed and monitored the IOU’s solicitation process, valuation methodologies, selection processes, and contracting to confirm that a fair, unbiased, and transparent competitive process was conducted that was devoid of market collusion or manipulation.

The selected Statewide GET Program will be replacing three long-standing, IOU-implemented gas emerging technologies programs originally developed over three decades ago.³⁶ These prior programs typically relied on a network of vendors directed by the IOU to support key program activities (e.g., assessment). The new GET Program will rely on one third-party implementer to deliver all aspects of the newly created program. The Program is designed to achieve measurable increases in technology adoption by rapidly identifying, screening, and advancing promising natural gas technologies through the ET cycle and into the program portfolios. ICF, the program implementer, will implement new innovative strategies designed to gather stakeholder input/ support in the assessment and dissemination of these new emerging technologies.

The Contract identifies annual budgets over a 36-month period. The potential of carrying over unspent funds from year-to-year will be addressed as part of the IOUs’ annual budget planning process. The Contract does not define a program financial commitment. Defining these commitments is key to identifying whether unspent/committed funds can be carried over from year-to-year within (and beyond) the Contract period. To avoid potential misunderstandings among the implementer and the administrator, the program’s Implementation Plan should specifically define the program’s financial commitments.

The collective IOUs are planning to maintain a revised ET online portal to monitor the progress of both gas and electric ET projects delivered by the new ET program implementers. The portal will also continue to be the repository for previous ET projects. Given the long-term nature of ET project activities that may extend beyond any implementer’s contract term, it is reasonable to have the IOUs maintain a consistent statewide portal.

[REDACTED] This limits ratepayer financial exposure if an ET project fails to meet its expected deliverables throughout the project’s duration. The approach also places the IOUs in a position to actively monitor and approve ET project process. Depending on the collaboration among the implementer and the IOUs, this may create a good balance between IOU program administration and third-party program implementation. In contrast, this new IOU-implementer partnership should avoid the IOU-vendor

³⁶ [History | ETCC \(etcc-ca.com\)](https://www.etcc-ca.com/history)

relationship of past statewide ET programs. The CPUC's Energy Division, who is tasked with active oversight of all statewide program activities, should closely monitor the ET project planning and implementation activities during the initial program delivery phase to confirm that the collaboration between the IOU and the implementer is balanced and allows the implementer the necessary flexibility to deliver its program and to achieve its goals.

There are likely to be opportunities for the new statewide ET program implementers to coordinate on assessments of gas and electric emerging technologies. Also, there may be opportunities to share and create effective practices among these implementers at the onset and during program delivery. To take advantage of such potential opportunities, both the gas and electric program implementers should be encouraged to closely coordinate on ET project planning and, if applicable, project delivery. For example, common approaches to dissemination should be created for the benefit of other program implementers in the IOU program portfolios. Finally, the statewide ET implementers should work collaboratively, continuously, and directly with the new market transformation administrator on future market transformation initiatives.