

DISCLAIMER: The Office of Energy Resources (OER) will be releasing an RFP in September 2023 for an Administrator of the State Energy Efficiency Programs with implementation beginning with the 2026 State Energy Efficiency Program Year.

OER is seeking public comments on the drafted RFP scope of work and budgeted tasks **but isn't requesting comments from any prospective bidders or subcontractors to bidders on this RFP.**

Any potential bidders or subcontractors to bidders that submit comments to OER **may be disqualified from submitting a proposal to this RFP.**



RFP - AGENCY SOLICITATION SPECIFICATIONS

HEADER

TITLE: STATE OF RHODE ISLAND ENERGY EFFICIENCY ADMINISTRATION

DESCRIPTION: THE RHODE ISLAND OFFICE OF ENERGY RESOURCES (OER) IS SEEKING A PROGRAM ADMINISTRATOR (PA) TO DESIGN, IMPLEMENT, AND REPORT ON THE STATE'S ANNUAL ENERGY EFFICIENCY PROGRAMMING.

PRE-BID/ PROPOSAL CONFERENCE: NO

Mandatory: NO

Date: TBD

Time: TBD

Location: Remote via Microsoft Teams

BONDING REQUIREMENTS

Bid Surety Bond Required: NO

Payment and Performance Bond Required: NO

CONTRACT TERMS

The contract period will begin approximately July 2024 and will continue through June 2030 with an option to extend the contract period for (an) additional 3-year program cycle(s).

Insurance Requirements (#14 in Instructions to Vendors on Requirements tab)

In accordance with this solicitation, or as outlined in Section 13.19 of the General Conditions of Purchase, found at <https://rules.sos.ri.gov/regulations/part/220-30-00-13> and General Conditions - Addendum A found at <https://www.ridop.ri.gov/documents/general-conditions-addendum-a.pdf>, the following insurance coverage shall be required of the awarded vendor(s):

General Requirements:

- 14a) Liability - combined single limit of \$1,000,000 per occurrence, \$1,000,000 general aggregate and \$1,000,000 products/completed operations aggregate.
- 14b) Workers compensation - \$100,000 each accident, \$100,000 disease or policy limit and \$100,000 each employee.
- 14c) Automobile liability - \$1,000,000 each occurrence combined single limit.
- 14d) Crime - \$500,000 per occurrence or 50% of contract amount, whichever is greater.

Professional Services:

- 14e) Professional liability (“errors and omissions”) - \$2,000,000 per occurrence, \$2,000,000 annual aggregate.
- 14f) Environmental/Pollution Liability when past, present or future hazard is possible - \$1,000,000 per occurrence and \$2,000,000 aggregate.
- 14g) Working with Children, Elderly or Disabled Persons – Physical Abuse and Molestation Liability Insurance - \$1 Million per occurrence.

Information Technology and/or Cyber/Privacy:

- 14h) Technology Errors and Omissions - Combined single limit per occurrence shall not be less than \$5,000,000. Annual aggregate limit shall not be less than \$5,000,000.
- 14i) Information Technology Cyber/Privacy – minimum limits of \$5,000,000 per occurrence and \$5,000,000 annual aggregate. If Contract Party provides:

- a) key back office services Contract Party shall have a minimum limit of \$10,000,000 per occurrence and \$10,000,000 annual aggregate;
- b) if Contract Party has access to Protected Health Information as defined in HIPAA and its implementing regulations, Personal Information as defined in in R.I. Gen. Laws § 11-49.3-1, et seq., or as otherwise defined in the Contract (together Confidential Information”), Contract Party shall have as a minimum the per occurrence, per annual aggregate, the total rounded product of projected number of persons data multiplied by \$25 per person breach response expense per occurrence; but no less than \$5,000,000 per occurrence, per annual aggregate; or,
- c) if the Contract Party provides or has access to mission critical services, network architecture and/or the totality of confidential data \$20,000,000 per occurrence and in the annual aggregate.

Other:

Specify insurance type and minimum coverage required, e.g. builder’s risk insurance, vessel operation (marine or aircraft):

- 14j) Other - Specify insurance type and minimum coverage required

SECTION A. BACKGROUND

In 2006, the Rhode Island General Assembly passed legislation that established the Comprehensive Energy Conservation, Efficiency and Affordability Act.¹ The Act created a groundbreaking mandate termed “least-cost procurement.” Least-cost procurement includes procurement of energy efficiency and energy conservation measures that are prudent and reliable when such measures are a lower cost than the acquisition of additional supply, including supply for periods of high demand.²

Under least-cost procurement, energy efficiency program budgets are developed to meet ambitious annual targets for electricity and natural gas savings, which are based on a detailed analysis of the amount of available cost-effective energy efficiency. To achieve the targets, “energy efficiency procurement plans” are developed and implemented annually, under the oversight and expert guidance of a stakeholder committee, the Energy Efficiency and Resource Management Council (EERMC) and are subject to Public Utilities Commission (PUC) review and approval.³ The plans are composed of a portfolio of energy efficiency programs targeting different market sectors of energy consumers: residential, income-eligible residential, and commercial and industrial.

In June 2023, The Rhode Island General Assembly passed legislation and Governor McKee signed into law requiring the Rhode Island Office of Energy Resources (OER) issue an RFP for a program

¹ System Reliability and Least-Cost Procurement Statute: <http://webserver.rilegislature.gov/Statutes/TITLE39/39-1/39-1-27.7.htm>

² Least Cost Procurement Standards (2023): https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-07/2307-LCP%20Standards_final.pdf

³ Ibid.

administrator (PA) of the state’s energy efficiency programming (gas and electric) through a competitive solicitation. The PA will be responsible for delivering energy efficiency services statewide for electric (507,515 customers) and gas (273,074 customers) ratepayers of investor-owned utilities in Rhode Island. This excludes the territories of the state’s municipal electric utilities, Pascoag Utility District and Block Island Utility District. The PA will be required to assume all duties and responsibilities described in RIGL 39-1-27.7 and the latest least-cost procurement standards. The PA will also be subject to all Public Utilities Commission (PUC) oversight as described in RIGL 39-1-27.7 and the latest least-cost procurement standards.⁴ The PA may deliver these services using its own staff or subcontractors or a combination thereof. The PA must also provide ongoing redesign and modification of these services and propose new services for review and approval by the PUC. The PA is responsible for gathering and compiling relevant data to demonstrate the effectiveness of its service implementation. Nothing shall prohibit the electric and/or gas distribution company from submitting a proposal to administer the state energy efficiency programs.

In 2021, the Act on Climate set mandatory, enforceable emissions reductions targets for the State of Rhode Island resulting in net zero emissions by 2050, with interim targets. Over 50 percent of Rhode Island’s emissions come from the use of electricity and natural gas; most predominantly from residential heating and electricity consumption. Energy efficiency programs shall be designed in alignment with the State’s Act on Climate mandates, including any future requirements that may be determined by OER or the PUC.

SECTION B: SCOPE OF WORK AND REQUIREMENTS

The PA’s primary responsibility will be the development, administration, and implementation of energy efficiency programming, with coordination and oversight with the EERMC and OER. The following sections provide the project objectives and define the scope of the PA's responsibilities, services, and business functions.

Upon contracting, the first approximately six months will be for establishing administrative processes, with the aim that the program planning and design will begin January 2025 with planning and implementation running through the 2029 program year. Each calendar year represents a distinct program year for which a plan must be designed, developed, implemented, and reported on. The contract period extends 6 months beyond the end of program implementation to carry out the vendor’s remaining administrative tasks and reporting requirements. Nothing in this request for proposals shall prevent the incumbent vendor from submitting a proposal for program administration.

PROPOSED TIMELINE OVERVIEW

Time	Activity
July – December 2024	Execute contract and develop admin processes
January – December 2025	Develop 2026 program annual plan with stakeholders

⁴ Ibid.

January 2026 – December 2026	Implement 2026 program annual plan, develop 2027 annual program plan, and develop three-year plan for 2027-2029
January 2027 – December 2027	Implement 2027 program annual plan and develop 2028 annual plan with stakeholders
January 2028 – December 2028	Implement 2028 program annual plan and develop 2029 annual plan with stakeholders
January 2029 – December 2029	Implement 2029 program annual plan, develop 2030 annual program plan, and develop three-year plan for 2030-2033
January 2030 – June 2030	Finalize programmatic reporting requirements and administrative tasks

Bidders must be prepared to design, implement, and access statewide energy efficiency programming that meets the requirements of least-cost procurement to procure energy efficiency and energy conservation measures that are prudent and reliable when such measures are lower in cost than the acquisition of additional supply. These plans are to be designed in line with the savings targets adopted by the PUC every three years.

The current energy efficiency programming provides services to the commercial and industrial sector, the residential sector, and the income-eligible sector. Municipal buildings, public facilities, and multifamily buildings are expected to be served through the appropriate sectors based on the building type. Any deviations from current sector classifications will need to be justified by the bidder. The State's goals and requirements for energy efficiency programming as defined in the least-cost procurement standards⁵ are that it will be:

- (1) Cost-effective;
- (2) Reliable;
- (3) Prudent;
- (4) Environmentally Responsible

The State is seeking bidders dedicated to programmatic equity across customer classes and geographic regions and ensuring equitable program development and implementation to support participation from disadvantaged and historically underserved communities.

The PA should approach the delivery of energy efficiency services with innovative and effective strategies to maximize energy savings, maximize program integration efforts, and promote market transformation. The PA should develop and maintain reliable administrative and monitoring procedures that will allow evaluation of the effectiveness of its efforts, provide a basis for program modification, and document its accomplishments. The successful bidder will possess both a proven capability to deliver energy efficiency services efficiently and effectively (via in-house staff, subcontractors, or a combination of both), and a demonstrated capacity to design and implement innovative approaches to securing energy efficiency improvements.

⁵ Ibid.

Thus, the State seeks a contractor to become the Energy Efficiency PA that will live up to the legislative intent while approaching its program objectives with the dedication, innovation, and creativity necessary to achieve the broad program goals.

The functions to be performed by the PA are grouped into three major tasks, outlined here:

- **General Administration**
 1. **Budgeting**
 2. **Financial Management**
 3. **Contract Management**
 4. **Dispute Resolution**
 5. **Information Technology, Data Collection and Management**
 6. **Required Reports**
- **Program Planning, Operations, and Implementation**
- **Program Transition Responsibilities**

General Administration

The PA is responsible for the development and monitoring of its own day-to-day management and operational systems. This includes: (1) budgeting; (2) financial management; (3) contract management; (4) dispute resolution; (5) information technology, data collection and management; and (6) preparation and submission of required reports.

1. Budgeting

The PA must develop, monitor, and manage its budget for its operation, within certain broad parameters established by the PUC that will be embodied in OER's contract with the PA vendor.⁶ These broad parameters may include spending requirements to address equity considerations.

At the start of operations, a detailed budget (shown on an estimated annual and three-year basis) must be developed and provided to OER, the Division of Public Utilities & Carriers (DPUC), the PUC, and the EERMC and be in accordance with the least-cost procurement standards.⁷ This detailed budget must be divided into the following areas: (1) general administration; (2) information technology ("IT") development and maintenance; (3) energy efficiency service delivery and monitoring, divided into residential, income-eligible, and commercial and industrial sectors, including public facilities; and (4) costs related to the transition from the current PA to the new one (this area applies to the transition period only).

⁶ Previous energy efficiency docket rulings and budgets can be found on the PUC's website:

<https://ripuc.ri.gov/events-and-actions/commission-docket>

(2023) <https://ripuc.ri.gov/Docket-22-33-EE>

(2022) <https://ripuc.ri.gov/eventsactions/docket/5189page.html>

⁷ Least Cost Procurement Standards (2023): https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-07/2307-LCP%20Standards_final.pdf

The PA must submit a revised estimated annual budget, showing the expected budget for each energy efficiency service area, for the following calendar year to OER, the DPUC, the PUC, the EERMC and each contributing distribution utility. The annual budgets will be subject to PUC review and approval. The PA should also include its proposed treatment of unspent budget amounts.

2. Financial Management

The PA must develop, implement, and maintain the necessary budgeting, invoicing, expenditure approval, payroll, and financial accounting systems to review, approve, and track budgets, invoices, rebates, and payments to subcontractors, program implementers, employees, and, in some cases, customers.

It must maintain financial and accounting records consistent with general accounting standards. The PA shall provide information and documentation required for independent audits, which the PA shall have performed on an annual basis.

Consistent with the specific terms of its contract with OER, the PA must prepare and submit detailed documentation and invoices for administrative, management, and program costs to the OER for review to receive payment. All invoicing data along with proper supporting documentation must be kept by the PA and made available to OER, the DPUC, the PUC, and the EERMC upon request. All invoicing data along with proper supporting documentation must be submitted to the OER annually where they will be managed and retained in accordance with the State's recordkeeping processes.

Note: Bidders' proposals must detail the tools and mechanisms they will employ to satisfy the financial management requirements.

Please be advised:

The PA is expected to maintain a clear, up-to-date log of all hours worked and how those hours were spent, broken down by task. For each relevant staff member of the PA, its partners, and/or sub-contractors, the PA is expected to provide monthly invoices to OER detailing all hours worked by each staff member (by task), their hourly billing rate, and total costs associated with each staff member. Each bill should summarize total billable time and costs across all relevant staff. Specifically, these invoices should be delivered to OER no later than the fifth business day of the month following the month for which work is being reported and billed.

3. Contract Management

The PA will solicit, hire and/or contract with all necessary staff and contractors to effectively perform the scope of services outlined in this RFP in accordance with the State's equal employment opportunity requirements.

The PA must maintain the administrative capability to manage these resources and ensure the completion of each task and sub-task effectively. The PA must develop and implement procedures to assign, monitor, review, and approve completed work, and to ensure contractors are compensated in a timely manner.

4. Dispute Resolution

In conjunction with OER and the DPUC, the PA will develop protocols according to which it will deal with complaints concerning performance of its responsibilities from customers and stakeholders such as electric and gas utilities, subcontractors, trade allies and program participants. The protocols must include notification to customers and stakeholders of their right to submit complaints to the DPUC for investigation. Dispute resolution shall be exclusively governed by and construed in accordance with the laws of the State of Rhode Island.

The PA will participate fully, promptly, and in good faith in these dispute resolution processes.

5. Information Technology, Data Collection, and Management

The PA must develop and maintain an information management system capable of the data collection, reporting, and monitoring tasks described within this RFP.

Data will be the property of the State of Rhode Island and must be organized in such a way that a third party could easily utilize necessary information for performing assessment tasks. Information in this system should include, but not be limited to, tracking data on participating customers and measures, trade allies, and program services, and general program operation, financial and management data, while maintaining appropriate levels of confidentiality. In addition, the system should have the ability to produce *ad hoc* reports for periodic information requests from OER, the DPUC, the PUC and the EERMC.

In the future, the State may request that the PA collect and maintain additional specific data elements for the purposes of reporting and evaluation. The PA will be held to the minimum specifications detailed in its initial proposal.

a. Managing Customer-Specific and Competitively Sensitive Information

The PA must develop and maintain systems that provide appropriate protections in the collection, processing, storage, and retrieval of information that is customer-specific or could provide an unfair competitive advantage to an entity delivering services outside of the energy efficiency programs approved by the State for PA implementation. The PA will be responsible for managing such systems and, when appropriate, providing the information to its employees, subcontractors, regulators, and distribution utilities. Accordingly, the PA must develop and maintain a process with clearly defined standards and safeguards to govern sharing of that information with subcontractors, OER staff, and distribution utilities to ensure customer confidentiality is maintained and entities are not provided an unfair competitive advantage.

b. Program Data Collection

The PA must collect and electronically compile data needed to implement, monitor, assess, and evaluate its program performance, to report on its activities, and to improve the design and delivery of the core programs. In their proposals, bidders must describe their methods for collecting the necessary data for program implementation and an overview of the data that they deem necessary for implementing their proposed program.

Data is to be submitted to the OER annually where it will be retained in accordance with the State's recordkeeping processes. Data from both subcontractors and employees should be collected and stored electronically in a consistent format in the following categories:

- Customer/Client Data;
- Customer Usage Data;
- Program Measures and Services Data;
- Trade Ally Data;
- Distribution Utility Account Data;
- Baseline and Market Indicator Data; and
- Other Data for Evaluation Purposes.

In addition, the PA will collect available customer-specific data from the distribution utilities.

c. Administrative and Financial Data

The PA will be required to keep records of administrative and financial data consistent with the needs outlined in the scope of work section of this RFP and with Generally Accepted Accounting Principles ("GAAP") as defined by both the Governmental Accounting Standards Board and the Financial Accounting Standards Board. This includes systems to track general project management, invoicing, payroll and subcontractor payments, and to produce the necessary reports for monitoring these duties.

6. Required Reports

The PA will be required to prepare and submit reports as described in the least-cost procurements standards.⁸

The PA will also be required to prepare and submit Monthly, Quarterly, and Annual Reports. Previous examples of quarterly and annual program reports can be viewed here: <https://rieermc.ri.gov/resources/> These standard formats should be designed so the reports build on each other to further minimize the administrative burden on the PA, (*e.g.*, financial comparisons shall have a similar format in the Monthly, Quarterly, and Annual Reports). Monthly Reports are easily expanded into Quarterly and Annual Reports through the addition of more comprehensive information. Reports must also include updates on year-to-date progress on all equity commitments made in approved plans. Report formats will be subject to OER review

⁸ Ibid.

and approval. The PA is expected to be responsive to reporting feedback provided by OER. The PA is encouraged to develop a public-facing dashboard to share programmatic data with stakeholders.

The PA will respond promptly and participate fully in the review of all Monthly, Quarterly and Annual Reports submitted to the State or its Contractors. The PA will be required to respond to data requests from OER, the DPUC, the PUC, and the EERMC when additional information is requested.

a. Monthly Reports

The PA will prepare and submit Monthly Reports to OER, the DPUC, the PUC, and the EERMC. These reports must include: (1) actual expenditures for administrative, information technology, and service delivery costs compared to the budget amounts; and (2) MWh and MMBTU savings estimates. Monthly Reports include numerical data that document progress toward achieving the PA's overall savings targets and are considered to be activity monitoring reports.

b. Quarterly Reports

The PA will prepare and submit Quarterly Reports to OER, the DPUC, the PUC, and the EERMC. Quarterly Reports must include: (1) actual expenditures for administrative, information technology, and service delivery costs compared to the budgeted amounts; (2) committed customer incentive payments as evidenced by a signed incentive contract that specifies that a future incentive payment will be made to a PA customer for energy efficiency measures; (3) report of progress made towards achieving savings targets, and other agreed-upon indicators of performance; (4) a summary of activity highlights for the quarter; and (5) a summary of any significant changes or anticipated changes in implementation strategies and services.

c. Annual Reports

The PA will prepare and submit Annual Reports to OER, the DPUC, the PUC, the EERMC, all distribution utilities, and the General Assembly. Annual Reports must include: (1) actual expenditures for administrative, information technology, and service delivery costs, compared to the annual budget (2) committed customer incentive payments as evidenced by a signed incentive contract that specifies that a future incentive payment will be made to a PA customer for energy efficiency measures; (3) a summary of progress and highlights for the year, including any significant changes in strategies or services and indirect savings acquisition activities; (4) report of progress toward achieving savings targets, and other agreed-upon indicators of performance; and (5) the annual savings claim, with adequate supporting data to meet the requirements of the State for verification by the PUC and DPUC.

d. Occasional Reports to Distribution Utilities

The PA will provide information to individual distribution utilities for planning and ratemaking purposes on a quarterly basis. The PA will provide each distribution utility with a list of active and completed large projects in its service territory.

In April and September of each year, the PA will provide each distribution utility with detailed information for distributed utility planning purposes.

e. Information Requests

The PA will respond in a timely and complete manner to any information or data requests regarding program budgets, expenditures, savings, and activities submitted by the OER, the DPUC, the PUC, and the EERMC.⁹

Program Planning, Operations, and Implementation

The PA will be required to manage, oversee, and implement energy efficiency programs to the existing customer classes directly or through subcontractors as it chooses. Important aspects of delivering these services include: (1) ensuring consistent and effective service designs; (2) using creative and effective marketing strategies; and (3) providing accessible and widespread program delivery. The PA must develop methods to ensure that the services and initiatives are meeting their adopted objectives, and that PA funds are being spent effectively. As a part of this process, representatives from the PA are required to attend monthly EERMC meetings in-person for stakeholder input and oversight of program development and implementation.

a. Planning of Program Offerings

The PA will have primary responsibility for the development and revision of program offerings, including discontinuing existing programs and offering new programs, when appropriate. On an annual basis the PA will review the programs offered and their effectiveness for the purpose of improving and modifying program designs. The PA will have broad discretion to design program offerings, provided all markets served by the existing programs continue to be served, and the PA is making appropriate progress towards achieving its performance goals, as specified in its contract with OER and approved by the PUC. Program offerings are to be updated based on evaluation, measurement, and verification study results and technical reference manual updates.

b. Annual Plan

Each year, the PA will prepare and submit an Annual Plan for the following year to OER, the DPUC, the PUC, the EERMC, and the distribution utilities by October 1, in line with the guidance and requirements of the least-cost procurement standards.¹⁰ These plans will be subject to a coordinated review by the State and PUC oversight and approval. The PUC will have the authority to modify, reject, or approve the Annual Plans. The Annual Plan will summarize the

⁹ Please review Docket 5189 as an example of previous information requests:

<https://ripuc.ri.gov/eventsactions/docket/5189page.html>

¹⁰ Least Cost Procurement Standards (2023): https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-07/2307-LCP%20Standards_final.pdf

PA's market intervention strategies, program offerings, emerging markets initiatives, and other planned implementation activities (including competitive solicitations, if any) for the coming year. These components should be presented as part of an integrated strategy for each of the three primary customer classes: Market-Rate Residential, Income-Eligible Residential, and Commercial and Industrial.

In developing each year's Annual Plan, the PA must consult with OER and the EERMC. Representatives from the PA are expected to attend monthly EERMC meetings to gather stakeholder input for the development of the Annual Plan. It should also make full use of the following information: (1) reports from the PA market assessment and evaluation activities undertaken by the PUC, DPUC, EERMC, and OER ; (2) the PA's formal Quality Assurance system (including participant satisfaction/feedback records); (3) feedback from subcontractors; (4) ongoing, informal feedback from individual participants; (5) ongoing solicited and unsolicited input from business, professional and trade associations, trade allies, and other groups that the PA interacts with over the year; and (6) the PA's knowledge of regional and national information regarding energy efficiency technologies and opportunities, program experience and evaluation results.

c. Three-Year Plan

Beginning in 2026, and every three years thereafter, the PA will prepare and submit a Three-Year Energy Efficiency and Conservation Procurement Plan to OER, the DPUC, the PUC, the EERMC, and the distribution utilities by October 1, in line with the guidance and requirements of the least-cost procurement standards.¹¹ These plans will be subject to a coordinated review by the State and PUC oversight and approval. The PUC will have the authority to modify, reject, or approve the Three-Year Plans. The Three-Year Plans will propose the PA's overall budgets, savings goals, and program strategies for the following three years.

In developing each Three-Year Plan, the PA must consult with OER and the EERMC. Representatives from the PA are expected to attend monthly EERMC meetings to gather stakeholder input for the development of the Three-Year Plan. It should also make full use of the following information: (1) reports from the PA market assessment and evaluation activities undertaken by the PUC, DPUC, EERMC, and OER ; (2) the PA's formal Quality Assurance system (including participant satisfaction/feedback records); (3) feedback from subcontractors; (4) ongoing, informal feedback from individual participants; (5) ongoing solicited and unsolicited input from business, professional and trade associations, trade allies, and other groups that the PA interacts with over the year; and (6) the PA's knowledge of regional and national information regarding energy efficiency technologies and opportunities, program experience and evaluation results.

d. Cost-Effectiveness Screening

¹¹ Least Cost Procurement Standards (2023): https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-07/2307-LCP%20Standards_final.pdf

The PA must assess the cost-effectiveness of efficiency measures and programs for both program design and delivery purposes according to the least-cost procurement standards¹² and the Rhode Island Test as described in [Docket No. 4600](#).

e. Technical Reference Manual

The Technical Reference Manual is a regularly updated, comprehensive list of all measure and program assumptions used in determining measure and program cost-effectiveness. The most recent [Technical Reference Manual](#) (TRM), current as of October 20, 2022, is available online. The PA will be responsible for establishing a new TRM and to maintain and update the TRM so that it contains current documentation on all measure and program assumptions in order to justify programmatic savings.

Changes to existing measure characterizations and program assumptions, and all assumptions for new measures and program offerings, will be coordinated with the EERMC and the DPUC. All changes will be documented in the TRM, including the basis for the new assumption. Annually, the PA will provide the TRM to OER, the PUC, the DPUC, the EERMC and the distribution utilities.

f. Customer Class Assessment Activities

The PA will collect, compile, and assess information on the characteristics and status of customer classes targeted by the existing programs. This information should include, for example, changes or expected changes in these markets, technology changes, design, and management strategies to increase energy efficiency, and the status and progress of PA-funded programs in capturing the potential for cost-effective energy savings, including addressing barriers for program nonparticipants. The PA will need this information to achieve its objectives, assess its performance, and recommend changes to programs. This information must be adequate to provide the basis for improving and redesigning programs. The PA should coordinate its information collection activities with the PUC, the DPUC, and the distribution utilities for information needs for future estimates of energy efficiency potential and monitoring and evaluation activities.

g. Manage Subcontractors and Service Providers

The PA will solicit, select, hire, and oversee employees and subcontractors to deliver energy efficiency services, and develop methods for managing the performance and compensation of service providers. The PA should place a high priority on developing methods and IT systems to assure coordination, integration, and joint promotion of efforts that are relevant to more than one customer class.

The PA will develop and oversee compensation levels and mechanisms for direct employees and for subcontractors and will collect and compile information for documenting performance. It will

¹² Ibid.

review, approve, and pay subcontractor, service provider, and other service-related expenses in a timely manner.

h. Quality Assurance

The PA will develop and maintain quality assurance standards and tracking and monitoring mechanisms for each initiative and for the entire PA effort as a whole, ensuring that both direct employees and subcontractors apply the quality assurance standards and methods set forth by the PA. These mechanisms must be submitted to the PUC for approval. The PA must ensure that such standards and tracking and monitoring mechanisms are operating effectively for all services and initiatives.

i. Performance Assessment

The PA will be responsible for collecting, maintaining, and providing information sufficient to assess program and market performance for the purpose of assessing its own effectiveness as well as the performance of its subcontractors, through third-party assessments. The PA will make this information available to OER, EERMC, PUC, DPUC, and independent evaluation firms.

Note: Program monitoring and ongoing assessment of service and initiative implementation effectiveness are the responsibility of the PA.

k. Program Marketing, Consumer Information, and Education

The PA must develop and implement a public and consumer information strategy to:

- (1) promote customer participation in and market awareness of PA services;
- (2) increase consumer, trade ally, and design professional awareness and understanding of the benefits of energy efficiency both for participants and non-participants;
- (3) increase consumer demand for energy efficient products and services; and
- (4) affect consumer decision-making in consumer-driven energy efficiency choices. At a minimum, the PA must provide:
 - (1) a toll-free number;
 - (2) a web page describing services available to customers and enrollment and application materials as applicable;
 - (3) effective customer response and referral procedures; and
 - (4) a system for addressing and resolving customer complaints promptly.

The PA will also develop and implement energy education and technical training services and

Initiatives necessary to achieve programmatic goals, which may include cooperative workforce development activities with Rhode Island educational institutions, vocational training, and continuing education.

l. Technical Assistance and Educational Support for Energy Code Activities

The PA will provide technical support and training regarding the residential and commercial building energy codes. The anticipated support includes, but is not limited to: (1) development, production and delivery of educational materials; and (2) development and delivery of workshops and professional training.

m. Develop Independent Funding Sources

The PA may facilitate the development of, and/or develop, independent energy efficiency funding mechanisms that leverage non-PA funds (such as grant funds), in line with any requirements of the least-cost procurement standards.¹³ Bidders should describe any previous experience managing programmatic funds from multiple sources, if applicable.

n. Coordinate Program Data Collection Activities

The PA will coordinate, manage, and secure required program data collection from subcontractors, distribution utilities, and other appropriate entities. The PA will ensure that data definitions, formats, collection, processing, storage, and retrieval procedures used by it and any subcontractors or agents are consistent and result in an integrated and easily accessible, set of data for all programs.

o. Coordinate with Existing Market Participants

The PA will coordinate its efforts with existing market participants, such as, but not limited to, vendors, builders, contractors, trade allies, trade associations, engineers, and design professionals, to more efficiently deliver energy efficiency services to Rhode Islanders. The PA's efforts in this area may include education and training of existing market participants, subcontracting for the delivery of energy efficiency services, cooperation regarding service delivery, or other means of coordination.

p. Coordinate with Other Energy Efficiency Activities

The PA will coordinate its efforts with other public and private energy efficiency efforts, at the state, regional, and national levels, to address challenges related to the adoption of cost-effective energy efficiency measures and practices. Other state, regional or national initiatives or organizations may emerge in the future. The PA will be expected to evaluate the potential benefits of those efforts and coordinate with and participate in them in a manner that is consistent with the Least-Cost Procurement legislation and standards.

¹³ Ibid.

The PA will be expected to coordinate their programming with State agencies on any federal funding coming to the State for efficiency and efficiency-related programming.

q. Coordinate with Distribution Utilities ("DU")

If the chosen PA is not electric and/or gas distribution company, the PA may coordinate with DUs on any energy efficiency programs DUs implement on their own behalf. These programs may include voluntary system-wide programs a DU may provide in its own service territory, or they may be a part of geographically targeted Distributed Utility Planning ("DUP") efforts by utilities.

When considering the application of programs or program technologies that might have a significant material impact on the integrity of a DU's transmission and distribution system, or a customer's facility, the PA will coordinate with the affected DU to determine whether power quality and power factor may be affected. If problems are identified, the PA will cooperate with the affected DU and/or customer to resolve the problem.

r. Support for Resource Planning and Program Evaluation Activities

The PA will provide the data and information necessary to support any State demand-side management (DSM) resource planning and evaluation activities.

The PA will also provide data and information support for the independent evaluation of the PA.

The PA will cooperate actively in the identification and prioritization of information needs, the exchange of information, and the timing of work products with OER, the DPUC, the PUC, the EERMC and other entities as necessary to effectuate strategic planning, multi-year program planning and budgeting, market assessment, and program evaluation.

Program Transition Responsibilities

a. Transition if a New Contractor is Selected

If a new contractor is selected, OER expects the winning bidder to work with the current PA to accomplish as smooth a transition as possible. The transition must be performed in an organized and efficient manner with a minimum of disruption to customers, vendors, trade allies, contractors, design professionals, and other energy efficiency service partners.

If a new contractor is selected to serve as the PA, it is critical that the winning bidder manage the transition from the PA's current service offerings to those the winning bidder proposes to offer, particularly if there are any significant differences between the two groups of services. This is important to minimize confusion among customers, suppliers, trade allies, vendors, design professionals, engineers, and other market actors.

Note: If bidders are proposing significant changes from the PA's existing service offerings, their proposals must contain a general description of how they intend to transition from the current

service offerings to the new ones. Bidders should be aware that the winning bidder will be required to develop a detailed transition plan, if a new contractor is selected to serve as the PA.

In addition, the winning bidder may fulfill the outstanding terms of existing customer contracts entered into by the current PA. This includes assuming the existing financial obligations and requirements of program delivery such as providing customer incentives, and technical and design assistance. Customer- and project-specific information will be provided to the selected bidder during contract negotiations.

Note: Bidders' proposals should explain their plans to accept and integrate these obligations into their own service delivery strategy.

Bidders should also be aware of existing loan programs since the terms of the loans may extend beyond the end of the current contract term.

b. Program Termination Transition

If the PA's role is terminated or transferred to another entity on any future date, the PA shall cooperate with and assist any such transition process. This obligation shall include without limitation, the sharing and transfer of data and management information systems and software.

SECTION C: PROPOSAL

1. Technical Proposal

Narrative and format: Vendors must submit a technical proposal which addresses each of the following elements and is limited to 60 pages (this excludes any appendices and as appropriate, resumes of key staff that will provide services covered by this request):

A. Staff Qualifications – Provide staff resumes/CV and describe qualifications and experience of key staff who will be involved in this project, highlighting their experience in program management and administration of energy efficiency services and incentives. Please also include individuals, either as staff of the main vendor, or a subcontractor, with experience in the following areas:

- successful delivery of efficiency services to low income, environmental justice, and otherwise disadvantaged communities
- clean technology workforce development, with a particular focus on recruitment and training of individuals from disadvantaged communities
- excellent communication with stakeholders and the community, to streamline incentive uptake and delivery.

B. Capability, Capacity, and Qualifications of the Vendor - Please provide a detailed description of the Vendor's experience as a PA, and/or provider of Efficiency-as-a-Service. List a minimum of three (3) relevant client references,

to include client names, addresses, contact names with emails and phone numbers, dates of service and type(s) of service(s) provided. Please provide financial records demonstrating the capacity to manage programs and budgets in line with recent energy efficiency programming.

C. Work Plan - Please describe in detail, how you propose to fulfill the functions of a PA for the state of Rhode Island. The following elements should be included:

- A proposed plan for performing the tasks denoted in Section B.
- Bidder visions for achieving LCP's core goals.

2. Cost Proposal

The cost proposal should include two components:

2. Budget Proposal
3. Budget Narrative

Bidders should use recent energy efficiency program incentive budgets as references for their cost proposals.¹⁴

The bidder's budget must include costs for the following:

- 1.) Customer support via phone service and email available at a minimum of Monday through Friday from 9am to 5pm EST.
- 2.) Maintaining a website that will represent the state's energy efficiency programs that will be subject to OER review and approval prior to launch.
- 3.) Attending monthly EERMC meetings in Providence from July 2024 through June 2030.
- 4.) Legal and programmatic manager staff time to attend the annual state energy efficiency docket proceedings before the Public Utilities Commission in Warwick, RI.
- 5.) Legal and programmatic manager staff time responding to data requests from the Public Utilities Commission, Division of Public Utilities and Carriers and other potential intervening parties.

The **Budget Proposal** must provide a proposed "not to exceed" time and materials budget for this engagement broken down by task and all the individual sub-components, activities, and services proposed in the Work Plan portion of the Technical Proposal. Please specify one-time start-up costs and ongoing operational costs in your budget proposal. This budget must be separated by calendar years. This budget must be presented in the Budget Template provided. Additionally, the budget must contain the hourly rates of each staff member working on the program administration. If the scope of work is significantly adjusted by OER during the contract, the budget for the Program Administrators can be renegotiated.

¹⁴ The 2022 Energy Efficiency Year-End Report is available through the PUC:

https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-06/5189-Energy%20Efficiency%20-%20Year-End%20Report%202022%20-%20PUC%206-1-23_1.pdf

Additional efficiency program plans and reports are available at: <https://ripuc.ri.gov/events-and-actions/commission-docket>

A **Budget Narrative** must be provided that confirms that all the content (i.e., tasks, subtasks, services, activities, deliverables, etc.) reflected in the bidder’s Work Plan is clearly and transparently accounted for in the Cost Proposal. Bidders who fail to do so may be disqualified.

3. ISBE Proposal

See Appendix A on the “Overview” tab in Ocean State Procures™ for information and the MBE, WBE and/or Disability Business Enterprise Participation Plan form(s) (“ISBE Proposal”). Vendors are required to complete, sign, and submit these forms with their overall proposal (uploaded to the “Price Evaluation Attachments” section on the “Attach Documents” tab). Please complete separate forms for each MBE, WBE, and/or Disability Business Enterprise subcontractor to be utilized on the solicitation.

SECTION D: EVALUATION AND SELECTION - SOLICITATION SPECIFIC

Technical proposals must receive a minimum of 50 points from the three technical review criteria to advance to the interview phase. Bidders who advance to the interview phase will be required to have at least one representative from each sub-vendor in attendance, as well as all members of the Project Team that will meet with OER bi-weekly if selected.

Combined technical proposal and interview scores must receive a minimum of 60 (85.7%) out of a maximum of 70 points to advance to the cost evaluation phase. Technical proposals scoring less than 60 points shall not have the accompanying cost or ISBE participation proposals opened or evaluated; such proposals shall not receive further consideration.

Technical proposals scoring 60 points or higher shall have the cost proposals evaluated and assigned up to a maximum of 30 points bringing the total potential evaluation score to 100 points. As total possible evaluation points are determined, vendor ISBE proposals shall be evaluated and assigned up to 6 bonus points for ISBE participation.

Proposals shall be reviewed and scored based upon the following criteria:

Criteria	Possible Points
Staff Qualifications	10 Points
Capability, Capacity, and Qualifications of the Vendor	10 Points
Work Plan	40 Points
Total Possible Technical Points	60 Points
Interview	10 Points
Total Possible Technical & Interview Points	70 Points
Cost proposal	30 Points
Total Possible Evaluation Points	100 Points
ISBE Participation	6 Bonus Points

Bid proposals **must** include specific and measurable objectives as defined in the least-cost procurement standards.¹⁵ Proposals must include proposed savings for a calendar year of efficiency programming based on current market conditions. This information should be integrated within the bidders' proposals. Proposed savings will serve as a reference point for goal setting and will be subject to a regulatory approval process.

The State expects bidders to propose the best way to deliver energy efficiency services to the customer classes that were targeted to be served by the pre-existing programs. If bidders propose programs that are significantly different than those currently being provided, bidders must provide detailed descriptions of planned transitional activities.

Bidders' proposals must detail their program operations and implementation strategies as part of their work plan.

Bidders' proposals must detail their public and consumer information strategy as part of their work plan. OER is actively seeking creative proposals for increasing public knowledge of the systemwide benefits of energy efficiency.

Bidders must demonstrate their capability in data collection and coordination activities with appropriate entities and specify how they will ensure data collection and coordination occurs.

Bidders' proposals should thoroughly describe how bidders will recruit and utilize existing market participants to help deliver each of the major energy efficiency program initiatives proposed.

Bidders' proposals should briefly address how their proposed program initiatives can coordinate with and enhance distributed utility transmission and distribution planning.

See the "Requirements" tab of this solicitation for additional information on the evaluation and selection process in the "RFP Standard Specification" section.

¹⁵ Ibid.

RFP Addendum
Regarding the Regulatory Requirements
of the Public Utilities Commission

The winning bidder will have certain obligations and responsibilities relating to the reviews and supervisory authority of the Public Utilities Commission (PUC) that are established under Rhode Island law. These obligations and responsibilities are described in this Addendum.

Pursuant to Rhode Island General Laws § 39-2-1.2(o), the winning bidder does not become the third-party administrator unless and until the PUC first makes a finding that it is in the interest of Rhode Island utility customers for a third-party to administer the energy efficiency programs in place of the regulated utility. As described below, the winning bidder will be expected to appear at the evidentiary hearings before the PUC in those proceedings in which the PUC evaluates the evidence to make its determination.

If the PUC makes the requisite determination in those initial proceedings and the winning bidder becomes the third-party administrator, there are numerous ongoing annual obligations and responsibilities that the third-party administrator will have with respect to complying with the standards, rules, and processes of the PUC.

Rhode Island General Laws § 39-2-1.2(o) contains a specific proviso stating: “The third-party administrator shall be subject to all the requirements set forth for the electric and gas distribution company per § 39-1-27.7.” Accordingly, this provision gives the PUC certain regulatory authority over the third-party administrator as is addressed in § 39-1-27.7.

Specifically, Rhode Island General Laws § 39-1-27.7 provides the PUC with substantial oversight and supervisory authority over the energy efficiency programs and program budgets. In that regard, the third-party administrator will be acting in a capacity similar to a regulated utility in proposing and seeking approval of the annual energy efficiency programs which the third-party administrator will be managing. Some of the more significant requirements relating to those annual filings are described below.

I. Initial Review of Third-Party Administrator by Public Utility Commission pursuant to R.I.G.L. § 39-2-1.2(o)

The PUC will examine the filing to determine if the recommended third-party administrator is in the interest of Rhode Island utility customers. Pursuant to R.I. Gen. Laws § 39-2-1.2(o), if OER and the EERMC, after reviewing the responses to this RFP, determine that the use of a third-party administrator is likely to achieve the most net benefits for electric and gas customers in Rhode Island,” OER will file its recommendation with the PUC. The PUC will docket and rule on the filing pursuant to its general statutory authority.

As part of that review, the PUC and any intervening parties may issue data requests to the third-party administrator. Those data requests must be answered by the third-party administrator

on a timely basis in accordance with the PUC's Rules of Practice and Procedure.¹⁶ The PUC will also hold an evidentiary hearing to review the proposal and may also hold one or more technical sessions to evaluate technical aspects of the proposal. Representative and key personnel of the third-party administrator are required to attend the hearing and technical sessions and to be prepared to respond to questions from the PUC and other parties.¹⁷

If approved, the third part administrator will be responsible for all of the requirements set forth for the electric and gas distribution company pursuant to § 39-1-27.7 (Least Cost Procurement or LCP Statute).¹⁸

II. PUC Review of Three-year and Annual Energy Efficiency Plans

If approved, the third-party administrator would be responsible for developing and implementing the Three-year and Annual energy efficiency plans. Those energy efficiency plans are subject to PUC review and approval in accordance with the LCP Statute and the Least Cost Procurement Standards issued by the PUC. The third-party administrator will also be subject to on-going review and oversight of the implementation of the energy efficiency program.

The third-party administrator is responsible for developing and submitting the Three-year and Annual Plans for review and approval by the PUC. The third-party administrator must comply with all requirements in the LCP Statute, LCP Standards, the PUC's Rules of Practice and Procedure, and the PUC's prior Orders in the energy efficiency dockets.¹⁹ The LCP Statute provides that the purpose of energy efficiency and conservation procurement is to meet the electrical and natural gas energy needs in Rhode Island, in a manner that is optimally cost-effective, reliable, prudent, environmentally responsible, and less than the cost of supply. The LCP Statute requires the PUC to issue standards and guidelines (LCP Standards) to implement the energy efficiency program.²⁰

The PUC's review is comprehensive and in-depth. As part of that review, the PUC and any intervening parties may issue data requests to the third-party administrator. Those data requests must be answered by the third-party administrator on a timely basis in accordance with the PUC's Rules of Practice and Procedure.²¹ These data requests may be numerous and complex. All respondents to data requests must appear at the hearing to support the responses to data requests and to answer related questions.

¹⁶ The PUC's Rules of Practice and Procedure are located at <https://rules.sos.ri.gov/regulations/part/810-00-00-1>.

¹⁷ Consistent with the PUC's Rules of Practice and Procedure and the Rhode Island Supreme Court's Rules, the third-party administrator must be represented by an attorney authorized to practice in Rhode Island and before the PUC. The attorney must be present at all technical sessions and hearings.

¹⁸ See R.I. Gen. Laws § 39-2-1.2(o)(ii)-(iii).

¹⁹ Prior energy efficiency plan dockets are available to review on the PUC's webpage. Particular reference should be made to the last three dockets at:

1. 2023 Annual Plan - Docket 22-33-EE - <https://ripuc.ri.gov/Docket-22-33-EE>.
2. 2022 Annual Plan – Docket 5189 - <https://ripuc.ri.gov/eventsactions/docket/5189page.html>.
3. 2021-23 Three-year Plan and 2021 Annual plan – Docket 5076 - <https://ripuc.ri.gov/eventsactions/docket/5076page.html>

²⁰ The PUC approved revisions to the LCP Standards in in July 2023. See Docket No. 23-07-EE at <https://ripuc.ri.gov/Docket-23-07-EE>.

²¹ The PUC's Rules of Practice and Procedure are located at <https://rules.sos.ri.gov/regulations/part/810-00-00-1>.

The PUC will hold evidentiary hearings to review the proposal and may also hold one or more technical sessions to evaluate technical aspects of the proposal. Representatives and key personnel of the third-party administrator are required to attend the hearing and technical sessions and to be prepared to respond to questions from the PUC and other parties.

As an example of the comprehensiveness of the PUC's annual review of the proposed energy efficiency plans, see Docket No. 5076 in which the PUC reviewed Narragansett Electric Company's 2021-2023 Three-Year Plan and 2021 Annual Plan. In conducting this review, the PUC issued 193 pre-hearing data requests to company, convened 3 days of hearings, issued record requests and post-hearing data requests to the company, conducted a post-hearing technical session and workshop, and received and reviewed several rounds of public comment.²²

The third-party administrator must be represented by Rhode Island counsel and have the resources to respond to numerous discovery requests on a timely basis. Because the statutory review period takes place over a relatively short period during the fourth quarter of each calendar year, the proceedings can be demanding. Accordingly, it is imperative that bidders take into account the need to have the resources available to participate and respond to the rigors of the regulatory review processes in a manner similar to the regulated utility.

The third-party administrator also is subject to ongoing review and oversight of the implementation of the energy efficiency program. This includes all reporting requirements included in the LCP Statute, LCP Standards, and any relevant PUC Orders. The PUC may issue data requests as part of the oversight and may convene workshops, technical sessions, or further hearings.

²² Records from the proceeding in Docket No. 5076 are available at <https://ripuc.ri.gov/eventsactions/docket/5076page.html>.