

PacifiCorp
2022-2023 Biennial Conservation Plan

Appendix 6

Complete Procurement Framework

Appendix 6 - Competitive procurement framework for Washington Conservation and Efficiency Resources

November 1, 2021 FINAL

**Provided for review and comment to DSM AG in August 2021
Final version filed as appendix to biennial conservation plan**

Background:

This framework is provided as required by [WAC 480-107-065](#), Acquisition of conservation and efficiency resources, and is consistent with the rule. The rule text is included for reference below following the framework.

Acquisition of Washington conservation and efficiency resource(s) in sufficient quantities to achieve EIA targets and the specific targets for energy efficiency described in PacifiCorp's Clean Energy Implementation Plan requires on-going relationships with customers, trade allies, distributors, contractors, professional associations and other market actors. Third party delivery contractors performing this work for the company in Washington (in addition to other Pacific Power states) benefit from a reasonable level of contractual continuity as they develop and maintain these relationships. Contractual continuity enables adaptive management of program delivery. Most importantly, continuity is critical for customers who require knowledgeable and timely response to project related needs. Both customers and implementation team rely on trusted relationships to maintain implementation schedules and continued participation.

Contractual continuity needs to be proactively balanced with the need for innovation, best pricing and opportunities for new providers. The company has a robust procurement process that provides services to ensure business units such as Customer Solutions can effectively manage these multiple objectives. In some cases, pricing, delivery and innovation may be enhanced by contracting for delivery across multiple Pacific Power states. A robust and competitive procurement process typically requires nine months from RFP & bidder list development to contract execution.

This framework is specific to delivery contracts with reportable energy savings and does not include support services including but not limited to marketing, energy education, on bill repayment services, or advisory group facilitation/support.

Frequency of competitive bidding for conservation and efficiency resource programs, in whole or part:

Third party delivery contracts for conservation and efficiency resources in Washington follow company guidance for duration; they are typically, five-year contracts with a three-year minimum term and an option for one two-year extension provided performance is acceptable during the first three years. Delivery contracts are intended to be re-bid no less frequently than every five years. They may be re-bid more often. Start/end dates

for contracts are staggered when possible to minimize potential delivery disruption. The current delivery contracts and end dates are listed below.

- Bidgely - Home Energy Reports - December 31, 2022
- Resource Innovations (formerly Nexant) - Home Energy Savings, Wattsmart Business commercial trade ally engagement/incentive processing, small business - March 31, 2024
- Cascade Energy - Wattsmart Business industrial/ag trade ally management/incentive processing - March 31, 2024
- Cascade Energy - Wattsmart Business managed accounts – May 31, 2024.

Further detail on the scope of these contracts is provided in our annual reports.

Re-procurement for current contracts will commence ahead of and are intended to be complete prior to the end dates listed. As part of the biennial framework update, current contracts and end dates will be reviewed and updated as required.

Unsolicited proposals received outside of a conservation RFP

Proposals received by the company outside of a conservation RFP process, including through an all-source RFP, will be evaluated provided, at a minimum they a) are additive to (not duplicative of or displace) current delivery activities; b) contain an integration plan with existing offers and c) are economic or cost-effective additions to the current program portfolio.

Public participation, outreach, and communication of evaluation and selection criteria

The company will establish or modify a current web page for public engagement and post a notice prior to releasing competitive procurement solicitations seeking public comment on general proposal evaluation and selection criteria. The company will review and incorporate comments as appropriate.

Respondents to a conservation RFP must be registered in the company procurement system. Public participation and outreach prior to the release of RFP will be focused on having new bidders register in this system. DSM AG members may encourage bidders to register in the system.

Company outreach may include queries to third parties such as ESource for a current list of providers delivering similar services. This information will be compared with current list in the procurement system and non-listed firms may be invited to register.

Company outreach may also include providing the DSM AG with the key components of an upcoming RFP for review and comment ahead of the formal release of the RFP.

The RFP will describe bid evaluation and selection criteria and information related to these criteria will be requested from bidders to ensure the best possible responses.

Criteria weighting or additional metrics with the potential to reduce competitiveness of proposals (as determined by the company's DSM group and procurement group) will not be provided in the RFP.

Support from DSM Advisory Group:

This framework will be provided to the DSM AG during the biennial planning process (odd numbered years) with a request for comment. Comments will be reviewed by the company and incorporated into the version filed as part of the biennial conservation plan. Comments received and their disposition in an easily trackable (comments, responses and redlines in MS word) will be provided to demonstrate DSM AG participation and support.

Current and Planned Exemptions:

Recognizing the unique nature of services provided and the absence of alternative providers, the company will continue their current practice of exempting a) contracts with community action agencies delivering low-income services, and b) Northwest Energy Efficiency Alliance's delivery of market transformation services. The practice of exempting these providers will be reviewed with each biennial procurement framework update. The default will be to continue these exemptions for additional biennial periods UNLESS changed in consultation with the DSM AG.

End of draft framework

Reference language below

WAC 480-107-065

Acquisition of conservation and efficiency resources.

(1) A conservation and efficiency resource supplier may participate in the bidding process for any resource need. A utility or its subsidiary or affiliate may participate as a conservation resource supplier subject to the conditions described in WAC 480-107-024.

(2) All conservation and efficiency measures within a bid must produce savings that can be reliably measured or estimated with accepted engineering, statistical, or meter-based methods.

(3) A utility must acquire conservation and efficiency resources through a competitive procurement process as described in this rule unless the utility is implementing a competitive procurement framework for conservation and efficiency resources as approved by the commission.

(a) As part of that process, a utility may develop, and update each biennium, a competitive procurement framework for conservation and efficiency resources in consultation with its conservation advisory group, as described in WAC 480-109-110.

The utility may file its first competitive procurement framework for conservation and efficiency resources with the utility's 2022-2023 biennial conservation plan.

(b) The competitive procurement framework for conservation and efficiency resources must:

(i) Define the specific criteria that the utility will use to determine the frequency of competitive bidding for conservation and efficiency resource programs, in whole or part;

(ii) Address appropriate public participation, outreach, and communication of evaluation and selection criteria;

(iii) Enhance or, at minimum, not interfere with the adaptive management of programs;

(iv) Include documentation of support by the advisory group; and

(v) Be filed as an appendix to the utility's biennial conservation plan, as described in WAC **480-109-120**.

(c) The competitive procurement framework for conservation and efficiency resources may:

(i) Exempt particular programs from competitive procurement, such as low-income, market transformation, or self-directed programs; and

(ii) Consider if and when to use an independent evaluator.

[Statutory Authority: RCW **80.01.040**, **80.04.160**, and chapters **80.28**, 19.280, and **19.405** RCW. WSR 21-02-023 (Docket UE-190837, General Order R-602), § 480-107-065, filed 12/28/20, effective 12/31/20. Statutory Authority:

RCW **80.01.040** and **80.04.160**. WSR 06-08-025 (Docket No. UE-030423, General Order No. R-530), § 480-107-065, filed 3/28/06, effective 4/28/06.]