

**SAN DIEGO GAS & ELECTRIC COMPANY  
2021-2026 ENERGY SAVINGS ASSISTANCE (ESA) PROGRAMS**

**UPDATED ENERGY SAVINGS ASSISTANCE SOLICITATION PLAN**

**Table of Contents**

Updated Solicitation Overview .....	2
Solicitation Timeline and Budget .....	2
Overview of Solicitation Stage .....	3
Stage 1: Request for Proposal.....	3
General Contract Scope and Bidder Eligibility Requirements .....	5
Step 1: Bidder Selection .....	5
Procurement Review Group (PRG) and Independent Evaluator (IE) .....	6
Vendor Outreach and Training .....	6
Program Overview for ESA Pilot Plus/Pilot Deep 2.0.....	7
1. ESA Pilot Plus/Deep 2.0 Program.....	8
Additional Information for ESA Pilot Plus/Pilot Deep 2.0 Program .....	9

## **UPDATED SOLICITATION OVERVIEW**

On June 23, 2022, San Diego Gas & Electric Company (SDG&E) filed a Rule 16.6 request for an extension of time under the California Public Utilities Commission – (Commission or CPUC) to comply with Ordering Paragraph (OP) 42 and Attachment 2 of Decision (D.) 21-06-015 (Decision) to implement the Staff Proposal for the Energy Savings Assistance (ESA) Program Design Concept on a Pilot Basis; the Pilot Plus and Pilot Deep, required by the beginning of third quarter 2022, due to an insufficient number of responsive proposals based on qualifications, requirements, and/or scores. On June 30, 2022, the CPUC Executive Director authorized SDG&E's extension request from the beginning of third quarter 2022 to the end of the second quarter of 2023.

As described herein, SDG&E will be conducting a new solicitation to implement the ESA program initiative for the Pilot Plus/Pilot Deep Program, as directed in D.21-06-015. This Solicitation Plan document is being updated to provide the general information consistent with what is outlined in D.21-06-015 to inform interested third parties about the general requirements for participating in SDG&E's solicitations for program implementers.

SDG&E plans to conduct a new ESA Program solicitation in Q4 2022 for the following:

1. ESA Pilot Plus/Pilot Deep 2.0 (also called the Energy Division Staff Pilot)

Pursuant to the Decision, SDG&E will solicit and administer, the ESA Pilot Plus/Pilot Deep 2.0, which will cover only SDG&E's service territory.

SDG&E will provide an open, fair, and competitive process to select the best programs for customers and provide third parties the opportunity to participate and be successful.

## **SOLICITATION TIMELINE AND BUDGET**

SDG&E's Solicitation Plan for the Pilot Plus/Pilot Deep 2.0 is shown below.

To ensure continuity and accessibility, SDG&E will continue current programs that have not been replaced by new third-party programs to ensure customers have access to low-income programs and services during the solicitation period. Program Implementation for the new Pilot Plus/Pilot Deep 2.0 program will begin in 2023.

Figure 1 below illustrates the proposed schedule for SDG&E's Pilot Plus/Pilot Deep 2.0 solicitation and Table 1 provides the proposed annual budget. The ESA Pilot Plus/Pilot Deep 2.0 will cover SDG&E service territory, and SDG&E will be the sole administrator.

Additional details on the schedule are included below in the section titled "Overview of Solicitation Stage."

**Figure 1: SDG&E’s Pilot Plus/Pilot Deep 2.0 Program Solicitation Timeline**

YEAR	2022				2022			2023	2023	
Quarter	Q3			Q4	Q4			Q1	Q1	Q2
Month	July			November	November			January	January	April
ESA Pilot Plus/Pilot Deep 2.0	RFP Prep/Workshop/Advice Letter/Bid Package				RFP Release/Bidder Development/Scoring			Interviews and Contract Negotiations		

**Table 1: SDG&E’s Program Budget<sup>1</sup>**

Solicitation Name	Targeted Budget
Pilot Plus/Pilot Deep 2.0	\$7,633,415

**OVERVIEW OF SOLICITATION STAGE**

This overview of the stage and various steps applies to the Pilot Plus/Pilot Deep 2.0. Any deviations or exceptions to the process will be detailed in the specific solicitations. Per D.21-06-015, SDG&E will utilize a single-stage RFP, followed by a two-step selection process.<sup>2</sup>

**Stage 1: Request for Proposal**

SDG&E will release the RFP through SDG&E’s Solicitation System. SDG&E will notify the public through a variety of avenues, including the CPUC service lists for relevant proceedings. A bidders’ conference will be held to answer questions related to the RFP. To the extent possible, SDG&E may accommodate requests for relevant data from RFP participants to enable them to design and propose the highest quality programs. Proposals will be evaluated by means of qualitative and quantitative criteria. The details of Stage 1 are outlined below. Note that the color coding for the RFP Preparation and RFP Solicitation corresponds to the color coding for the scheduled activities in Figure 1. SDG&E Solicitation Timeline above.

<sup>1</sup> The amount referenced is the amount authorized in D.21-06-015.

<sup>2</sup> D.21-06-015 at 355 and Attachment 4, Section 1.

**Figure 2: Request for Proposal**

RFP Preparation

SDG&E, with input from stakeholders to the RFPs, will include the following:

- Program Opportunity (vision, design/delivery, intervention strategies, available measures, portfolio energy savings goals, customer-centric, optimization, quality, treatment levels)
- Program Overview
- Program Compliance
- Statement of Work
- Program Evaluation Measurement and Verification (EM&V) Standards / Guidance
- Terms and Conditions
- Submission Instructions
- Technical Requirements
- Diversity, Equity, and Inclusion
- Safety
- Other considerations

RFP Solicitation

Collect From Bidders:

- Program Proposal
- Program Overview and Deliverables
- Program Performance Metrics / Key Performance Indicators (KPIs)
- Program Pricing
- Company Information
  - Financials & Insurance
  - Qualifications & Experience
  - Relevant Licenses and Certifications
  - Supplier Diverse Business Enterprise (DBE) certification
  - Safety Protocols
  - Social Responsibility, including Supplier Diversity and Sustainability

## General Contract Scope and Bidder Eligibility Requirements

SDG&E understands that providing clear and consistent direction to stakeholders is critical to receiving quality proposals and implementing effective programs. Table 2 below provides samples of the types of information and requirement specifications that may be included in the solicitation package:

**Table 2: Overview of Sample Content Included in RFPs**

Sample RFP Content
<ul style="list-style-type: none"> <li>• Registration Requirements</li> <li>• Proposal Submittal Procedures and Requirements</li> <li>• Timelines, Milestones, and Deadlines</li> <li>• Bidders' Conference Detail</li> <li>• Proposal Evaluation Description</li> <li>• DBE Goals and Commitments</li> <li>• Sustainability Questionnaire</li> <li>• Cybersecurity Review Status</li> </ul>

At the RFP stage, the instructions will include a sample version of the contract documents to be negotiated and executed by a successful participant in the solicitation process. The standard form will include General Terms and Conditions, which consist of commercial and regulatory terms that are required regardless of product or services being procured. Although there may be variations between the Investor-Owned Utilities (IOUs), SDG&E's typical contract contains the following terms, but other information may be included depending on the program requirements:

1. Obligations of the Parties
2. Contract budget
3. Contract term
4. Payment structure
5. Specific Condition requirements
6. Program KPIs
7. Annual budget and performance review

### Step 1: Bidder Selection

Prior to being fully reviewed and scored, each third-party proposal must pass a minimum compliance review to ensure the following: Bidder eligibility, that the proposal addresses all requested information, and that the information is accurate, complete, and meets SDG&E's applicable standards as set out in the Solicitation RFP. This generally includes providing a complete Contractor Safety Plan and describing how the plan aligns with legislative and regulatory requirements. Proposals that pass the minimum compliance review will be evaluated using the remaining criteria that are applicable to the RFP.

Bidders will be evaluated, and based on their evaluated scores, selected Bidders may be invited to interview.

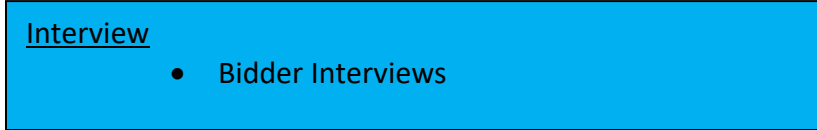
**Figure 3: Step 1—Bidder Selection**



**Step 2: Bidder Interviews**

Selected bidders are invited to answer specific questions and provide presentations during interviews.

**Figure 4: Step 2—Bidder Interviews**



After Step 1 and 2, and after the interview, a final Bidder(s) will be selected for the opportunity for contract negotiations.

**Procurement Review Group (PRG) and Independent Evaluator (IE)**

The Commission does not require the use of an ESA Procurement Review Group (PRG) and Independent Evaluator (IE) for all Low-Income solicitations. SDG&E has determined that given the cost, timing, and schedule constraints, SDG&E does not intend to use the PRG and IE process for the ESA Pilot Plus/ Pilot Deep 2.0.

**VENDOR OUTREACH AND TRAINING**

A prepared and informed bidder pool is foundational to the success of SDG&E's solicitations. SDG&E works with the other IOUs to seek vendor and stakeholder feedback, and incorporate lessons learned, to maximize outreach and education of potential participants in competitive solicitations. SDG&E will use multiple channels to ensure widespread notification of its solicitation and leverage the other IOUs' channels that SDG&E did not originally identify. SDG&E plans to prepare and educate the marketplace for the upcoming solicitation through multiple outreach channels and "bidders conferences." Such support will be especially valuable to new participants.

SDG&E plans to take the following actions and channels to increase market participation through an expanded reach for the ESA Pilot Plus/Pilot Deep 2.0 solicitation.

- Engage its Supply Management and Supplier Diversity departments to develop strategies to increase supplier pool and pre-qualify potential bidders to facilitate their participation in SDG&E's solicitation.
- Broadcast its ESA Pilot Plus/Pilot Deep 2.0 solicitation on the Energy Efficiency Proposal Evaluation and Proposal Management Application (PEPMA).<sup>3</sup> This website is used by the IOUs to announce current solicitations for Energy Efficiency program implementation and other services.
- Notice various CPUC service lists in proceedings that are related or impact the ESA income-qualified communities of the solicitation as it is released for bidding. Examples of these proceedings are Low Income (A.19-11-004 et al.), Energy Efficiency (R.13-11-004), Public Safety Power Shutoff (R.18-12-005), Disadvantaged Communities in San Joaquin Valley (R.15-03-010),<sup>4</sup> and others.
- Engage with various organizations to disseminate solicitation information to their members and stakeholders. Examples are Community Based Organizations (CBOs), Low Income Oversight Board (LIOB), Disadvantaged Communities Advisory Group, California Energy Efficiency Coordinating Committee (CAEECC), etc.
- Leverage channels that the other IOUs have identified that are not on SDG&E's list.

SDG&E intends to hold a vendor training workshop to provide prospective bidders general information on essential administrative requirements for successful participation in the RFPs. Presentations will include topics such as basic qualifications (e.g., what constitutes an acceptable bid, and qualification process); compliance requirements, such as cyber and third-party security review, data access requirements, and contractor safety requirements, discussed above; insurance requirements, and diverse businesses. The training will also include an overview of low-income program related resources and where to locate them, such as Statewide Energy Savings Assistance Program Policy and Procedures Manual, the Statewide Energy Savings Assistance Program Installation Manual, California Standard Practice Manual, and the ESA cost-effectiveness test (ESACET).

### **PROGRAM OVERVIEW FOR ESA PILOT PLUS/PILOT DEEP 2.0 SOLICITATION**

The following section provides an overview of the Pilot Plus/Pilot Deep 2.0 program that will be solicited with the goal of providing interested third parties with the information they need to effectively design programs that meet SDG&E's portfolio needs. This section describes how needs were determined by providing an overview of SDG&E's vision and goals, followed by a summary of potential opportunities to consider when designing new programs. Where applicable, SDG&E provides the savings targets it seeks to achieve over the course of the short-, mid-, and long-terms. More specific information related to the program will be included in the solicitation.

---

<sup>3</sup> PEPMA can be accessed at <https://www.pepma-ca.com/Public/Default.aspx>.

<sup>4</sup> R.15-03-010 is closed, however, the service list is still available on the CPUC's website.

**1. ESA Pilot Plus/Pilot Deep 2.0 Program**

The table below provides an overview of the ESA Pilot Plus and Pilot Deep 2.0 program.

**ESA Pilot Plus/Pilot Deep 2.0 Program Overview**

ESA Pilot Plus/Pilot Deep 2.0	
<b>Vision<sup>5</sup></b>	
Assist low-income customers in achieving energy savings of 5-50% by promoting equity, quality, and customer-centric solutions while optimizing total funding.	
<b>Goals<sup>6</sup></b>	
<p><u>Primary Goal</u>: Deliver Pilot Plus measure package with 5-15% savings, and Pilot Deep measure package with 15-50% energy savings</p> <p><u>Secondary Goals</u></p> <ul style="list-style-type: none"> <li>• Equity: Single-family, owner-occupied homes; Increase program participation opportunities to renters</li> <li>• Quality: Spend more on fewer households increasing the impact of the treatment</li> <li>• Customer-centric: A seamless low-income program delivery for the recipients with as many services provided in as few visits as possible, and greater customer satisfaction</li> <li>• Optimization: Reduction in program administration, duplicative costs, and burdens to ratepayers; Maximize total funding to go towards program measures that save energy and/or reduce ratepayer collection</li> </ul>	
<b>Opportunities</b>	
<p style="text-align: center;"><u>Trends</u></p> <ul style="list-style-type: none"> <li>• San Diego County sees only mild weather fluctuations over the year relative to inland counties.</li> <li>• SDG&amp;E residential customers have low electricity use compared to other IOUs.</li> <li>• San Diego County residential electricity usage spikes during late summer with a smaller peak in December and January.</li> </ul> <p style="text-align: center;"><u>Sector Overview</u></p> <ul style="list-style-type: none"> <li>• Targeting high usage CARE customers in climate zones 10, 14, 15</li> </ul>	<p style="text-align: center;"><u>Key Strategies</u></p> <ul style="list-style-type: none"> <li>• Targeting high usage homes with interval data analytics to reach anywhere from 5-50% energy savings</li> <li>• Investing in fewer homes increasing the impact of the treatment</li> <li>• New program models and financing to cost-effectively deliver comprehensive energy savings</li> </ul>

<sup>5</sup> D.21-06-015 at Attachment 2 (Guidance of the Energy Savings Assistance Program’s Pilot Plus and Pilot Deep Program [Program years 2021-2026]).

<sup>6</sup> *Id.*



<ul style="list-style-type: none"><li>• Approximately 26% of SDG&amp;E customers are qualified for SDG&amp;E's Low-income programs</li></ul>	
--	--

**Additional Information for ESA Pilot Plus/Pilot Deep 2.0 Program**

The SDG&E pilot program will include a full third-party solicitation process for implementation only. Program design will be developed by SDG&E. Program launch is expected to occur in Q2 of 2023.