Third Party Electric Efficiency Programs
Request for Proposals
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I. Introduction

In 2007 Illinois enacted Section 8-103 of the Public Utilities Act (PUA), which establishes an Energy Efficiency Portfolio Standard (EEPS) for electric utilities. Pursuant to this legislation, ComEd develops and administers a broad portfolio of energy efficiency programs to all customers in its service territory. ComEd’s next 3-year EEPS plan is currently under development and will be approved by the Illinois Commerce Commission (ICC or Commission) for the period between June 1, 2017 and May 31, 2020.

In 2011, the Illinois General Assembly enacted additional legislation, Section 16-111.5B1 of the PUA, requiring that utilities assess the opportunity to procure, subject to Commission approval, additional cost-effective energy efficiency from certain classes of customers, above and beyond the energy efficiency that would be captured under the EEPS portfolio. This additional energy efficiency procurement is managed as part of the energy supply procurement process that is overseen by the Illinois Power Agency (IPA)2. The IPA oversees the procurement of electric supply by utilities for customers (1) whose electric service has not been declared competitive and (2) who continue to take bundled service from the utility.3 This Request-For-Proposals (RFP) is being issued pursuant to this legislation. Section 16-111.5B of the PUA prescribes that utilities shall prepare, and provide to the IPA, an assessment of additional cost-effective energy efficiency that could be obtained from eligible customers4. In preparing this assessment utilities are directed to conduct a solicitation of proposals from third parties. The IPA will consider the utilities’ assessments and is directed to include in its annual procurement plan, filed with the Commission, those energy efficiency programs included in the utility’s annual solicitation process that it finds to be cost-effective. Upon approval by the ICC of a procurement plan including energy efficiency programs, each utility is directed to implement these programs, including any such third party programs as have been approved. Bidders are encouraged to review the referenced statutory provisions.

Recognizing that energy efficiency may constitute an even more valuable resource at times when prices are highest or load is greatest, the ICC has directed ComEd to also include in this solicitation energy efficiency programs that feature savings during times of peak hourly prices. As a general principle, “peak” periods may be understood as 1 p.m. to 5 p.m. during summer (June 1 to August 30) weekdays.

This RFP is soliciting programs of up to 3 years in duration (June 1, 2017 to May 31, 2020); to align the program cycle with ComEd’s next 3-year EEPS plan.

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1 Section 16-111.5B of the PUA can be found at: www.ilga.gov/legislation/ilcs/ilcs4.asp?DocName=022000050HArt%2E+XVI&ActID=1277&ChapterID=23&SeqStart=35800000&SeqEnd=40900000
2 IPA Act 20 ILCS 3855/1-10 can be found at: www.ilga.gov/legislation/ilcs/ilcs5.asp?ActID=2934&ChapterID=5
3 Customers who reside within a customer class not yet declared competitive may nevertheless elect to take service from a Retail Electric Supplier (“RES”) or Alternative Retail Electric Supplier (“ARES”).
4 Includes all eligible customers, not just those taking bundled supply service from ComEd.
II. Scope of Work

A. Purpose

This RFP is being issued pursuant to Section 16-111.5B of the PUA, to solicit proposals for third-party electric efficiency programs that, in their totality, would make available to the IPA additional cost-effective electric energy efficiency above and beyond the energy efficiency that would be captured under ComEd’s and the Department of Commerce & Economic Opportunity (Department of Commerce) planned portfolios. However, this RFP is limited to proposals targeting ComEd residential and small commercial and industrial customers at or below 100 kW peak electric load, as further specified in Section D “Eligible Customers”.

ComEd encourages a wide range of proposals with a high level of innovation and creativity in identifying and capturing verifiable and measurable kWh savings in underserved markets and which utilize the latest technological advancements in energy efficiency. However, ComEd will only consider proposals that include technologies that are commercially available in the marketplace. Pre-commercial technologies are not eligible for this RFP.

ComEd encourages proposals for programs that take advantage of ComEd’s Advanced Metering Infrastructure (AMI) deployment and smart meter technologies to cost-effectively help customers realize savings through smart home technologies (e.g. smart appliances, smart thermostats, home area networks, etc.).

In addition, bidders are encouraged to submit proposals or measures that provide energy savings during peak periods.

Bidders proposing programs that utilize smart meter data for program implementation or program evaluation should review ComEd’s AMI Deployment Plan, including the planned schedule by geographic area shown in Appendix D, as part of the proposal development.

B. Selection Criteria

Due to the wide range and variability of proposals this RFP may generate, it is not possible to establish specific selection criteria until the submittals are reviewed. ComEd expects that the potential uniqueness of some proposals will necessitate the development of individualized criteria. However, at a minimum, all proposals will be evaluated on the following:

- Meeting the cost-effectiveness requirements described in this RFP
- Completeness of the proposal and responsiveness to the requirements of this RFP

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5 A list of planned ComEd and Department of Commerce portfolios is included in Appendix B.
6 Bidders with EM&V plans that depend on the availability of smart meter interval usage data should review Appendix D and the latest ComEd AMI Deployment Plan and should note that the deployment schedule may change without notification. https://www.icc.illinois.gov/electricity/utilityreporting/InfrastructureInvestmentPlans.aspx
• Ability to identify and target underserved market segments
• Confidence in the proposed program delivery approach and the qualifications of the team to effectively carry out the proposed plan
• Clearly defined Pay-For-Performance pricing structure
• Standalone program that delivers unique services and is not simply a marketing channel for ComEd programs and incentives
• Bidders will likely be competing for similar markets, customers, and/or technologies so competitive pricing and realistic magnitudes of kWh savings will be important selection factors on which qualified bids are accepted

C. Program Term

The term of the services procured under this RFP is applicable to the period between June 1, 2017 and May 31, 2020. Bidders may propose programs of one, two or three years in duration; however, programs should be designed to commence on June 1, 2017.

Evaluation, measurement, and verification (EM&V) of program performance, as well as the payment true-up, will occur after the completion of the program year, although evaluation activities may be ongoing throughout a program year. EM&V will be conducted by an independent evaluator retained by ComEd, at no cost to the program implementer.

D. Eligible Customers

Customers who are eligible to participate in the proposed programs are all residential customers, as well as commercial and industrial customers with a peak electric load of 100 kW and below who take delivery from ComEd, regardless of their choice of electric supplier. The following table provides information on the size of the eligible customer base:

Table 1 – Eligible Customer Base

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>Average Number of Customers in 2014</th>
<th>Approximate MWh Delivered to Customers in 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>3,498,449</td>
<td>27,406,218</td>
</tr>
<tr>
<td>Small Commercial and Industrial (C&amp;I)</td>
<td>342,634</td>
<td>11,991,775</td>
</tr>
</tbody>
</table>

Of the 342,634 Small C&I customers, approximately 20,000 belong to the Public Sector. Additional information regarding the 20,000 Public Sector customers, such as estimated total annual electric consumption, may be available upon request. This RFP allows for programs which include the participation of public sector customers, however, since these customers may already be served by energy efficiency programs administered by the Department of Commerce, the evaluation of any such bids will be coordinated with Department of Commerce in order to properly screen for duplicative and competing proposals. Should a vendor currently implementing an energy efficiency program for Department of Commerce believe that such program could be expanded in a manner that
would satisfy the requirements of this RFP, that vendor is encouraged to propose such a program expansion through this RFP. Such programs will be contracted directly with ComEd, as part of the IPA Third Party Portfolio. Department of Commerce grantees/subcontractors that bid energy efficiency program expansions into this RFP must demonstrate that adequate tracking mechanisms are in place to separately track expenses and savings for the original Department of Commerce program versus the expanded Section 16-111.5B IPA Third-Party Electric Energy Efficiency program.

E. Eligible Programs

1. Eligible Programs

Bidders are encouraged to propose programs with a high level of innovation and creativity in identifying and capturing verifiable and measurable kWh savings in underserved markets and which utilize the latest technological advancements in energy efficiency. However, ComEd will only consider proposals that include technologies that are commercially available in the marketplace. Pre-commercial technologies are not eligible for this RFP. In addition, the following programs/technologies are not eligible under this RFP:

- Renewable generation
- Power factor correction

Consistent with the PUA, programs that target fuel switching technologies that reduce the total BTUs of electricity and natural gas needed to meet end-use requirements are eligible under this RFP. These technologies might include combined heat and power (CHP) systems or other systems that reduce electricity usage by increasing natural gas usage.

Energy efficiency programs that have a component of demand response may be considered. Dispatchable technologies may be considered, however, to the extent any bids propose controlling a device within the home or business, the bidder must fully explain the extent of the control and have consent from the utility customer prior to implementation. Bidders implementing such programs will be solely responsible for compliance with any applicable PJM rules on dispatching. Program costs provided by bidders must separately list any costs that are incurred to support demand reduction dispatch activities. While costs associated with demand response will not be funded through this RFP, benefits associated with demand response will be considered in the TRC calculation. Proposed programs must be oriented around electric energy savings. Programs that mainly focus on load shifting will not be considered.

For a market assessment, bidders are encouraged to review the 2013 Potential Study for

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the ComEd service territory, and the draft summary of the 2016 Potential Study\(^8\) that is currently in development. The 2016 Potential Study is expected to be completed by the end of March 2016 and will be shared with interested bidders upon request.

2. **Duplicative and Competing Programs**

Bidders should propose electric energy efficiency measures and programs that acquire savings that are incremental to the savings being acquired by the planned ComEd and Department of Commerce portfolios listed in Appendix B.

The proposed programs should not be “duplicative” of programs under the planned ComEd and Department of Commerce portfolios. An exception to the above will be made for proposals which offer direct expansion of an existing Department of Commerce program and submitted by the vendor currently implementing such program for Department of Commerce.

Proposed programs similar to ComEd and Department of Commerce offerings may be considered as “competing” if they provide additional benefits to targeted market segments without having an adverse effect on ComEd and Department of Commerce offerings. For the purpose of this RFP, the ICC has defined the term “duplicative” as “a program that overlaps with an existing program in a manner in which greater market participation by bidders does not yield sufficient additional value to consumers”, and the term “competing” to mean “energy efficiency offerings that would benefit from multiple channels”. The ICC has also further directed that the following multi-factor screening criteria be used to determine whether similar programs are to be considered duplicative or competing, under a consistent approach:

- Similarity in product/service offered
- Market segment targeted, including geographic, economic, and customer classes targeted
- Program delivery approach
- Compatibility with other programs (for instance, a program that created an incentive to accelerate the retirement of older inefficient appliances could clash with a different program that tunes-up older appliances)
- Likelihood of program success (confidence in the proposed program delivery approach and the qualifications of the team to effectively carry out the proposed plan)
- The effect(s) on utility joint program coordination
- Impact on Section 8-103 EEPS portfolio performance

Proposals that fail to demonstrate clear differentiation in the product/service offered, market segment targeted, and/or program delivery approach as compared to planned

ComEd and Department of Commerce programs will be considered to be “duplicative”. Such proposals will further be evaluated based on the ability to capture an underserved market, as evidenced by demonstrated market potential.

In addition, the proposed programs should be designed to avoid the potential of double-dipping (applying for multiple incentives or rebates for the same energy efficiency measure) into the planned ComEd and Department of Commerce portfolios.

Bidders are strongly encouraged to review the list of planned ComEd and Department of Commerce programs, as summarized in Appendix B.
In addition to avoiding duplicating ComEd or Department of Commerce programs as described above, the bids submitted under this RFP will likely be competing among each other for similar markets, customers, and/or technologies. For such bids, price and magnitude of savings will be important selection factors.

F. Cost Effectiveness

Proposed programs must be determined to be cost-effective such that the cost per net kWh saved, on a lifecycle basis, must be less than or equal to the electricity costs that would be avoided as a result of the proposed energy efficiency measures. In addition, each program must pass the Total Resource Cost (TRC)\(^9\) test with a benefit-cost ratio greater than 1.0.

To allow for the ComEd review of each program’s cost effectiveness, Bidders must provide total program budgets, as well as all data required to calculate the TRC test, in addition to total program cost per kWh. Costs provided in the bid must be all-inclusive of total program costs necessary to achieve kWh savings, such as marketing, customer care, labor including subcontractors, materials, program management, reporting, etc, following the Budget Format table shown in Appendix C. Claimed measure savings must be substantiated with well-defined inputs, assumptions, and calculation methodologies following the format shown in Appendix A. ComEd reserves the right to adjust the Bidders’ assumptions and participation level targets in consultation with Bidders. Program implementers will not be responsible for the cost of the EM&V conducted by ComEd’s independent evaluator. Program implementers will not be responsible for the administrative cost incurred by ComEd to oversee the program. However, both EM&V costs and ComEd administrative costs\(^10\) will be included in the TRC test. ComEd will calculate the TRC test to determine if the program meets cost-effectiveness requirements. During the bid review process, ComEd will provide feedback to individual bidders on any changes made to the TRC cost-effectiveness inputs and assumptions provided in the original proposal, or if the proposed programs do not pass the TRC.

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\(^9\) The TRC test will be performed in accordance with the IL EE Policy Manual Version 1.0 which is available at the following link: [https://www.icc.illinois.gov/downloads/public/edocket/419161.pdf](https://www.icc.illinois.gov/downloads/public/edocket/419161.pdf): and the IL-TRM Version 5.0 which is available at the following link: [https://www.icc.illinois.gov/Electricity/programs/TRM.aspx](https://www.icc.illinois.gov/Electricity/programs/TRM.aspx).

\(^10\) For the previous program cycle, ComEd included an administrative cost adder of 8.5% and an additional 3% adder to reflect costs required by ComEd’s independent evaluator. ComEd’s administrative cost adder for this program cycle will be determined by ComEd based on actual costs incurred to date.
Following is the definition of the applicable TRC test (20 ILCS 3855/1-10 Sec.1-10. Definitions):

“Total resource cost test” or "TRC test" means a standard that is met if, for an investment in energy efficiency or demand-response measures, the benefit-cost ratio is greater than one. The benefit-cost ratio is the ratio of the net present value of the total benefits of the program to the net present value of the total costs as calculated over the lifetime of the measures. A total resource cost test compares the sum of avoided electric utility costs, representing the benefits that accrue to the system and the participant in the delivery of those efficiency measures, as well as other quantifiable societal benefits, including avoided natural gas utility costs, to the sum of all incremental costs of end-use measures that are implemented due to the program (including both utility and participant contributions), plus costs to administer, deliver, and evaluate each demand-side program, to quantify the net savings obtained by substituting the demand-side program for supply resources. In calculating avoided costs of power and energy that an electric utility would otherwise have had to acquire, reasonable estimates shall be included of financial costs likely to be imposed by future regulations and legislation on emissions of greenhouse gases.
For measures which include a peak-time energy savings component, cost effectiveness of the proposed programs will be reviewed through a TRC calculation applying hourly market prices (including energy and capacity) to hourly load reductions, helping ensure that benefits are captured when a greater share of the load reductions occur in summer peak hours. TRC calculations will consider benefits associated with load reductions both during and outside of the summer peak hours, and including but not limited to demand response. If the Illinois Technical Reference Manual (IL-TRM) does not provide load shapes for the proposed measures/program, or if the bidder wishes to submit its program-specific load shape for consideration, the bidder must provide load shapes along with its bid response. Program-specific load shape submissions should indicate the amount and hourly timing of saved energy, along with supporting documentation. ComEd reserves the right to request additional documentation or evaluations and to make reasonable adjustments to inputs and assumptions provided by the bidder. In such a case ComEd will provide the proposed adjustment to the bidder for review. If no load shape information for a program is provided by the bidder and the IL-TRM provides hourly load information for the proposed program, IL-TRM load shape information\(^{11}\) will be used for program evaluation and review.

**G. Evaluation, Measurement, and Verification**

Each program that is implemented will be subject to EM&V requirements consistent with policies authorized by the ICC, including any consensus items from the SAG-led IPA 2016 workshop process, the Illinois Energy Efficiency Policy Manual\(^ {12}\) gross savings for certain measures that are calculated using algorithms defined in the Illinois Technical Reference Manual\(^ {13}\) (TRM), and net-to-gross (NTG) ratios.

Bidders must submit suggested plans for EM&V methodology and criteria. During final contract negotiations of the selected programs, the EM&V criteria for each program will be finalized by ComEd’s independent evaluator. However, the bidders must submit a brief narrative to provide the evaluator context on program and insights into evaluation approaches that might be appropriate, including:

- Suggested methodology for estimating annual gross kWh savings
- Suggested methodology for determining free-ridership, spillover impacts and NTG ratios\(^ {14}\)

\(^{11}\) The following file contains TRM load shape information available at the time this RFP document was crafted:

Bidders are directed to use the latest available TRM load shapes posted on the SAG website:

\(^{12}\) The IL EE Policy Manual Version 1.0 approved in ICC Docket No. 15-0487 is available at the following link:
https://www.icc.illinois.gov/downloads/public/edocket/419161.pdf. Bidders will be subject to the most recently approved IL EE Policy Manual, which may contain policies that differ from those contained in Version 1.0.

\(^{13}\) https://www.icc.illinois.gov/Electricity/programs/TRM.aspx

\(^{14}\) See Attachment A: IL-NTG Methods within the IL-TRM v5.0 Vol. 4, which contains statewide NTG methodologies.
https://www.icc.illinois.gov/downloads/public/IL-TRM_Effective_060116_v5.0_Vol_4_X-Cutting_Measures_and_Attach_021116_Final.pdf
Data collection and reporting plan to support EM&V efforts

ComEd will only consider proposals with verifiable and measurable energy savings. Illinois has a Statewide Energy Efficiency TRM, which was collaboratively developed by the electric and gas utilities, ICC Staff, evaluation contractors and the Illinois Energy Efficiency Stakeholder Advisory Group (SAG). The TRM provides standardized savings values and algorithms for a wide range of measures. Where proposed measures exist in the TRM, bidders are strongly encouraged to propose evaluation plans that apply the TRM, and to incorporate TRM algorithms into their bid savings and cost per kWh, where appropriate. Doing so can mitigate evaluation risks that may be associated with unverified algorithms or input values. The TRM is updated annually and filed with the ICC (subject to policies approved by the Commission in Docket 13-0077). For proposed measures that do not exist in the TRM, bidders should provide workpapers that define the algorithms, parameters, and input values that were used to estimate energy savings, and evaluation plans should identify the approaches recommended for the independent evaluator to use in calculating energy savings. TRM savings calculation assumptions are subject to change per the TRM, which is revised annually. As a result, reasonable changes to the bidders’ savings goals and/or cost structure are permitted during contract negotiations based on updates to the TRM.

Bidders are directed to use the latest available Illinois TRM Version (i.e., IL-TRM Version 5.0) available on the following website at the time the bids are submitted:
https://www.icc.illinois.gov/Electricity/programs/TRM.aspx

Bids must include proposed NTG ratios, which may be updated by ComEd during the bid evaluation, with input from the Bidder. The EM&V plans, including proposed NTG ratios, of all bids approved by the ICC will be reviewed by the independent evaluator and revised as necessary during contract negotiations prior to program start.

Per the Illinois EE Policy Manual Version 1.0 approved in ICC Docket No. 15-0487, annual energy savings goals will be adjusted to align them with changes to IL-TRM values.

For custom measures, behavioral measures, and for measures with uncertain savings, ex-post evaluation results of gross savings calculations will be applied retrospectively by the independent evaluator at the completion of each program year.

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15 Bidders with EM&V plans that depend on the availability of smart meter interval usage data should review Appendix D and the latest ComEd AMI Deployment Plan and should note that the deployment schedule may change without notification. https://www.icc.illinois.gov/Electricity/utilityreporting/InfrastructureInvestmentPlans.aspx
18 A summary of the most recent NTG ratios used for Illinois energy efficiency programs is available at the following link: http://www.ilsag.info/ntg_2016.html
Bidders must provide a full list of the proposed measures and associated data, in an Excel spreadsheet, following the format presented in Appendix A. For measure savings which are not based on the IL-TRM, Bidders should also include supporting narratives and calculations to document savings estimates and incremental measure cost estimates, including all assumptions and references. Bidders should provide copies of any independent evaluations that have been performed for programs comparable to that which is being proposed.

H. Program Design and Execution

The selected Bidders will be solely responsible for program design, marketing, managing, executing, and securing, documenting and reporting energy savings, under review and approval by ComEd, as described below:

1. **Savings Goals and Budgets**
   The selected Bidders are solely responsible for meeting net energy savings goals within the total budgets specified in approved bids. ComEd does not guarantee a level of participation and Bidders are encouraged to propose realistic participation levels. Bidders will be responsible for conducting the marketing and outreach necessary to reach these goals. In addition, bidders are responsible for providing and processing all incentives and rebates associated with the proposed energy savings. Regardless of program performance, all budgets shall be designed on a not-to-exceed basis, as detailed in the “Pricing and Budgets” Section.

2. **Marketing and Outreach**
   Bidders will design and implement marketing campaigns necessary to attract the levels of qualified participants to meet the energy savings goals as established in their proposal. Bidders will select the delivery channels (e.g., direct mail, telephone, internet, etc.) and develop the collateral, phone scripts, and other materials involved in the direct marketing campaigns. Bidders will be required to submit drafts of marketing approaches and materials to ComEd for review before contacting customers. ComEd reserves the right to reject marketing material or tactics considered false, misleading, or inappropriate.

   Programs will not be allowed to co-brand with ComEd or reference ComEd in any customer-facing materials other than for use of limited pre-approved disclaimer language (ex: “This program is offered by [vendor’s name] and is funded by ComEd customers in compliance with Illinois Law”). In addition, Vendor staff will not be allowed to represent themselves as agents of ComEd, or working on behalf of ComEd, or having ComEd’s endorsement for the performance of their work scope.

3. **Quality Assurance Protocols**
   Where applicable, approved program implementers must develop the following quality assurance protocols to ensure that the program achieves energy savings, provides required documentation for ComEd and the independent evaluator, documents performance metrics, and provides excellent customer care in all stages of the program.
Bidders should include in their proposals schedules for developing, submitting, and approving these materials. Bidders should clearly identify in their bids any of the following which are not applicable to the proposed program. ComEd reserves the right to request a copy of the development plan and audit the implementation of all applicable systems and processes.

- **Customer Care Systems**
  - Staffing plan which provides trained personnel able to respond to customer inquiries regarding services, scheduling, warrantee, and program-related issues.
  - Minimum telephony requirements include one physical location where the calls will terminate and be answered by agents.
  - Program-specific web microsite providing program information and allowing customers to begin intake procedures for program enrollment.
  - Email functionality capable of responding to customer email inquiries by the end of the next business day.

- **Program Management Systems (documented Processes or Policies for the following)**
  - Processing customer intake requests and screening customers for program eligibility. Bidder should describe whether its approach to program delivery and implementation of energy efficiency measures will be able to verify customers receiving the energy efficiency measures are actually residential and small commercial and industrial customers of ComEd with demand at or below 100 kW peak electric load, and if so, explain how such verification will occur. If bidder’s program delivery and implementation strategy does not plan to verify energy efficiency measures are delivered to ComEd customers at or below 100 kW peak electric load, please describe the steps the bidder will take to minimize delivery of energy efficiency measures to non-ComEd customers.
  - Procuring and managing qualified subcontractors and trade allies required to implement the program and providing sufficient capacity of staff to meet program demand in the geographic regions targeted by the program.
  - Scheduling customers, subcontractors, and quality assurance personnel for efficient delivery of program services.
  - Providing appropriate training to bidder staff, subcontractors, and trade allies needed to provide the program services.
  - Ensure the safety of bidder staff, sub-contractors, trade-allies, and customers being served.
  - Providing timely resolution to customer complaints and issues, with documented call center scripting and complaint escalation processes.
  - Surveying customer satisfaction.
  - Collecting and storing data on customer energy savings and customer work flow through program implementation steps.
  - Interfacing with ComEd, as required, to allow for secure, weekly automated data transfers of key program metrics meeting ComEd data transfer protocols.
  - Tracking information needed to assess program performance, including tracking customer satisfaction, participation, energy savings, and other program features.
4. Reporting

Selected bidders will be required to support ComEd’s independent evaluator and ComEd’s program administrator in the assessment of the bidders’ programs by providing access to program records and other support as required.

Selected bidders will provide regular (possibly weekly, monthly, and quarterly) performance tracking reports to ComEd, or ComEd’s program administrator. These reports will be shared with independent evaluators, who may contact participating customers (which may include on-site visits) to evaluate Bidders’ performance and verify installations. Performance tracking reports must include, at a minimum, a summary of key activities, participation and savings results.

Selected bidders will be required to hold quarterly meetings with ComEd or ComEd’s program administrator, either in person or remotely over phone or web-conference.

Selected bidders must also accommodate ComEd’s need to audit Bidders’ program processes and field activities, including subcontractor activities.

5. Participant Satisfaction Research

Selected Bidders may be required to offer customer satisfaction surveys, at Bidders’ sole expense, to program participants and report results to ComEd. Any such surveys will be coordinated with and approved by ComEd prior to deployment to program participants. The cost to conduct such participant satisfaction research should be included in the Bidder’s overall program implementation budget.

6. Requests for Customer Data / IT Security

All collection of ComEd customer data will be subject to ComEd’s policies on electronic data security. Identifiable, customer-specific data will not be provided by ComEd to any bidder without proof of customer authorization. Aggregated, anonymous customer data may be provided where available.

Selected Bidders having a work scope that requires the storage of ComEd or customer confidential information on the Bidder’s IT system (ex. servers, laptops, mobile device, etc.), regardless of the source of such data (i.e. whether the data is provided by ComEd or collected by the vendor directly from the customers), shall be required to complete a Hosted Vendor Security Questionnaire (HVSQ) during final contract negotiations. Any deficiencies identified during Exelon IT Security’s review of the completed HVSQ must be remediated by the Bidder before they will be allowed to host ComEd confidential data on their IT system. During this RFP, ComEd will share the HVSQ and any other applicable IT requirements with the Bidders upon request and subject to a non-disclosure agreement.

Additional requirements related to data security and liability insurance may be placed on the bidders having a work scope that requires the collection of customer Personally Identifiable Information (PII) or the processing of customer credit card payments. These
requirements will be provided by ComEd where applicable as part of the work scope documentation during final contract negotiations.

Proposals for programs that require collection of customer data must identify all required data fields necessary for successful implementation of the program, and for the purpose of the initial bid review demonstrate that the bidder meets typical utility requirements for the protection of sensitive customer data. Such demonstration of bidder’s capabilities may include a summary of previous data management of similar data sets for other utility programs, or the vendor’s compliance with standard corporate security standards (such as ISO-27000 if applicable).

I. Bid Review and Approval

All bidders that submit a proposal under this RFP will receive a confirmation of receipt directly from ComEd for each of their proposals. Bidders that submit a proposal but do not receive a statement of confirmation within one week of RFP close date are instructed to promptly reach out to Exelon’s procurement specialist administering the RFP and verify that the RFP has been received.

The assessment of proposals generated by this RFP will be conducted by ComEd and external reviewers from the SAG and provided as part of ComEd’s annual filing to the IPA by July 15, 2016.

The IPA will then review that filing as part of the development of its 2017 procurement plan which is published for public comment in mid-August, filed with the Commission in late September, and subject to a docketed proceeding through which it is then approved, or approved as modified, by the ICC. That approval by the ICC will take place no later than December 31, 2016. The approved energy efficiency programs from the 2017 procurement plan will start implementation on June 1, 2017.

The approved procurement plan will indicate the energy efficiency programs that are approved and thus select the programs that will be implemented as a result of this RFP, as well as the kWh goals and budgets for the selected programs. Programs that meet all requirements of this RFP will be included in the IPA procurement plan to be scrutinized by interested parties in the annual docketed proceeding and will ultimately be approved or rejected by the ICC prior to implementation. ComEd cannot predict the outcome of this process and therefore makes no warranties to potential Bidders. Final bid selection is contingent upon approval by the IPA and the ICC.

Once the ICC approves the programs selected through this RFP, ComEd and the approved bidders will move forward in negotiating the final terms of the contract based on the terms of the RFP and the bid itself (and that are not significantly different from the initial bid), with the clarification that negotiation around other details of the contract/scope of work/implementation plan still might need to occur depending on a variety of factors (e.g., lessons learned since bid submittal, updates to the IL-TRM and NTG, changes in the market, desire to add new energy efficiency measures). ComEd will use reasonable and prudent judgment
in negotiating the exact terms of the contract after ICC approval and will rely upon the best available information and ensure any modifications continue to result in a cost-effective energy efficiency program. Negotiations may result in reasonable adjustments to savings goals for the energy efficiency program in comparison to the amount proposed in the bid and reasonable and prudent modifications to the cost structure (e.g., price paid per kWh) that are in line with the original design. Flexibility will not be allowed insofar as the modifications to the program result in the following: (1) less confidence in the quality of service, (2) the addition of new energy efficiency measures with no confidence in the savings, (3) duplication or competition with other energy efficiency programs, (4) cost-ineffective energy efficiency program, or (5) a completely different energy efficiency program proposed in comparison to what was bid and approved. If a bidder decides to add (or remove) program measures after the execution of the contract, they must seek approval from ComEd for such changes prior to implementing the change in order to allow for possible contract renegotiations. Any new program measure that has not received pre-approval from ComEd or is not included in the bidder’s approved proposal will not be considered for energy savings. ComEd reserves the right to stop negotiations with an approved program bidder if a contract agreement cannot be reached, or if directed to do so through changes in legislation. ComEd’s ability to administer the programs solicited through this RFP is subject to Illinois legislation and regulatory changes.

ComEd may elect to utilize a program administrator to issue contracts with the selected Bidders.
III. Milestone Dates

Bidders should develop their implementation timetable based on the following RFP schedule:

Table 2 – RFP Timeline

<table>
<thead>
<tr>
<th>RFP – Call for Proposals</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP Release Date</td>
<td>3/16/2016</td>
<td></td>
</tr>
<tr>
<td>Bidders Questions Accepted</td>
<td>3/16/2016</td>
<td></td>
</tr>
<tr>
<td>Pre-bid Call</td>
<td>3/22/2016</td>
<td></td>
</tr>
<tr>
<td>Response to Questions Issued</td>
<td>3/25/2016</td>
<td></td>
</tr>
<tr>
<td>Bidders Proposal(s) Submission Due</td>
<td>4/15/2016</td>
<td></td>
</tr>
<tr>
<td>Proposal Review and Bid Discussions*</td>
<td>4/15/2016</td>
<td>01/02/2017</td>
</tr>
<tr>
<td>-ComEd bid evaluation and feedback from bidders</td>
<td>4/15/2016</td>
<td>7/15/2016</td>
</tr>
<tr>
<td>-ComEd files recommendations to IPA</td>
<td>7/15/2016</td>
<td></td>
</tr>
<tr>
<td>-IPA analysis / issue of Draft Procurement Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Commission proceedings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Commission order</td>
<td>7/15/2016</td>
<td>01/02/2017</td>
</tr>
</tbody>
</table>

Program Development and Roll Out

<table>
<thead>
<tr>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notification of Bid Selection(s) - Subject to Negotiation</td>
<td>1/6/2017</td>
</tr>
<tr>
<td>Negotiations, SOW and Marketing Plan Development</td>
<td>1/9/2017</td>
</tr>
<tr>
<td>Contract Execution</td>
<td>3/31/2017</td>
</tr>
<tr>
<td>Program Marketing Ramp-up</td>
<td>4/3/2017</td>
</tr>
<tr>
<td>Programs Begin</td>
<td>6/1/2017</td>
</tr>
</tbody>
</table>
IV. Pricing and Budgets

IMPORTANT NOTIFICATION TO BIDDERS: ComEd’s existing payment structure for the IPA Third Party Efficiency Programs, described in this Pricing and Budgets section, are subject to change. Based on the outcome of open docket 14-0567\(^\text{19}\), ComEd may elect to transition to an annual invoicing schedule (rather than monthly), which would correlate to payment for delivered kWh savings after the completion of Evaluator’s independent evaluation of savings. If this change goes into effect, all bidders will be promptly notified.

A. Pricing (Pay-For-Performance)

Under the existing payment structure, Vendor’s sole method of cost recovery will be to invoice ComEd on a monthly basis for previous month’s claimed net kWh savings, which will be paid at the program’s total price per net kWh. For clarity, the monthly invoices based on net kWh savings will be the Vendor’s sole mechanism for recovering costs related to program administration, customer participation incentives, marketing, materials, labor, etc.

The Vendor will be required to substantiate all invoices for claimed delivery of net kWh savings with applicable field documentation and tracking data necessary to document and evaluate the savings claims. The level and type of documentation will vary by program and will be agreed upon by Vendor, ComEd, and the Evaluator during the contract negotiation stage.

The actual (verified\(^\text{20}\) and final) net kWh saved will be determined by an independent evaluator after the close of each program year, as outlined in Section II.G, although evaluation activities may be ongoing throughout a program year. Where the independent evaluator determines that verified net kWh savings are different than what was reported and invoiced to ComEd, an annual program payment true-up will be performed, which typically occurs 9 months after the completion of a program year. The true-up will be performed as follows:

The actual net kWh savings determined through an independent evaluation will be used to perform a reconciliation of payments made by ComEd to the vendor under the scope of the Vendor’s program. The Program’s pricing structure must be 100% pay-for-performance, solely based on verified net kWh. Any difference in the amount paid to the Vendor and the amount earned by evaluated net kWh savings will be reconciled at the completion of the annual independent evaluation. If the total program year payments made to the Vendor exceed the amount earned in evaluated net kWh savings, then Vendor will refund the difference to ComEd. If the amount earned in evaluated net kWh savings is greater than the total program year payments made to Vendor, then Vendor will invoice ComEd for the difference, up to the Budget Cap amount. The total amount


paid to Vendor will not exceed the budget cap, regardless of the actual savings.

There is no prescribed budget cap for spending across all of the proposed programs. The intent of Section 16-111.5B of the PUA is for the IPA to procure all qualified and reliable electric energy efficiency resources that meet the requirements of this RFP. Bidders must perform their own market research and apply their expertise to determine the realistic amount of savings they can achieve, and budget accordingly. However, bidders will likely be competing for similar markets, customers, and/or technologies so price and magnitude of kWh savings will be important selection factors on which qualified bids are accepted.

As part of the approval process for the Procurement Plan, the ICC, taking into account the comments of the IPA or any other interested party, may modify proposed program budgets and kWh goals, and as a result, ComEd reserves the right to negotiate final Bidders' contracts with budgets and kWh goals that vary from proposed amounts. Bidders are encouraged to target all cost-effective opportunities within any given market, where possible.

**B. Budgets**

All program spending shall be within specified budgets. To allow for successful programs to continue operation in the early (or later) program years of the multi-year contract so as to help avoid program disruption, and only upon written request from a Bidder and subject to ComEd approval, ICC could pre-authorize up to a 20% budget shift across program years for multi-year programs, assuming the total approved multi-year program budget remains within approved amount. ComEd reserves the right to stop program operation for the remainder of a program year once target budget is reached. Budget information must be consistent with the TRC data requirements provided in the Section II.F. The cost of Bid preparation and any on-going expenses incurred during the RFP process leading up to program implementation will be the sole responsibility of Bidders. Bidders must provide budgets showing all costs and kWh energy savings, as shown Appendix C. For peak-time savings programs, the list of program costs provided by bidders must separately list any costs that are incurred to support demand reduction dispatch activities. While costs associated with demand response will not be funded through this RFP, benefits associated with demand response will be considered in the TRC calculation.
V. Submittal Format

Bidders must submit proposals that respond to all requirements of this RFP. Proposals should contain, at a minimum, the following sections:

A. Cover Letter (Not to exceed 1 page)
The letter should identify all members of the proposed team, including any partners and sub-contractors.

B. Executive Summary (Not to exceed 2 pages)
This should include the program name as well as a brief summary of the program description, targeted market segments, proposed budget and savings, proposed team, and any unique or compelling reasons for selection of the program.

C. Program Offering Description (Not to exceed 20 pages)

1. Program Description
Provide the projected net kWh savings per year associated with the proposed program.

Identify and briefly describe the key elements of the program (customer recruitment, field services, fulfillment, program management, etc) such that a reviewer can clearly understand how the proposed program will deliver the projected annual kWh savings.

2. Duplicative and Competing Programs
Bidders are strongly encouraged to review the list of planned ComEd and Department of Commerce programs provided in Appendix B. Bidders must describe how their proposed program, including target market, measures, and delivery approach, addresses the ICC’s multi-factor screening criteria for comparing duplicative and competing bids, as outlined in “Duplicative and Competing Programs” under the Section II.E.
To the extent that potential duplication exists, bidders must propose market conditions that should be applied to limit market confusion and duplication. For example, one approach to managing duplicative programs is to assign target markets to each program by geographic region or business segment.

3. Requests for Customer Data / IT Security
Bidders shall provide a listing of all data fields they propose to request from ComEd for targeting and marketing, as well as the data they propose to collect directly from participating customers for the purpose of program implementation and evaluation. (Note: data requests will be subject to ComEd policies and will require review by Exelon IT Security and Legal departments) The proposal must demonstrate that the bidder meets standard IT Security requirements for the protection of sensitive customer data.
4. **Marketing and Outreach**
Bidders shall provide details on their proposed marketing and outreach tactics, in accordance with “Marketing and Outreach” under Section II.H, demonstrating how these tactics will result in customer participation levels necessary to achieve the proposed annual kWh savings.

5. **Quality Assurance Protocols**
Bidders must provide a schedule for development and implementation of all applicable systems and processes listed in “Quality Assurance Protocols” under Section II.H. Bidders must clearly identify any requirements that are not applicable to the proposed program.

D. **Pricing and Budgets (Not to exceed 3 pages)**
Bidders must submit details of the programs’ Pay-For-Performance structure and Budgets in accordance with Section IV, and following the format shown in Appendix C.

Bidders must also affirmatively state that they understand the performance pricing requirements, and that pricing proposals must be limited to payment for delivered net kWh savings, and cannot include additional fees.

E. **Total Resource Cost (TRC) Test Data Requirements**
Bidders must provide all data fields listed in Appendix A to allow ComEd to perform TRC cost-effectiveness tests using an established model. Data provided in this section must be consistent with the requirements of Section II.F. Bidders should also include a narrative, as well as appropriate supporting spreadsheets, that documents assumptions, calculations, and references used in developing measure data.

Measures that target energy savings accompanied by demand reduction and/or load shifting during summer peak periods must provide hourly load shape information as specified in Section II.F

F. **Schedule (Not to exceed 1 page)**
Bidders must provide a schedule for meeting the proposed work scope. The schedule should include marketing and program roll-out activities as well as estimates of monthly participation and savings targets.

G. **Evaluation, Measurement, and Verification Plan (Not to exceed 2 pages)**
Bidders must provide a suggested EM&V Plan, as outlined in Section II.G.

H. **Key Personnel (Not to exceed 4 pages)**
Bidders must provide staffing plans that include a program organization chart as well as the following information for all key personnel directly assigned to implementation of the program, and including partners and sub-contractors:

- Name
- Company
• Assigned job duties
• Past experience, including resume (Additional pages allowed for resumes)
• Office location
• Percent of time dedicated to this project

Bidders may submit joint proposals from groups of qualified firms; however joint proposals must identify the lead contractor that maintains overall responsibility for fulfilling contractually defined requirements.

I. Experience of Firm (Not to exceed 4 pages)
Bidders must provide a detailed description of each firm’s experience as it relates to the work scope. Experience described should include any subcontractors as well.

J. References (Not to exceed 2 pages)
Bidders must provide references from at least three clients who can describe their experience with the bidder and any proposed subcontractors. Each reference must include:

• Contact name/ title
• Address
• Phone number
• E-Mail address
• Percent of bidder’s revenue represented by the project (most recent year)

K. Financials
All bidders must provide financial information, as required by Exelon procurement.

L. Terms & Conditions
A copy of the ComEd standard Agreement for IPA Third Party Electric Efficiency Programs will be provided to Bidders by Exelon procurement, for reference and as an opportunity for Bidders to propose exceptions to ComEd’s requirements. Any such exceptions will be reviewed during contract negotiations. Standard Agreement is subject to change prior to the commencement of such contract negotiations.
Appendix A – Measure Savings Data

Measure Savings Data Template.xlsx
Appendix B – Planned ComEd and Department of Commerce Programs

ComEd Program List.xlsx
Appendix C – Budget Format

Budget Format.xlsx
Appendix D – ComEd AMI Deployment Schedule

Note: this schedule can change without notice.