



REQUEST for PROPOSALS

For

ENERGY EFFICIENCY PROGRAM POTENTIAL ANALYSIS

RFP Issue Date: February 13, 2009

Submittal Deadline: March 27, 2009, 5:00 pm Pacific Prevailing Time

1 PURPOSE AND SCOPE

The Northern California Power Agency (NCPA), in conjunction with the Southern California Public Power Authority (SCPPA), is accepting proposals from qualified consultants to provide research and analysis to support the update of (36) utility energy efficiency program targets over a ten year period.

The issuance of this Request For Proposals (RFP) does not constitute a commitment by NCPA, SCPPA, or its Members to enter into an agreement for services contract with any Respondent. NCPA and SCPPA reserve the right to revise, suspend, or terminate this RFP and any schedule related thereto at their sole discretion without liability to any Respondent.

2 DESCRIPTION OF NCPA AND SCPPA

NCPA is a nonprofit California joint powers agency established in 1968. Its Members are: the cities of Alameda, Bay Area Rapid Transit District, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, the Port of Oakland, the Truckee Donner Public Utility District, and the Turlock Irrigation District; and two Associate Members: Placer County Water Agency, and the Plumas-Sierra Rural Electric Cooperative. These Members serve nearly 700,000 electric consumers in Central and Northern California.

SCPPA is a joint powers authority and public entity organized under the laws of the State of California. Its Members consists of eleven cities and one irrigation district which supply electric

energy within Southern California, including the municipal utilities of the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District.

3 DESCRIPTION OF REQUEST

a) Background

In 2007, NCPA in partnership with SCPPA, and the California Municipal Utilities Association (CMUA) joined together to produce a report¹ on the establishment of energy efficiency program targets for a ten year period ending in 2016. The report was in response to California Assembly Bill 2021 (Levine), which was signed into law in September 2006. The report complied with Section 3 of the statute, which required each publicly-owned utility (POU) to *“identify all potentially achievable cost-effective electricity efficiency savings and shall establish annual targets for the energy efficiency savings and demand reduction for the next 10-year period.”* Additionally, POUs are required to update their annual targets every three years.

The report established energy efficiency targets for (33) of the (39) reporting electric utilities. The methodology used to establish targets was developed by the Rocky Mountain Institute (RMI), working under contract to NCPA.

RMI developed an Excel-based model based on the California Energy Efficiency Potential Study prepared by Itron in 2006 for California’s investor-owned utilities. Measure cost and savings from that study were imported into the RMI model. The model allowed for adjustments to reflect the specific characteristics of each POU territory. Additional detail regarding RMI’s methodology can be found in the 2007 report.

The next energy efficiency target report is scheduled to be delivered to the California Energy Commission by March 15, 2010. POUs need to revise and update their program targets through the year 2020. The targets will need to account for market and regulatory changes since the last report, including: energy savings achieved during 2007 and 2008, energy efficiency measure saturation/penetration study updates, state building efficiency standards updates from 2005 through 2020, and federal and state appliance standards updates from 2005 through 2020.

b) Scope of Work

The Scope of Work encompasses the (33) utilities that participated in the original report, as well as an additional (3) utilities who will participate in this current collaborative project. Together with NCPA and SCPPA, they comprise the Project Team.

¹ *Establishing Energy Efficiency Targets: A Public Power Response to AB 2021*, CMUA, Oct. 2007. <http://www.ncpa.com/energy-efficiency-reports.html>

The (36) utilities are:

- Alameda
- Anaheim
- Azusa
- Banning
- Biggs
- Burbank
- Colton
- Corona
- Glendale
- Gridley
- Healdsburg
- Hercules
- Imperial ID
- Lassen MUD
- Lodi
- Lompoc
- Merced ID
- Modesto ID
- Moreno Valley
- Needles
- Palo Alto*
- Pasadena
- Pittsburg
- Plumas Sierra REC
- Port of Oakland
- Rancho Cucamonga
- Redding*
- Riverside
- Roseville
- Santa Clara
- Shasta Lake
- Trinity PUD
- Truckee PUD
- Turlock ID
- Ukiah
- Vernon*

* *Did not participate in 2007 collaborative effort.*

Note that among these utilities, Palo Alto provides both gas and electric utility service to its customers and therefore the assessment for Palo Alto will need to include both gas and electric efficiency potential.

The Project Team is seeking a consultant to provide research and analysis to assess energy efficiency program potential, and to provide the necessary methodology and modeling tools that will enable each utility to establish aggressive, but realistic energy efficiency program targets for program years 2010-2011 through 2020-2021².

Task 1: Provide research and analysis to revise and establish each utility's energy efficiency technical, economic, feasible, and program potential.

The deliverable for task one includes a report that describes, in detail, the research and analysis approach used by the consultant. For each utility, the report will also provide one or more scenarios for the technical, economic, feasible, and program-level energy savings potential. The report must be completed by December 31, 2009.

The Respondent should be familiar with, or include in their market research, the following reports:

- California Energy Commission (CEC) 2007 Integrated Energy Policy Report
- *Achieving All Cost Effective Energy Efficiency for California*, CEC, Dec. 2007
- *Establishing Energy Efficiency Targets: A Public Power Response to AB 2021*, CMUA, Oct. 2007
- *Energy Efficiency in California's Public Power Sector*, CMUA, NCPA, SCPPA, Dec. 2006.
- *Energy Efficiency in California's Public Power Sector*, CMUA, NCPA, SCPPA, March 2008.
- *Assistance in Updating the Energy Efficiency Savings Goals for 2012 and Beyond*, Itron, submitted to the California Public Utilities Commission, Apr. 2008

² Most utilities begin their program year on July 1st, however several utilities operate their programs on a calendar year basis. Calendar year utilities will establish targets for 2010 through 2020 programs.

- CEC 2008 Building Energy Efficiency Standards for Residential and Nonresidential Buildings (Dec. 2008)

Additionally, the Project Team will make available to the selected Respondent the following data:

- Excel energy efficiency potential models for each of the (33) utilities who participated in the 2007 report.
- Energy efficiency potential reports for the following utilities: Palo Alto, Santa Clara, TID, and Redding.
- Utility forecast of retail sales for 2010 through 2020.

Task 2: Provide modeling tool(s) that allows each utility to customize, or select from one or more scenarios, the program energy savings targets.

The deliverable for this task is an Excel-based modeling tool. In addition to establishing program targets, the model should be capable of providing energy-savings supply curves and cumulative lifecycle energy-savings profiles. The modeling tool must be delivered by December 31, 2009.

Task 3: Provide regulatory support.

Include necessary regulatory support, including but not limited to participation in regulatory workshops and testifying in regulatory proceedings in Sacramento, CA. Regulatory support would occur no later than March 15, 2010.

Task 4: (Optional). Provide additional research, analysis and technical support to individual utilities.

After Task 1 and Task 2 are complete, provide additional support services to assist individual utilities on an as-needed basis. This may include but is not limited to: additional market research and analysis to refine program targets, analysis and recommendations to determine utility staff and resources needed to adequately support and achieve program targets, assistance with water conservation programs, or analysis and recommendations for optimal set of energy efficiency programs to sustain program performance and achieve goals over the entire ten year period.

4 SECURITY

NCPA and SCPPA will not post security, collateral, or other assurances for credit purposes for any reason whatsoever prior to or during the term of any agreement arising from this RFP.

Proposals that include or are contingent on NCPA or SCPPA providing security, collateral, or other assurances will be deemed non-responsive and will not be considered.

5 PROPOSAL SUBMITTAL REQUIREMENTS

All responses, questions, collateral, or communications shall be submitted to the following email address:

david.reynolds@ncpa.com

You may also direct questions to:

- David Reynolds, NCPA: (916) 781-4293
- Scott Tomashefsky, NCPA: (916) 781-4291
- David Walden, SCPPA: (626) 755-0843

NCPA and SCPPA, in their sole discretion, may reject any late or non-responsive proposal.

NCPA must receive all proposals with the appropriate attachments by electronic e-mail no later than 5:00 pm (PPT) on March 27, 2009.

Proposals, including pricing will remain binding on the Respondent through the date of completion of negotiations and NCPA Commission approval process (90 days). A duly authorized officer of the Respondent must sign the proposal.

None of the material received by NCPA from the Respondent in response to this RFP will be returned to Respondent. All materials and proposals submitted by the Respondent will become the property of NCPA and may be used by NCPA for the purpose of evaluating proposals, executing any agreements, regulatory hearings, and administering any resulting definitive agreements.

All responses that may arise from this RFP are considered commitments for use in developing the agreement between NCPA and the Respondent.

a) Proposal Required Elements

- i) Respondent information. Provide company name, address, telephone, name and title of primary contact person.
- ii) Scope of Work. Describe approach and methodology used for each of the Tasks described in Section 3 of the RFP.
- iii) Project Timeline. Provide a timeline for completing the scope of work.
- iv) Experience and Qualifications. Describe relevant knowledge, experience, skills and ability to implement the tasks listed in the Scope of Work.
- v) Project Organization. Provide a project management and organizational chart that highlights the key personnel responsible for managing and performing the Scope of Work. List the qualifications and experience of key personnel assigned to this project.
- vi) Pricing. The Budget allotted for performing tasks 1-3 of the Scope of Work is \$200,000. Provide labor and other direct costs by task. Tasks 1 and 2 shall be priced time and material, with a not-to-exceed price. Task 3 shall be priced time and material, and included under the project's total not-to-exceed price. For budgeting

6 PROPOSAL EVALUATION CRITERIA

NCPA and SCPPA shall determine, at their sole discretion, the value of any and/or all proposals including price and non-price attributes. NCPA and SCPPA reserve the right, without qualification, to accept or reject any or all proposals for any reason without explanation to the Respondent, or to make the award to that Respondent, who, in the opinion of NCPA and SCPPA, will provide the most value to NCPA and SCPPA Members.

NCPA and SCPPA will utilize the following criteria when evaluating the responses to the RFP:

- Knowledge, experience, skills, project organization, and ability to perform energy efficiency potential studies.
- Technical approach to establishing energy efficiency potential.
- Understanding of Project Team’s energy efficiency and demand response programs.
- Ability to provide competitive rates and pricing for services performed.
- Creativity in implementing the Scope of Work tasks within the prescribed budget.

7 GENERAL PROVISIONS

All information received by NCPA and SCPPA in response to this Request for Proposal is subject to the California Public Records Act and all submissions may be subject to review in the event of an Audit.

If the Respondent so specifies and clearly identifies portions of its proposal as “PROPRIETARY AND CONFIDENTIAL”, NCPA and SCPPA will make reasonable efforts to treat the marked portions as confidential information. Such information may, however, be made available under applicable State or Federal law. NCPA and SCPPA also reserve the right to release such information to its agents, contractors, or Member utilities for the purpose of evaluating a Respondent’s proposal. Such agents, contractors and Member utilities will be required to observe the same care with respect to disclosure as NCPA or SCPPA. Under no circumstances will NCPA, its Commission, SCPPA, its Board of Directors, managers, agents, contractors or Member utilities, be liable for any damages resulting from any disclosure of Respondent’s claimed confidential information during or after this RFP process.

Although NCPA and SCPPA are interested in meeting its needs by acquiring services that provide the greatest value to its Members, evaluation of a proposal does not constitute a commitment by NCPA or SCPPA to purchase any such services from any source. NCPA, SCPPA, and its Members are not obligated in any way to proceed with this RFP or consider or enter into any agreement or undertake any liability to any Respondent in connection with this RFP and any and

all proposals, whether qualified or not, may be rejected without any liability whatsoever to any Respondent on the part of NCPA, SCPPA, or any of its Members.

NCPA and SCPPA shall not be responsible for any costs incurred by Respondent to prepare, submit, negotiate, contract, or participate in this RFP process.

Those Respondents who submit proposals agree to do so without legal recourse against NCPA, its Commission, SCPPA, its Board of Directors, managers, agents, contractors or Member utilities for rejection of their proposal(s) or for failure to execute an agreement for any reason.

NCPA and SCPPA shall not be liable to any Respondent or party at law or in equity for any reason whatsoever for any acts or omissions arising out of or in connection with this RFP. By submitting its proposal, each Respondent waives any right to challenge any valuation by NCPA or SCPPA of any proposal of any Respondent or any determination of NCPA or SCPPA to select or reject any proposal of any Respondent or take any action contemplated by this RFP, including any right of a Respondent to intervene in any governing body proceeding for the purpose of protesting the selection or rejection this RFP, any proposal, any other decision of NCPA or SCPPA contemplated by this RFP or any resulting agreement related to a selected proposal. Each Respondent, in submitting its proposal, irrevocably agrees and acknowledges that it is making its proposal subject to and in agreement with the terms of this RFP and agrees that NCPA and SCPPA shall be entitled to specific performance of its rights hereunder and injunctive relief.