

**Request for Proposals (RFP)**  
**Technology and Implementation Services**  
**In support of**  
**Puget Sound Energy (PSE)**  
**Commercial & Industrial Demand Response Program**

**DRAFT**

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Bidder questions due:	September 23, 2016
Question responses provided from PSE:	September 30, 2016
Proposals due to PSE:	October 28, 2016

PSE reserves the right to reject any and all proposals. This RFP does not constitute an order or any obligation on the part of PSE. PSE is not liable for any costs associated with the preparation of Bidders' proposals or for any other costs incurred by Bidders prior to the execution of a contract or purchase order.

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# 1 Summary of RFP

Puget Sound Energy (PSE) seeks bids from qualified firms to supply technology as well as implementation services for its C&I Demand Response Program. PSE is issuing this Request for Proposals (RFP) for program delivery for 2017 through 2021 (program years). The bidder(s) will be responsible for providing roughly 51 MW of load curtailment by winter 2021<sup>1</sup> from PSE's Commercial & Industrial (C&I) customers with greater than 150 kW maximum demand. Multiple bidders may be selected to meet this resource need. In addition to winter capacity, PSE is interested in bids for year-round capacity.

**Section 2** of the RFP provides the relevant **Background** and discusses PSE's expectations of future programs.

**Section 3** defines the **Scope of Work** expected of the vendor, as well as the expected responsibilities of PSE. This section also outlines some information on the expected load control strategies and relevant performance goals.

**Section 4** requests information about the **bidder's technology, technology-related services, and implementation services**.

**Section 5** requests information, relevant **qualifications and references** from the bidder.

**Sections 6 and 7** provide requirements for the **proposal format and bid submission** as well as information on the RFP process.

A separate **Pricing Attachment** requests pricing information corresponding to the scope of work and bidder proposals.

A separate **Intent to Bid Form** requests specific bidder information to be submitted by the date indicated in section 7.1.

The RFP includes an Appendix E that provides a schedule of PSE's estimated avoided cost.

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<sup>1</sup> Winter capacity for 2021 covers November 1, 2021 to February 28, 2022.

## **2 Background and DR Resource Requirements**

### **PSE Background**

PSE is Washington State's oldest local energy company and serves approximately 1.1 million electric customers and more than 790,000 natural gas customers in 10 counties. PSE's electric service area includes all of Kitsap, Skagit, Thurston and Whatcom counties; and parts of Island, King (excluding Seattle), Kittitas, and Pierce (excluding Tacoma) counties.

More information on PSE can be found at <https://www.pse.com/>. Information regarding rates and regulatory filings may be found at <http://pse.com/aboutpse/Rates/Pages/default.aspx>.

### **2.1 Past C&I DR Activities**

This section briefly describes PSE's past C&I DR activities.

#### ***Schedule 93 Voluntary Curtailment – 2001***

PSE implemented a voluntary curtailment program in 2001 that included 20 non-residential customers under Schedule 93. Eligible customers were able to curtail at least 500 kW of load over a minimum one hour period. Program nominations totaled 27,300 kW. The program ran from March through July 2001. During the second quarter of 2001, customers participated in 50 of the 132 events offered. The second quarter kWh reduction totaled 80,059. Prices dropped considerably in the third quarter of 2001, and events were only offered in July. Customers participated in 4 of the 42 events, producing a 4,202 kWh reduction. The program was ended following the third quarter of 2001.

#### ***C/I Load Control Pilot 2008-2010***

PSE ran a C&I Load Control Pilot from February 2008 through August 2010 that included 25 participants. PSE used a third-party aggregator to implement the pilot. Participants received a financial incentive based on their participation performance. End uses curtailed included lighting, HVAC, variable frequency drives and some types of manufacturing equipment. During periods of high system demand, PSE called a control event with one-hour ahead notification and participating customers responded by reducing their electric load. Customers were given the option of automated or manual curtailment. In both methods, PSE would notify the aggregator when to conduct a load control event. The aggregator would then either conduct the event using automated devices or by notifying specified personnel via email, telephone, pager, or fax. Customers chose manual curtailment methods. The aggregator set up a web-based energy management system that provided participants a dashboard for managing demand and energy use. Ten winter control events and nine summer control events were called during the pilot. In the last two years of the pilot, the average winter curtailment was 3.5 MW and the average summer curtailment was 8.5 MW.

## 2.2 DR Resource Need

PSE’s 2015 IRP identifies a capacity shortfall. Before any additional demand-side resources, peak capacity need in the base case is almost 900 MW by 2021 and over 2,700 MW by the end of the planning period. The 2015 IRP forecasts acquiring 121 MW of demand-response by 2021 (see Figure 1). Cost-effective levels of demand-response were found to be consistent across nearly all tested scenarios.

The solicitation/acquisition process may reveal costs or attributes different from those assumed in the IRP, and this could lead to adjusting the amount of demand-response acquired up or down. Changes to resource need are driven by updates to the long-term load forecast and revisions to the regional resource adequacy analysis may also affect the quantity of demand-response.

	2021	2026	2030	2035
Conservation (MW)	411	669	770	906
Demand Response (MW)	121	130	138	148
Wind (MW)	-	206	337	337
Combined Cycle Gas (MW)	-	577	577	805
Peaker/CT Dual Fuel (MW)	277	403	609	609

Figure 1- Electric Resource Plan Forecast, Cumulative Nameplate Capacity of Resource Additions

## 2.3 DR Resource Objectives and Bidder Solution Requirements

PSE’s objectives for DR as a portfolio resource in the 2017-2021 contracting period are listed as primary and secondary objectives. The primary objectives are requisite (or the minimum) requirements that a bidder needs to fulfill for PSE’s future DR portfolio. Secondary objectives, which are in excess of the minimum requirements, can enhance the value of a bidder’s proposal if determined by PSE to be cost effective.

### Primary Objectives:

1. Achieve PSE’s winter load reduction target of at least total 121 MW by 2021<sup>2</sup> (represents dispatchable load reduction capacity at the start of the winter season), including roughly 51 MW<sup>3</sup> of load curtailment from C&I customers.
2. Ensure DR resource is cost effective and can meet the following performance requirements:

<sup>2</sup> As per regulatory requirements, as set forth by PSE’s 2015 Integrated Resources Plan (IRP). Also, 2021 refers to the beginning of the winter season from November 1, 2021 to February 28, 2022.

<sup>3</sup> PSE’s 2015 Integrated Resource Plan (IRP) indicates 51 MW of the 121 MW cost-effective DR capacity will come from a C&I DR program. However, bidders are invited to present lower MW curtailment amounts if they believe that 51 MW is unachievable based on the market or technical constraints of their proposed solution, or if the cost of achieving 51 MW would be significantly more than some lesser MW amount (refer to Section 4.1 Table D, Item#2 later in the RFP). Table C, Item #2 of the Pricing attachment to this RFP provides bidders an opportunity to offer alternative pricing for higher capacity amounts.

- a. Be available during weekday peak hours, typically between 7 a.m. to 10 a.m. in the morning, and 5 p.m. to 9 p.m. in the evening, from November 1 through February 28/29.<sup>4</sup> PSE may call DR events outside these time windows, but bidders will not necessarily be expected to provide the same level of curtailment.
- b. Provide load response with an hour ahead notification of calling DR events.
- c. A maximum of one event per day may be called, and event duration shall be a maximum of 4 hours. Events will not be called on more than two consecutive days.
- d. The total event time from November 1 through February 28/29 shall be no more than 40 hours.

### *Customer Baseline Assumptions*

Vendor performance in providing the contracted curtailment capability will be determined via a mutually agreed upon method of measurement and verification (M&V).<sup>5</sup> The specific methodology for baseline measurement has not yet been established. PSE anticipates utilizing a day-matching approach (using customer loads from one or more prior days during the same hours as the event) with a symmetric up or down day-of event adjustment<sup>6</sup> (so that the adjusted baseline matches the observed load during certain hours prior to the event). For purposes of this RFP, bidders should assume that megawatts will be measured based on each customer's average load reduction measured over each 15-minute interval during the course of each event. Furthermore, bidders should assume conditions consistent with the temperature conditions described in Primary Objective #2 (Footnote 4**Error! Bookmark not defined.**).

### **Secondary Objectives:**

1. Develop year-round DR capability to provide for a greater number of events and event-hours.<sup>7</sup>
  - Provide load curtailment during summer months.<sup>8</sup>

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<sup>4</sup> PSE uses a daily forecast high below 40 degrees F and/or a forecast low below 30 degrees F to trigger a higher state of readiness for peak load. DR events can also be triggered at any time to address system emergency conditions within the program parameter constraints.

<sup>5</sup> The estimation of load impacts will be agreed upon mutually with PSE, and verified by PSE and an independent contractor.

<sup>6</sup> This will need to be reconsidered/redefined for winter morning peak periods to which adjustments based on hours prior to the event period are invalid.

<sup>7</sup> Note that PSE values flexibility of the DR resource in terms of providing year-round curtailment capability and will take this into consideration in evaluating bids.

<sup>8</sup> PSE's summer season is typically during the months of May through September. High demand periods during summer are from 2 p.m. to 6 p.m. PSE expects event summer event durations to be no more than 4 hours. Further assume that summer DR events are likely to be called when the day-ahead forecasted temperature is 85 degrees F or higher. However, DR events can be triggered at any time due to system emergency conditions.

- Also have the DR resource available year-round in order to be able to provide load curtailment during shoulder months,<sup>9</sup> if needed.
2. Develop flexible DR capability that provides more rapid curtailment, and greater integration of DR dispatch with grid monitoring.
    - Provide fast response with notification time of 10 minutes or less in order to help fulfill operating reserve requirements such as spinning and non-spinning reserves.
  3. Schedule DR Resources in wholesale market operations and bid DR in CAISO's Energy Imbalance Market.<sup>10</sup>
    - Offer potential for energy arbitrage by shifting consumption from high-priced to low-priced periods.
  4. Increase customer engagement and satisfaction through diversified participation in DR, Energy Efficiency (EE) programs and incentives, and other company products and service offerings, which could include optional electric and natural gas equipment leasing services.<sup>11</sup> Also provide additional products/services (other than EE) that could be bundled with the DR program offering and enhance customer service/satisfaction.<sup>12</sup>

### **Long-term considerations for DR Resources**

In addition to these objectives, PSE envisions utilizing DR for addressing other types of requirements in the long-term. For example, PSE could potentially use DR to help integrate intermittent renewable resources, such as wind and solar into future grid operations. Bidders are not expected to address these specifically in their proposal. However, PSE is interested in learning how vendor products/services being proposed for the 2017-2021 contract period could dovetail into addressing future potential use cases for DR.

## **2.4 PSE Customers and Program Eligibility**

Table 1 below presents customer count and 2015 electricity sales data by NAICS sector and by rate schedule for eligible customers. PSE intends to limit participation in this program to C&I customers whose maximum demand is estimated to be above 150 kW.<sup>13</sup> Table 2 presents electricity sales by rate schedule and by county for eligible customer segments.

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<sup>9</sup> Shoulder months are March, April and October, which are outside the winter and summer season definitions.

<sup>10</sup> PSE expects to begin participation in CAISO's Energy Imbalance Market from October 2016 onward.

<sup>11</sup> WUTC Dockets UE-151871 and UG-151872, filed September 18, 2015.

<sup>12</sup> In addition, PSE's preference is for the vendor to be able to provide other value added services/products that could be bundled and monetized along with the DR program offer.

<sup>13</sup> PSE is also soliciting proposals for its residential and small commercial DR program for approximately the same time period. The target customers for this program are those with less than 150 kW of maximum demand.

**Table 1: Customer Count and Electricity Sales by Sector and by Rate Schedule**

NAICS Sector Description	2015 GWh	Customer Count by Rate Schedule <sup>14</sup>					Total Count by Sector
		Sch. 25 <sup>15</sup>	Sch. 26	Sch. 31	Sch. 40	Sch. 49	
		>50 kW and ≤350 kW max. demand	>350 kW max. demand	>350 kW max. demand; delivery at 600 volts or higher	>3aMW load on a distribution feeder	≥4,400 kVA demand; delivery at 50,000 volts or higher	
Accommodation and Food Services	353.1	590	28	11	6	-	<b>635</b>
Admin. Support and Waste Management and Remediation Services	117.1	122	11	6	-	1	<b>140</b>
Agriculture, Forestry, Fishing and Hunting	48.3	83	10	9	-	-	<b>102</b>
Arts, Entertainment, and Recreation	145.0	245	12	14	-	-	<b>271</b>
Construction	124.7	183	28	7	1	-	<b>219</b>
Educational Services	416.5	489	58	82	-	1	<b>630</b>
Finance and Insurance	117.8	143	12	5	-	1	<b>161</b>
Health Care and Social Assistance	397.7	308	38	15	11	-	<b>372</b>
Information	827.4	170	32	10	74	4	<b>290</b>
Management of Companies and Enterprises	6.1	14	-	-	-	-	<b>14</b>
Manufacturing	1180.0	677	125	113	5	4	<b>924</b>
Mining	16.2	15	3	9	-	-	<b>27</b>
Other Services (except Public Administration)	148.2	422	10	10	6	-	<b>448</b>

<sup>14</sup> Brief Descriptions of Rate Schedules:

- Schedule 25: Small Demand General Service (>50 kW and ≤350 kW max. demand customers)
- Schedule 26: Large Demand General Service (>350 kW max. demand customers)
- Schedule 31: Primary General Service (>350 kW with delivery at primary voltage (600 volts or higher))
- Schedule 40: Large Demand General Service (>3aMW load on a distribution feeder)
- Schedule 49: High Voltage General Service (Billing demands not less than 4,400 kVA and delivered at high voltage (50,000 volts or higher); customer provides all transformation and facilities beyond the point of delivery.)

<sup>15</sup> Note that only customers with greater than or equal to 150 kW maximum demand in Rate Schedule 25 are eligible for C&I DR program participation. PSE has issued a separate RFP for Direct Load Control (DLC) program in which customers less than 150 kW maximum demand in Schedule 25 will be eligible to participate.



NAICS Sector Description	2015 GWh	Customer Count by Rate Schedule <sup>14</sup>					Total Count by Sector
		Sch. 25 <sup>15</sup>	Sch. 26	Sch. 31	Sch. 40	Sch. 49	
		>50 kW and <=350 kW max. demand	>350 kW max. demand	>350 kW max. demand; delivery at 600 volts or higher	>3aMW load on a distribution feeder	>=4,400 kVA demand; delivery at 50,000 volts or higher	
Professional, Scientific and Technical Services	113.5	157	10	4	3	1	<b>175</b>
Public Administration	420.4	444	27	60	1	4	<b>536</b>
Real Estate Rental and Leasing	403.6	515	60	11	-	1	<b>587</b>
Retail Trade	980.5	885	167	13	7	1	<b>1,073</b>
Transportation and Warehousing	192.1	130	21	22	-	1	<b>174</b>
Utilities	184.9	181	13	30	-	1	<b>225</b>
Wholesale Trade	219.7	288	34	10	2	-	<b>334</b>
Not Assigned	186.9	883	97	33	15	-	<b>1,028</b>
<b>Total</b>	<b>6,600</b>	<b>6,944</b>	<b>796</b>	<b>474</b>	<b>131</b>	<b>20</b>	<b>8,365</b>

**Table 2: Electricity Sales (GWh) by County and by Rate Schedule**

County	Sales by Rate Schedule					Total Sales by County
	Sch. 25	Sch. 26	Sch. 31	Sch. 40	Sch. 49	
	>50 kW and <=350 kW max. demand	>350 kW max. demand	>350 kW max. demand; delivery at 600 volts or higher	>3aMW load on a distribution feeder	>=4,400 kVA demand; delivery at 50,000 volts or higher	
Island	36.0	10.2	8.6	-	45.9	<b>100.8</b>
King	1,472	1,200	527.6	569.0	344.0	<b>4,113</b>
Kitsap	188.4	98.9	43.2	-	20.1	<b>350.6</b>
Kittitas	13.1	8.7	10.0	-	-	<b>31.8</b>
Pierce	202.6	106.5	134.9	15.4	10.1	<b>469.6</b>
Skagit	129.2	89.2	137.8	-	41.5	<b>397.7</b>
Thurston	235.3	140.4	179.6	29.9	47.9	<b>633.0</b>
Whatcom	196.4	82.6	166.7	-	53.9	<b>499.6</b>
Not assigned	4.2	-	-	-	-	<b>4.2</b>
<b>Total</b>	<b>2,477</b>	<b>1,736</b>	<b>1,208</b>	<b>614.4</b>	<b>563</b>	<b>6,600</b>

### 3 Scope of Work

This section identifies some, but not necessarily all, of the roles and responsibilities of PSE and the selected vendor. Bidders will be expected to identify specific information needed from PSE as well as additional responsibilities required by bidders to successfully deploy the load curtailment technologies and meet the stated objectives described in Section 2.3. Successful bids must also articulate the implementation strategy.

#### 3.1 Roles and Responsibilities

Table 3 below summarizes PSE and vendor responsibilities with respect to core business functions associated with DR program design and delivery.

**Table 3: DR Business Functions and Responsible Parties**

Business Function	Responsible Party	
	PSE	Vendor
Define Program Parameters and Initiate Load Control Events	P, A	-
Provision of Technology Products and Services	-	P, A
Marketing, Customer Recruitment & Outreach	A, p	P
Technology Installation and Enablement	p	P, A
Data Support and Performance Analysis	p	P, A
Billing and Settlement	A	P
EM&V <sup>16</sup>	P, A	-
Customer Service and Satisfaction	P, A	P
Coordination with Energy Efficiency Programs	P, A	P

*Level of Responsibility:*

**A** = Accountable (answerable for the correct and thorough completion of the deliverable or task, and often the one who delegates the work to the performer).

**P** = Perform (carries out the activity);

p = Performs with a lower level of responsibility than P

Blanks indicate that the party is neither accountable nor responsible.

PSE values its relationships with customers. It prefers to work with services partners that understand these relationships and combine a high degree of technical expertise with superior customer-focused awareness and service during program planning and implementation. It is PSE’s preference to ‘own’ the customer relationship with the selected respondent and co-ordinate PSE Demand Response implementation efforts between Business Services, Energy Efficiency Services and other customer service and program implementation conduits.

The vendor must ensure that its products and services are appropriate for the program objectives described in Section 2.3. In particular, **the vendor must meet the performance requirements identified in Section 2.3 under Primary Objectives.**

<sup>16</sup> Note that PSE is responsible/accountable for hiring an independent third-party to perform the EM&V.

The tables below provide brief descriptions of PSE and vendor roles and responsibilities with regard to the business functions listed in Table 3 above.

*Define Program Parameters and Initiate Load Control Events*

<b><i>PSE Responsibility</i></b>	<b><i>Vendor Responsibility</i></b>
<ul style="list-style-type: none"> <li>• Define DR program parameters (applicable months, event hours, min. load curtailment amount (if applicable); notification, event duration, annual limit on event hours, no. of times events can be called, etc.)</li> <li>• Initiate load control events using vendor-provided software and hardware.</li> </ul>	<i>Not Applicable</i>

*Provision of Technology Products and Services*

<b><i>PSE Responsibility</i></b>	<b><i>Vendor Responsibility</i></b>
<i>Not Applicable</i>	<ul style="list-style-type: none"> <li>• Provide and install all such program equipment and software necessary to monitor the participating customer’s energy usage, communicate with the participating customer and customer equipment, and (where applicable) control the participating customer’s energy usage so as to achieve the committed load reduction.</li> <li>• Undertake preventive, routine, and non-routine maintenance on program equipment and software to ensure reliable long-term and safe operation.</li> <li>• Be able to undertake each of the following:               <ul style="list-style-type: none"> <li>○ Curtail the contracted amount of load within an hour or 10 minutes of dispatch by PSE, depending on the type of service load dispatch events are being called for.</li> <li>○ Selectively control the amount and duration of load shed in a predetermined manner.</li> <li>○ Set up and enable communication options to adopt new technology and/or systems and services.</li> <li>○ Provide curtailment forecasts for all C&amp;I deployed DR, including seasonally, monthly, and day-ahead.</li> </ul> </li> </ul>

<i>PSE Responsibility</i>	<i>Vendor Responsibility</i>
	<ul style="list-style-type: none"> <li>○ Produce near real-time monitoring of curtailments in process.</li> <li>○ Provide post event reporting on achieved load shed.</li> </ul>

*Marketing, Customer Recruitment and Outreach*

<i>PSE Responsibility</i>	<i>Vendor Responsibility</i>
<ul style="list-style-type: none"> <li>● Assume primary responsibility for marketing, customer education and outreach.</li> <li>● Work in close coordination with vendor in developing program marketing materials, website and digital tools, customer education and outreach.</li> <li>● Ensure focus on PSE brand in messaging.</li> <li>● Recruit customers in coordination with the vendor. PSE’s account managers will serve as a primary touchpoint to customers during all stage of customer recruitment.</li> </ul>	<ul style="list-style-type: none"> <li>● Jointly develop program marketing materials and digital tools and assets with PSE. (<i>Refer to “Co-Branding with PSE” document included as Appendix B to the RFP.</i>)</li> <li>● Recruit customers in close coordination with PSE account management team and other relevant groups.</li> <li>● Enroll, schedule, install, enable, verify, and test the program participants.</li> </ul>

*Technology/Equipment Installation and Enablement*

<i>PSE Responsibility</i>	<i>Vendor Responsibility</i>
<ul style="list-style-type: none"> <li>● PSE Account Managers and Energy Management Engineers work closely with the vendor during preliminary site assessments.</li> <li>● Account managers introduce vendor to customer for detailed site audit.</li> <li>● Account managers and related PSE staff work in close coordination with vendor at different stages of technology enablement: schedule, install, enable, verify, and test the program participants.</li> </ul>	<ul style="list-style-type: none"> <li>● Provide vehicles with proper signage in support of installation activities. PSE to approve signage for vehicle. <i>Refer to PSE Co-Branding guidelines (included as Appendix B to the RFP).</i></li> <li>● Set up network/workforce to install and service program equipment.</li> <li>● Provide field and office training, including safety training for field personnel.</li> <li>● Manage all inventories of equipment, materials, and supplies associated with installation of program equipment and software.</li> <li>● Perform quality assurance audits on all installations by a new employee.</li> <li>● Perform maintenance/inspection and repair for all installed equipment.</li> </ul>

### *Data Support and Performance Analysis*

<b><i>PSE Responsibility</i></b>	<b><i>Vendor Responsibility</i></b>
<ul style="list-style-type: none"> <li>• Provide export of customer data for use by the vendor. Bidders should define initial interface requirements</li> <li>• Mutually define with the bidder data field names, definitions, data type, and data sizes of all transferred/shared data; provide an interface to the vendor’s system(s) for import of data required by the bidder.</li> <li>• Develop program tracking database in coordination with vendor.<sup>17</sup></li> <li>• Undertake program performance analysis using key metrics from program tracking database.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide secure, weekly data uploads into PSE’s data tracking system. <ul style="list-style-type: none"> <li>○ Uploads should include customer information (e.g., account status) and performance data.</li> </ul> </li> <li>• Provide participant data from a sufficient sample of customers for purposes of estimating average load impacts.</li> </ul>

### *Billing and Settlement*

<b><i>PSE Responsibility</i></b>	<b><i>Vendor Responsibility</i></b>
<ul style="list-style-type: none"> <li>• Undertake customer incentive payments.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct measurement and verification for estimation of load impacts (method to be agreed upon mutually with PSE, and verified by PSE and an independent contractor).</li> </ul>

### *Evaluation, Measurement and Verification (EM&V)*

<b><i>PSE Responsibility</i></b>	<b><i>Vendor Responsibility</i></b>
<ul style="list-style-type: none"> <li>• Sponsor independent ex-post impact and process evaluation of the program, establish baseline development methodologies and analytical framework for conducting annual impact and process evaluations.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide participant data (to PSE and 3<sup>rd</sup> party evaluator) from a sufficient sample of customers for purposes of estimating average load impacts.</li> <li>• Provide meter and payment data, calculation methodologies and other relevant information related to enrolled participants.</li> </ul>

<sup>17</sup> PSE expects to integrate DR program tracking into its current Nexant’s iEnergy DSM for EE programs and plans.

*Customer service and satisfaction*

<b><i>PSE Responsibility</i></b>	<b><i>Vendor Responsibility</i></b>
<ul style="list-style-type: none"> <li>• Perform customer satisfaction measures at all major points of customer interaction in order to improve/maintain customer satisfaction with program.</li> <li>• Develop customer satisfaction metrics along with vendor and obtain information from vendor to assess customer satisfaction.</li> <li>• Conduct surveys and focus groups in coordination with vendor to assess customer satisfaction.<sup>18</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Coordinate with PSE to perform customer satisfaction measures at all major points of customer interaction in order to improve/maintain customer satisfaction with program. (<i>Refer to PSE’s Customer Experience Intent Statement and Customer Interaction Requirements included as Appendices C and D</i>).</li> <li>• Exchange customer information with PSE as mutually agreed.</li> <li>• Perform all activities related to customer complaint tracking and handling.</li> <li>• Perform all activities related to customer claims tracking and handling.</li> <li>• Perform all activities associated with maintaining a call center operation including, but not limited to, customer recruitment, handling all types of enrollments, installation scheduling, and service call processing, complaint handling, and tracking.</li> <li>• Allow utility to monitor customer service calls with utility customers.</li> </ul>

*Coordination with Energy Efficiency Programs*

<b><i>PSE Responsibility</i></b>	<b><i>Vendor Responsibility</i></b>
<ul style="list-style-type: none"> <li>• Assume responsibility for coordination of DR and EE products/services to provide integrated demand side management opportunities to customers.</li> </ul>	<ul style="list-style-type: none"> <li>• Work in coordination with PSE’s program managers and implementers along with Business Services on ways to integrate DR and EE program offerings to present these as integrated energy management opportunities to customers, especially at the stage of program marketing, customer education and outreach. Information on PSE’s ongoing energy efficiency programs can be found in the biennial annual conservation report, available at: <a href="http://www.utc.wa.gov/layouts/CasesPublicWebSite/GetDocument.aspx?docID=23&amp;year=2015&amp;documentNumber=152075">http://www.utc.wa.gov/layouts/CasesPublicWebSite/GetDocument.aspx?docID=23&amp;year=2015&amp;documentNumber=152075</a></li> </ul>

<sup>18</sup> The specifications regarding the number and timing of the surveys/focus groups will be indicated at a later stage during/after the contract process.

## 3.2 Anticipated Utilization of the DR Resource

[Section intentionally omitted]

## 3.3 Performance Goals

PSE will pay bidders based on megawatts of delivered load reduction that meet the performance parameters identified in the Primary Objectives in Section 2.3. These payments will be provided as:

- **Monthly capacity payments**, based on the average actual load reduction provided during events that month or, if no events occurred, the monthly committed load reduction specified by the vendor, multiplied by PSE's monthly capacity payment rate
- **(Optional) Monthly energy usage payments**, based on the vendor's energy performance each month, multiplied by PSE's hourly energy usage payment rate.
- **Other payments** as structured in bidder's response in the Pricing Attachment and agreed upon with PSE

If the vendor fails to commit or deliver megawatts greater than or equal to the minimum committed load reduction specified in the contract during a program month, PSE will reserve the right to withhold some or all of the monthly payments to the vendor for that particular program month.

Additionally, in order to ensure successful delivery of products and services, bidders' performance and compensation will also be measured against specific pre-defined metrics,<sup>19</sup> which may include the following:

### *Technology Products and Services:*

- System functionality meeting specifications identified in bidder proposal
- Data collection/provision requirements (types of data and frequency of provision)
- Event monitoring and performance reporting (speed, comprehensiveness, and frequency)

### *Implementation Services:*

- Timely enrollment of participants
- Timely installation of equipment
- Minimum levels of customer service satisfaction
- Timely provision of customer enrollment data and forecasts

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<sup>19</sup> These metrics will be specified at the time of the contract.

- Accurate customer enrollment data and payment processing

*Curtailment Objectives:*

- Annual growth targets
- Cumulative curtailment capability
- Event performance
- Timely provision of required event data, analysis and forecasts



## 4 Technical Proposal

In the tables below, please describe the products, services, and information you would provide if selected by PSE to perform the Scope of Work described above in Section 3. Where appropriate, bidders are asked to describe their past experiences and how they may enhance the bidder's ability to meet PSE's objectives outlined in Section 2.2.

**Not all fields below will apply to all vendor solutions.** Bidders should indicate fields that are not applicable to their proposed solution in their response.

Bidders may provide their responses in the format of the tables below, if desired. At a minimum, bidders must conform to the alpha-numeric outline of the sections, topics, and questions (e.g., System level diagram must be indicated as part of Section 4.1.B.1 Technology Products and Related Services, System Overview, System Level Diagram).

Bidders are also encouraged to provide clear, concise responses. In addition, bidders should feel free to reference to earlier sections for their responses if they feel the requested information would be repeated.

*Example Response Format:*

### **Section 4.1 Technology Products and Related Services**

#### **B. System and Load Curtailment Overview**

1. System Level Diagram

[insert diagram here]

2. End-Use Control Devices and Systems

[insert text response here]

## 4.1 Technology Products and Related Services

<b>A. Summary of Proposal (2-page limit)</b>	
1. Summary of Proposal for Technology Products and Related Services	Provide a high-level overview of your proposed technology, associated hardware and software, and any technology-related services. This should be a concise summary of the offering that you propose in the remainder of this Section 4.2, highlighting unique elements of your proposal. This summary should NOT address Implementation Services, which are covered in Section 4.3.

<b>B. System Overview</b>	
1. System Level Diagram	Provide a system level block diagram of the solution that you are proposing. Include head-end (control) elements, all key interfaces, databases, communication, monitoring, switches, and associated technology to deliver a load shed signal to the customers and end-use equipment (if curtailment is automated), and the return path for communications back to PSE.  <u>Note:</u> PSE will not accept marketing brochures or any extraneous marketing information to fulfill this request, but may be included in an appendix. A simple but detailed block diagram that is easy to read and understand is mandatory.
2. End-Use Control Devices and Systems	Provide technical descriptions of any end-use devices and systems you are proposing for customer premises (e.g., gateway devices, load control relays, building energy management control system (EMCS), etc.), as well as the end-uses they might control.
3. Communications Infrastructure	Based on the system-level description, provide a complete description of the communication infrastructure that will be needed and how it will be used.
4. Metering	Describe the type of metering that will be employed and how metering information will be relayed to PSE—frequency, resolution, summary reporting, etc. Also indicate any requirements for PSE’s installed metering, or bidder’s intended use of PSE meter data.
5. Load Curtailment Mechanics	Describe the approaches, processes, and equipment to be used to execute load curtailment at customer facilities.  Discuss the anticipated actions required of customers (may vary by customer), and any automated load response that may be employed.

## B. System Overview (continued)

6. Interoperability	<p>Based on the system-level diagram, describe the interoperability features of each element of your solution and the scalability of your proposed solution. Discuss any components that may not be interoperable with future deployments and why this is the case.</p> <p>Describe the communication and control center protocols that you support (e.g., CIM, Multispeak, etc.) and the open interoperability standards that your interfaces are based on. Provide your interoperability roadmap that shows your future direction for these protocols, along with timing and rationale.</p>
7. Security	<p>Describe in detail the system architecture and measures that provide end-to-end security and cyber-security and ensure against attacks to program-related systems and data. Include discussion of secure data transfer, communications, device registration, and device messaging, and in particular customer related information privacy and security.</p>
8. Requirements for PSE	<p>Describe the expectation of PSE technology infrastructure, including server needs, database requirements and capacities, operating systems, security requirements, file transfer mechanisms, telecom requirements, and any other interfaces, components or software/hardware requirements.</p>

## C. Head-End System

1. Technical Descriptions	<p>Based on the system-level diagram, provide technical descriptions of the system management software that is proposed for the load curtailment solution and other infrastructure that may need to be controlled and managed.</p>
2. Operator Interface	<p>Describe and provide graphics (screen captures or other appropriate) illustrating what an operator would see, and what they would do to set up an event, trigger the event, and then monitor its progress and effectiveness as a whole or site-by-site.</p>
3. Hosting	<p>Based on the system-level diagram explain the options of whether the interface is hosted at the utility or the bidder's site as SaaS or a Cloud Based solution. Describe the advantages/disadvantages of both. Discuss training requirements and available support if PSE hosts the solution.</p>

### C. Head-End System (continued)

4. Status and Reporting	<p>Based on the system-level diagram, describe your reporting capability as it relates to displaying the current system status (e.g., curtailment at any given time by customer and in aggregate) and to log system status and activity for subsequent analysis.</p> <p>Describe the reports available for each element of the system and how you use information such as this as evidence to demonstrate that the system is working correctly, and how frequently this information can be provided to PSE.</p>
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### D. Load Curtailment Performance and Impact Assessment

1. Load Curtailment Performance to Meet Primary Objectives	<p><b>*** PSE places a high value on responses to this item. ***</b></p> <p>Describe the proposed load curtailment capability, including number of events and hours per year, duration of events, advanced notification required, and other relevant performance metrics associated with load curtailment that meets PSE’s primary objectives in Section 2.3.</p>												
<p>2. Winter Capacity Reduction Estimates by Year</p> <p><i>(in fulfillment of PSE’s Primary Objectives as outlined in Section 2.3)</i></p>	<p>In the table below, provide your proposed winter peak load reduction capacity per year from 2017 to 2021<sup>20</sup>. The proposed amount indicates what bidder can provide that meets PSE’s primary objectives and conforms to the customer baseline assumptions discussed previously in Section 2.3 (See Footnote 4).</p> <p>Winter Load Curtailment Estimate Per Year (MW)</p> <table border="1" data-bbox="537 1192 1409 1465"> <thead> <tr> <th></th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021*</th> </tr> </thead> <tbody> <tr> <td>Winter peak load reduction estimate<sup>21</sup> (MW)</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>*Note that PSE’s 2015 IRP indicates 51 MW of cost-effective capacity from C&amp;I DR program in winter of 2021.</p>		2017	2018	2019	2020	2021*	Winter peak load reduction estimate <sup>21</sup> (MW)					
	2017	2018	2019	2020	2021*								
Winter peak load reduction estimate <sup>21</sup> (MW)													

<sup>20</sup> Winter capacity for 2017 covers November 1, 2017 to February 28, 2018; winter capacity for 2021 covers November 1, 2021 to February 28, 2022

<sup>21</sup> Note that loads will be dispatched according to the specifications outlined in Section 2.3 under Primary Objectives.

## D. Load Curtailment Performance and Impact Assessment (continued)

### 3. Load Curtailment Performance to Meet Secondary Objectives

Describe proposed load curtailment capability that could help meet PSE's secondary objectives listed in Section 2.3. Note that PSE values flexibility with year-round availability of loads and fast response capabilities. PSE does not require that bidders provide year-round curtailment capability, but the value of bids may be enhanced by competitively priced curtailment capability beyond just the winter months.

In the table below, specifically indicate load curtailment estimates for summer and shoulder periods in 2021, with an hour ahead notification.<sup>22</sup>

#### Summer and Shoulder Period Load Curtailment Estimate in 2021 (MW)

	MW
Summer- 2021 (May 1, 2021 to till Sep. 30, 2021)	
Shoulder- 2021 (March, April, and Oct. of 2021)	

Additionally, in the table below indicate the available capacity that can respond with 10-minute or less notification in summer and winter of 2021.<sup>23</sup>

#### Fast Response (10 minutes or less) Load Curtailment Estimate in 2021 (MW)

	2021
Winter- 2021 (Nov.1, 2021 to till Feb. 28, 2022)	
Summer- 2021 (May 1, 2021 to till Sep. 30, 2022)	

<sup>22</sup> Bidders are invited to present price estimates for the indicated summer and shoulder season curtailment capacity under Item#C1 of the Pricing Proposal (included as a separate attachment to this RFP).

<sup>23</sup> Bidders are invited to present incremental capacity charge for fast-response enabled load (10 minute or less notification) under Item#C2 of the Pricing Proposal (included as a separate attachment to this RFP).

## D. Load Curtailment Performance and Impact Assessment (continued)

<p>4. Customer Baselines and Alternative Baseline Loads</p>	<p>PSE will provide a baseline methodology to calculate the winter peak load reduction, as discussed under the primary objectives in Section 2.3. PSE anticipates utilizing a day-matching approach (using customer loads from one or more prior days during the same hours as the event) with a symmetric up or down day-of event adjustment<sup>24</sup> (so that the adjusted baseline matches the observed load during certain hours prior to the event). However, the specific methodology has not been established. For purposes of this RFP, bidders should assume that megawatts will be measured based on each customer's average load reduction measured over each 15-minute interval during the course of each event.</p> <ul style="list-style-type: none"> <li>a. Please describe your approach to comply with these measurement requirements.</li> <li>b. If you are providing load curtailment products for which a day-matching baseline with same-day adjustment is not appropriate, please describe your proposed baseline approach.</li> </ul>
<p>5. Reliability</p>	<p>Describe your approach to ensuring consistent load reductions during the course of an entire event and from one event to another. Provide data/graphical evidence of your performance history in doing so.</p>

## E. Additional Equipment and Services

<p>1. Customer Interface</p>	<p>If your proposed solution includes a web portal or smart phone app, describe and provide graphics (screen captures or other appropriate) illustrating what a customer would see, and what they would do to respond to events, set up their device preferences, monitor energy usage, etc.</p>
<p>2. Energy Efficiency Services</p>	<p>Describe if and how your technology platform and participation in the DR program can help customers realize energy savings opportunities along with demand benefits. Explain specific features of your technology that could potentially help customers realize energy efficiency savings.</p>
<p>3. Energy Efficiency Impact Estimates</p>	<p>Provide an estimate of any energy savings that customers may realize through participation in the program, and in particular via any services offered and described in the previous item. Discuss how savings may vary by customer type and size, and what factors may affect realized savings. Provide supporting evidence, and reference your relevant history, if applicable.</p>

<sup>24</sup> This will need to be reconsidered/redefined for winter morning peak periods to which adjustments based on hours prior to the event period are invalid.

## **E. Additional Equipment and Services (continued)**

4. Additional Equipment and Services (excluding energy efficiency)	Describe any additional equipment and/or services (excluding energy efficiency) and not explicitly identified above that may provide additional benefits worthy of consideration by PSE. PSE values additional products/services that can be bundled with DR and monetized. To that extent, specify the types of products/services that you could bundle with the DR program offering to provide value added products/services to the customers.
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### **4.2 Implementation Services**

PSE values its relationships with customers. It is PSE's preference to 'own' the customer relationship with the selected respondent and co-coordinate PSE Demand Response implementation efforts with energy efficiency program/services offerings and other customer service and program implementation conduits.

## **A. Summary of Proposal (2-page limit)**

1. Summary of Proposal for Implementation Services	Provide a high-level overview of your proposed implementation services. This should be a concise summary of the offering that you propose in the remainder of this Section 4.2, highlighting unique elements of your proposal.
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## B. Marketing, Recruitment, and Retention

<p>1. Customer Segmentation</p>	<p>Provide a complete list of all customer industry types and end uses targeted for participation.</p> <p>In the table below, provide an estimated share of the total curtailment amount in 2021 by customer segment, presented in terms of their percentage contribution to the total winter peak load reduction in 2021. You may follow the segments indicated earlier in Table 1 under Section 2.4 or any other segmentation approach as you deem fit.</p> <p>% share of industry segments in winter peak load curtailment</p> <table border="1" data-bbox="618 632 1049 1035"> <thead> <tr> <th>% share by segment</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Segment#1</td> <td></td> </tr> <tr> <td>Segment#2</td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Segment #n</td> <td></td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table>	% share by segment	2021	Segment#1		Segment#2				Segment #n		Total	100%
% share by segment	2021												
Segment#1													
Segment#2													
Segment #n													
Total	100%												
<p>2. Engagement Plan</p>	<p>Detail the strategy for public outreach, deployment, and plan to engage end-use customers and solicit enrollment into a program.</p> <ul style="list-style-type: none"> <li>• Include discussion of the particular customer sectors and sub-sectors to be targeted.</li> <li>• Provide examples of how you might coordinate with PSE account managers and existing PSE programs to improve program marketing and recruitment.</li> <li>• Describe how you propose to coordinate with any other Providers contracted to PSE to ensure that customers are not solicited by multiple vendors.</li> </ul>												
<p>3. Branding</p>	<p>Describe the “brand recognition” of any customer interaction, equipment, or systems which the end-use customer may encounter, such as the customer portal.</p> <p><i>(Refer to PSE’s “Co-Branding Guidelines” included as Appendix B to the RFP).</i></p>												



## C. Marketing, Recruitment, and Retention

<p>Coordination with Other PSE Programs</p>	<p>Describe how you will coordinate with other existing PSE programs to improve the program delivery.</p> <p>Include discussion on engagement strategies for coordinating with account managers, how you will cross promote and integrate your offering with existing/future EE programs, etc.<sup>25</sup></p> <p>Provide examples of how your firm has successfully partnered with other existing utility programs to enhance program delivery.</p>
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## D. Customer Enrollment and Enablement

<p>1. Potential Participant Assessment</p>	<p>Describe your participant assessment plan, including how you determine the energy savings and load reduction a customer can provide.</p> <p>Discuss role of PSE staff, including key account managers, in this process.</p>
<p>2. Equipment Installation</p>	<p>Describe the installation process for any customer equipment. Include discussion of the equipment needed to complete installation, amount of time needed to install a facility, and any requirements from the customer.</p>
<p>3. Staffing</p>	<p>Describe your current network of equipment installers and/or your proposed subcontractor or subcontracting approach for conducting a site assessment and equipment installation. Discussion should address the following:</p> <ul style="list-style-type: none"> <li>• Existing or planned coverage in/near PSE service territory</li> <li>• Your qualification requirements for using subcontractors and your process for identifying, training, and utilizing local contractors, if applicable</li> <li>• Your process for evaluating performance, ensuring professional conduct, and maintaining adequate capacity to meet program goals</li> </ul>
<p>4. Verification of Customer Enablement</p>	<p>Describe your practices for verification and testing to ensure end-to-end communication and full functionality. Include discussion of periodic testing and pre-curtailement season testing (for winter and summer).</p>

<sup>25</sup> For a description of existing programs refer to PSE's energy efficiency program information in PSE's 2016-2017 Biennial Conservation Plan Exhibit 3, which contains EE program descriptions at <http://www.utc.wa.gov/layouts/CasesPublicWebsite/GetDocument.aspx?docID=23&year=2015&docketNumber=152075>

<b>E. Data Support</b>	
1. CIS and work management software	Describe your CIS and work management software, including how customer information is entered and updated, how scheduling of installations is accommodated, and how service requests and other necessary information are incorporated.
2. Interface Requirements	Describe the process by which PSE's system is updated or fed with real time information, such as load curtailment activity and other predefined fields. Also, describe processes for providing weekly or monthly updates/reports.
3. Data Sharing and Reporting	Respond in detail to the following: <ul style="list-style-type: none"> <li>• What types of information/data will be exchanged with PSE, and how will this data be transferred in a secure manner? Is it pulled, pushed on a time basis, or both?</li> <li>• What access will PSE staff have to account status, and what information will be available?</li> <li>• What types of status reporting will be provided to PSE, with what level of detail, and with what frequency?</li> <li>• What are your data retention policies?</li> <li>• What is your QA/QC process for ensuring that your customer data is correct and valid?</li> </ul>
4. Reliability and Backup	Describe the protections and recovery methods for dealing with unforeseeable events (e.g., acts of nature, computer or hard drive failure in the computing resources, or security breaches) that may compromise vital customer or work management data.
5. Testing Approach	Describe how the data transfer processes will be tested initially and how they will be checked during the project to assure functionality and accuracy.

<b>F. Customer Service and Satisfaction<sup>26</sup></b>	
1. Call center staffing	Describe how the call center is arranged, who staffs it, and whether they are temporary or permanent employees/contractors. What bilingual capabilities are provided and what general and program-specific training is provided.

<sup>26</sup> Refer to "PSE Customer Experience Intent Statement" and "PSE Customer Interaction Requirements" included as Appendices C and D to the RFP.

## F. Customer Service and Satisfaction<sup>27</sup> (continued)

2. Call center operations	<p>Describe in detail the call center services that will be provided. Include the following at a minimum:</p> <ul style="list-style-type: none"> <li>• Call center hours, days of availability/non-availability</li> <li>• Will there be a dedicated toll free number?</li> <li>• What other responsibilities/clients will the call center staff also have? What share of each staff person's time will be dedicated to PSE?</li> <li>• What is the capacity for receiving calls and what are contingency plans for overflow?</li> </ul> <p>Define your call-center metrics, such as answer time and call abandonment.</p>
3. Customer satisfaction	<p>What procedures do you propose to ensure customer satisfaction and to measure and report results to PSE? What metrics could be easily provided short of any detailed customer satisfaction surveys that PSE might conduct?</p>

## G. End-of-Contract Terms

1. End-of-Contract Technology Ownership Terms	<ul style="list-style-type: none"> <li>• Indicate who owns the equipment, and what your suggested terms are for ownership of equipment at the end of the contract period in 2021, should PSE decide to discontinue services with your firm at that time.</li> <li>• Indicate whether it is possible for PSE buy the equipment and/or acquire a license to operate the head end system at the end of the contract period.</li> <li>• Provide pricing terms for the ownership transfer or licensing.</li> </ul>
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### 4.3 Project Management

PSE values its relationships with customers. The utility prefers to work with services partners that understand these relationships and combine a high degree of technical expertise with superior customer-focused awareness and service during program planning and implementation. It is PSE's preference to 'own' the customer relationship with the selected respondent and co-ordinate PSE Demand Response implementation efforts among Business Services, Energy Efficiency Services and other customer service and program implementation conduits.

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<sup>27</sup> Refer to "PSE Customer Experience Intent Statement" and "PSE Customer Interaction Requirements" included as Appendices C and D to the RFP.

## A. Roles and Expectations of PSE

For each of the major (lettered) topic areas above and for any other relevant topics, discuss the role that you expect PSE to play and any specific needs/expectations in terms of providing information, services, and feedback.

Topic Area	Role and Expectations of PSE
1. Marketing, Recruitment, and Retention	
2. Equipment Installation and Operation	
3. Data Support	
4. Customer Service and Satisfaction	
5. Other	

## B. Schedule and Delivery

1. Implementation Timeline	<p>Provide a detailed schedule for implementation tasks (after the contract is effective), including but not limited to the following implementation tasks:</p> <ol style="list-style-type: none"> <li>1. Customer Recruitment               <ol style="list-style-type: none"> <li>a. Marketing, Customer Education and Outreach</li> <li>b. Qualification and audit of candidate sites</li> <li>c. Enrollment of qualified sites</li> </ol> </li> <li>2. Vendor Platform Setup               <ol style="list-style-type: none"> <li>a. Installation and Configuration of Hardware</li> <li>b. Systems Integration</li> <li>c. Commissioning</li> </ol> </li> <li>3. Site Enablement               <ol style="list-style-type: none"> <li>a. Creation of site connection to vendor platform</li> <li>b. Site Commissioning and acceptance testing</li> </ol> </li> <li>4. DR Program Operations</li> </ol> <p>If the schedule depends on unknown factors at this time, describe those factors and how they could impact the schedule and program (e.g., lead-time constraints).</p>
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## **B. Schedule and Delivery (continued)**

2. Extenuating factors	What extenuating factors may affect performance and schedule? How might these impact program rollout and what can be done in advance by the implementation contractor or by PSE to avoid affecting program rollout and/or to mitigate their impact?
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## 5 Bidder Information and Qualifications

In the tables below, please provide company information, relevant project experience, and references. See the introduction to Section 4 Technical Proposal above for guidance on the format of your response.

<b>A. General Company Info</b>	
1. Bidder Name	Legal company name
2. Address(es)	Include headquarters address as well as other relevant addresses for PSE (e.g., local offices in Washington, etc.)
3. Description	Company description/ history
4. Other information	<ul style="list-style-type: none"> <li>a. Form of organization: corporation; partnership; individual d/b/a; or other as applicable.</li> <li>b. State of incorporation or registration</li> <li>c. Federal Identification Number or Social Security Number as applicable</li> <li>d. Website URL</li> <li>e. Is your company capable of receiving payments via a Financial Electronic Data Interchange (FEDI)? If not, would you consider establishing an account with a financial institution that is FEDI capable?</li> </ul>
5. Financial Statements	Audited financial statements for past three years (submit as attachment)
6. Contact	Name, address, telephone number, and email address of primary bidder contact.

For each subcontractor being proposed, provide the information in Table A, Items 1 through 4d.

<b>B. Relevant Project Experience</b>	
1. Existing Customers	List existing C&I curtailment program utility customers.
2. Customer Documentation	Provide documentation that describe up to five existing utility customers and include discussion of installations of your proposed C&I system solution (type of installations, # of customers, etc.) and the implementation services provided. Clarify any differences with what you are proposing in this RFP. You may reference marketing materials provided as an attachment to your proposal.
3. Project Team Organization and Roles	Provide an organization chart illustrating key team members, including subcontractors. Explicitly identify and describe (separate from the organization chart) the roles and responsibilities of key team members who will be most responsible for coordinating and delivering services to PSE.

## B. Relevant Project Experience (continued)

### 4. Project Team Resumes

In an appendix to your proposal, provide resumes for the key team members identified in Item **Error! Reference source not found.** above.

## C. References

### 1. Contact Information and Summary

Provide a company name, contact name, phone number, and email address for **three customers** that can be contacted about your relevant work for them. Include a brief description of the project if not already described in Item **Error! Reference source not found.** above.

## 6 Proposal Format and Bidder Instructions

Proposals should provide a concise yet complete description of the bidder’s approach, capabilities, and pricing for satisfying the required services outlined in this RFP. Bidders are required to prepare their proposal response according to the content described in the Bidder Checklist below. Specific bid instructions and requirements for the proposal format and content are as follows:

- 1) Proposals should contain, in proper order, all items listed and described in the Bidder Checklist below. Many of these items refer to more detailed questions or instructions contained in Sections 4 and 5 of this RFP. The organizational structure (numbering system) of the questions/instructions in these sections must be used to describe the proposed services. Bidders do not need to provide responses in the tabular format used in Sections 4 and 5, but the category letter, topic number, and topic name should be clearly labeled to identify which question/information request is being addressed.
- 2) Proposals must be prepared using 12 point Times New Roman or similar font with 1 inch margins on all sides. Illustrative tables or graphics may use alternative font styles and sizes.
- 3) PSE has not established specific page limits. However, **bidders are encouraged to be concise in their responses**, answering the questions directly and referencing supplemental materials in an appendix where necessary.
- 4) Additional materials that the bidder believes *will substantially improve PSE’s understanding of the bidder’s capabilities and/or proposal* may be submitted as appendices or attachments.

**Requirements for bid submission are discussed in Section 7.**

### Bidder Checklist

Item	Description
Intent to Bid	Complete and submit Intent to Bid Form provided as a separate attachment.
Mutual Non-Disclosure Agreement	To be submitted with Intent to Bid.
<i>Technical Proposal Documents, including:</i>	
Table of Contents	Identifies all major sections of the proposal and their starting page numbers
Technical Responses	Responds to all questions in RFP Section 4 regarding your proposed technology solution.



Item	Description
Bidder Information and Qualifications	Responds to all questions in RFP Section 5 regarding your organization, experience, and references.
Resumes of Key Team Members	In an appendix to your proposal, provide resumes (preferably no more than 2 pages per person) for key project team members listed in the organization chart requested in RFP Section 5, Table B, Item 4.
<i>Pricing Proposal Document, consisting of:</i>	
Pricing Proposal	Provide pricing by responding to all questions and instructions contained in the Pricing Attachment to this RFP.
<i>Other Documents:</i>	
Insurance Requirements	Sample COI provided as separate attachment
Terms and Conditions Exceptions	Indicate and identify any exceptions that your organization has with PSE's Terms and Conditions. (See RFP Section 7.6 and the separate attachment.)
Agreement for Professional Services	Included as separate file attachment for reference.

## 7 RFP and Bid Procedures

This section of the RFP addresses procedures governing the submission of bids and the solicitation process.

### 7.1 RFP Schedule

The anticipated schedule for this solicitation, subject to change at PSE's sole discretion, is as follows:

Final RFP solicitation released:	September 12, 2016
Intent to Bid notice due:	September 23, 2016
Bidder Questions due:	September 23, 2016
Question responses provided by PSE:	September 30, 2016
Proposals due to PSE:	October 28, 2016
Interview Finalists:	November 2016
Anticipated Contractor Selection:	November/December 2016

The above schedule is subject to change at the discretion of PSE. Notification of changes may be sent by PSE to the individual designated as bidder's contact (in either the intent to bid or the proposal).

### 7.2 Intent to Bid

Bidders are strongly encouraged, although not obligated, to indicate their "intent to bid" by submitting the intent to bid form no later than September 23, 2016 to the DR RFP email address at [CIDRRFP@PSE.com](mailto:CIDRRFP@PSE.com). PSE would also appreciate receiving notice of any bidder's decision not to participate in this solicitation, including an indication of the reason.

Bidders providing an Intent to Bid will receive follow-up communications from PSE regarding clarifications or changes to the RFP and the solicitation process.

PSE will issue this RFP to all qualified bidders. If your organization is interested in bidding but did not receive the bid, you may send an email to [CIDRRFP@PSE.com](mailto:CIDRRFP@PSE.com).

PSE will not accept responses from any PSE affiliates or subsidiaries. PSE also will not accept responses from other electric utilities.

### 7.3 Questions and Communications

**Technical or program-related questions** related to this RFP should be submitted by email to the RFP email address at [CIDRRFP@PSE.com](mailto:CIDRRFP@PSE.com) any time after issuance of this RFP. Questions should be provided in writing by September 23, 2016. Responses to any questions applicable to all bidders will be provided to all bidders via email by September 30, 2016.

**Commercial or administrative questions** related to this RFP should be directed to:

Elaine Markham  
425-424-6866  
[CIDRRFP@PSE.com](mailto:CIDRRFP@PSE.com)

No other contact with PSE employees or its contractors related to this RFP shall be made throughout this entire process. Any unauthorized contact may result in immediate disqualification.

**RFP web site:** RFP documents, responses to bidder questions, and other relevant material will be posted to PSE's RFP web site at <https://pse.com/aboutpse/EnergySupply/Pages/Acquiring-Energy.aspx>.

## 7.4 Submission of Proposal Responses

Bidders must submit both hard copy and electronic versions of their proposals by the due date and time listed below. Any proposals received after this date and time may be rejected. Proposals that do not contain the information requested in this RFP may also be rejected at PSE's sole and absolute discretion.

- 1) **Deadline for Submission** – October 28, 2016 at 5:00 p.m. (Pacific Time) for electronic copies to be received by PSE. Hard copies must be postmarked or shipped by the deadline, but may be received by PSE the following business day.
- 2) **Proposal Submission** – Bidders are required to submit both hard copies and electronic copies of their proposal as follows:

**Hard copies.** Bidder shall submit **five (5) hard copies** of their proposal. Hard copies should include the Technical Proposal Documents, Terms and Conditions Exceptions, and any other attachments or supplemental materials that bidder wishes to provide (see Bidder Checklist in Section 6 above). Responses to the Pricing Attachment should be contained in a separately bound document, but may be included in the same package. Proposals must be enclosed in a sealed envelope or box clearly marked "C&I DR Proposal" and sent to the following address:

Attn: C&I DR Proposal  
Elaine Markham  
Puget Sound Energy  
19900 North Creek Parkway BOTH01  
Bothell, WA 98011

**Electronic copies.** In addition to the hard copies, bidders shall email **two electronic copies** of their full proposal to [CIDRRFP@PSE.com](mailto:CIDRRFP@PSE.com). One copy should be in PDF format, for internal distribution, and a second in Microsoft Word for purposes of facilitating preparation of contracts. Electronic copies should be organized into the following separate files (see Bidder Checklist in Section 6 above):

- Technical Proposal (resumes may be included if desired)
- Resumes (if not included in Technical Proposal)
- Pricing Proposal
- Terms and Conditions Exceptions
- Other attachments or supplemental materials.

Important: Please note that emails with attachments larger than 10MB may not pass through PSE's firewall. Bids should be submitted via separate emails if necessary to ensure that attachments do not exceed this limit.

- 3) **Verification of Receipt of Proposal** – It is the bidder's sole responsibility to ensure that hard copies of its proposal are sent by the deadline and received at the address specified above no later than the following business day.
- 4) **Errors or Omissions** – A bidder that discovers an error or omission in its proposal response package may withdraw that package and resubmit one, provided that it does so before the deadline for submission of proposal responses.
- 5) **RFP Withdrawal** – PSE reserves the sole and absolute right to withdraw this RFP at any time before the duly authorized execution of the contract/purchase order with bidders for any reason including, but not limited to, action by the Washington Utilities and Transportation Commission (UTC) or changes in forecasted resource needs. In its sole and absolute discretion, PSE may accept or reject any or all proposals, and may accept other than the lowest-cost proposal. PSE will not assume any liability, under any circumstances, to any bidder submitting a proposal in response to this RFP.
- 6) **Proposal Preparation Costs** – Bidder accepts any and all costs and expenses incurred prior to the duly authorized execution of the contract/purchase order and will not seek any costs and expenses from PSE. This includes proposal preparation and any requested on-site interviews or contract negotiation expenses.
- 7) **Proposal Confidentiality** – To the extent possible, PSE will attempt to keep submitted proposals confidential. However, it is possible that proposals may be requested by the WUTC for review, or by other interveners<sup>28</sup>, and as such, full assurance of complete confidentiality is not possible. To the extent required by law or regulatory order, PSE will make available to the public a summary of all proposals received and the final ranking of all such proposals. Furthermore, PSE will not assume any liability to a Bidder or other party as a result of any public disclosure of any proposal or contract/purchase order.

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<sup>28</sup> This could include Conservation Resource Advisory Group (CRAG) members.

## **7.5 Terms and Conditions of Submission**

Bidders are requested to review PSE's contract terms and conditions (see Attachment on 'Agreement for Professional Services'). Bidders must make note of any exceptions to the terms of this document either by itemizing exceptions or marking up an electronic copy.

All proposals, along with all other documentation, submitted in connection with this RFP shall become and will remain the property of PSE and will not be returned to the Bidder.

By submitting a proposal pursuant to this RFP, Bidders acknowledge and agree that (a) they will be fully bound by the terms and conditions of this RFP and PSE Terms and Conditions in submitting their proposals, (b) they have had the opportunity to seek independent legal and financial advice of their own choosing with respect to the RFP and their proposals, (c) they have obtained all necessary authorizations, approvals and waivers, if any, required by them as a condition of submitting their proposals, (d) they are submitting their proposals subject to all applicable laws, and (e) they have not engaged and will not engage in communications with any other Bidder in the RFP concerning the price or other economic terms contained in their proposals and have not engaged in collusion or other unlawful or unfair business practices in connection with this RFP.

### ***7.5.1 Reservation of Rights and Disclaimers***

This program and any contracts signed in association with it are and will be contingent upon Washington Utilities and Transportation Commission (UTC) approval. PSE reserves the right not to accept the proposals of any of the respondents to this RFP. PSE also reserves the right not to make an award, to re-bid the proposed program, to decline to enter into an agreement with any respondent and to terminate negotiations with any respondent, all at PSE's sole discretion.

PSE reserves the right to revise, suspend, or terminate this RFP process and any associated schedules at its sole discretion without liability to any person or entity responding to this RFP or any other person or entity. PSE will communicate by e-mail to respondents regarding any changes to this RFP, schedules, or the RFP process.

Respondents who submit proposals do so without legal recourse against PSE, PSE's parent company or affiliates, and the directors, management, employees, agents or contractors of any of them, for any reason arising out of this RFP. Respondents are solely responsible for all of their costs incurred to prepare, submit, or negotiate its proposal, a definitive agreement, or any other activity related thereto.

### ***7.5.2 Post Proposal Negotiation and Awarding of Contracts***

PSE reserves the right to negotiate both price and non-price factors during any post-proposal negotiations with a finalist. PSE has no obligation to enter into an agreement with any respondent to this RFP and may terminate or modify this RFP at any time without liability or obligation to any respondent. This RFP shall not be construed as preventing PSE from entering into any agreement that it deems appropriate at any time before, during or after this RFP process is complete. This includes requesting a clarification of the technical proposal and pricing of a

firm proposed as a subcontractor should PSE wish to enter into direct contract negotiations with only the proposed subcontractor.

## **7.6 Bidder Selection Process**

### ***7.6.1 Minimum Qualifications***

Bidders responding to this RFP must have at least the following qualifications to be considered for selection:

- At least five years of experience with providing load curtailment technology or delivering similar types of load management programs for utility sponsored or ratepayer funded programs.
- Demonstrated organizational, financial, and data tracking and reporting abilities.
- Demonstrated commitment to quality and customer service.
- Contractors are encouraged to locate key delivery team members in Washington. Staffing of the prime contract manager in Bellevue, WA is strongly preferred.

### ***7.6.2 Proposal Evaluation Criteria***

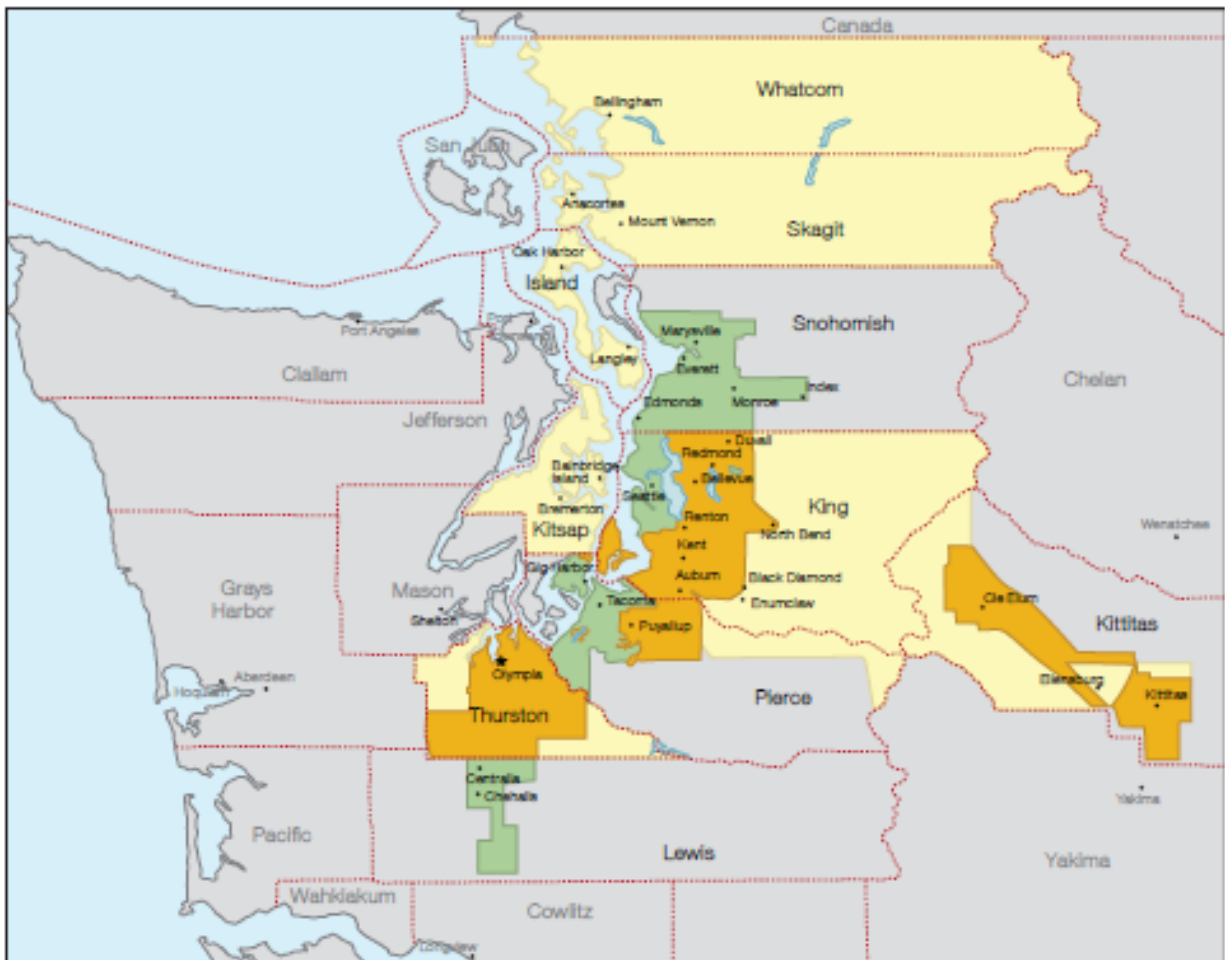
Proposals will be reviewed and bidders selected for interviews and/or contract negotiations based on a variety of criteria including, but not limited to: demonstrated competence and experience; management structure and assigned personnel; quality of proposed equipment and services; pricing; and performance guarantees. PSE values flexibility of response in terms of providing year-round curtailment capability and enablement of fast response within 10 minutes of notification. Resource flexibility will enhance the value of bids and will be taken into consideration by PSE in evaluating bids.




PSE reserves the right to contact a bidder at any time for clarifications about any part of the Bidder's proposal. Proposal review questions and communications will focus on clarifying the information set forth by the Contractor in the proposals and will not be an opportunity for the Contractor to revise terms.

### ***7.6.3 Negotiations and Finalizations***

Once the bidder(s) has been selected for the program, contract negotiations will be conducted. These negotiations will relate to the scope of work, specific program delivery features, program budgets, schedules, and payment terms. The contractual terms will include general terms and conditions. PSE reserves the right to simultaneously conduct negotiations with both the prospective vendor/contractor and an alternate bidder. PSE also reserves the right to terminate negotiations with any bidder in the event that PSE and the bidder are unable to agree on contract terms and conditions within a reasonable period of time to be determined in PSE's sole and absolute discretion.

## Appendix A: PSE Electric Service Territory Map and List of Cities



-  Combined electric and natural gas service
-  Electric service
-  Natural gas service

Counties served:

- Island (electric)
- King (combined)
- Kitsap (electric)
- Kittitas (combined)
- Lewis (natural gas)
- Pierce (combined)
- Skagit (electric)
- Snohomish (natural gas)
- Thurston (combined)
- Whatcom (electric)

## Appendix B: Co-Branding with PSE

### Co-Branding with PSE

#### **Policy Statement:**

It is PSE's business policy to maintain a standardized customer-facing presentation/image while directly engaging with our residential, business and retail customers. PSE requires that all vendors under contract with PSE and working in customer-facing roles also maintain appropriate standardization.

Each PSE energy management program is unique and co-branding activities will be based specifically on how each vendor interacts with PSE customers. Some areas for co-branding include:

- **Vendor Identification:**

Vendors will be provided PSE contractor badges. When interacting with PSE customers, these badges must be prominently displayed at all times.

- **Business Cards:**

Contractor business cards must meet PSE contractor corporate standards.

- **Clothing:**

PSE logo shall be prominently displayed on clothing worn at PSE customer sites.

- **Vehicles:**

Vehicles driven by vendors to PSE customer sites must have PSE logo prominently displayed along with the vendor's logo or company name

- **Stationary:**

All written communication to PSE customers shall have PSE logos or other identifiers

- **Customer Displays/Events:**

Customer displays, event materials and marketing collateral shall have PSE logos and other PSE identifiers located on all material (table top displays, canopies, trade show displays, handouts, etc.)



## **Appendix C: PSE Customer Experience Intent Statement**

### **PSE Customer Experience Intent Statement:**

PSE places high value on our interface with and commitment to our customers. The following statement reflects the experience we want to provide to our customers:

*In every interaction with PSE, I know I am dealing with honest and caring people, who understand me, anticipate my needs and make doing business easy. I can trust they will be fair and do the right thing.*

*If there's a problem, they respond quickly and work until it is resolved to my satisfaction. Their information, products and services provide value and benefit, are reliable and keep me safe.*

*They are committed to help me control my energy cost and to be a responsible steward of the energy I consume.*

## **Appendix D: PSE Customer Interaction Requirements**

### **Standard PSE Contractor Language:**

#### **Customer Services**

Contractor will at all times maintain a high level of Customer service and satisfaction during the term of this Agreement. Without limiting the generality of the foregoing, Contractor:

- (i) will respond to Customers within one (1) working day of an initial request and will keep appointments or contact Customers not less than 24 hours in advance of an appointment to reschedule;
- (ii) will provide all estimates to Customers free of cost; however, if due to special circumstances Contractor will charge a site visit, proposal or other fee, such cost must be fully disclosed to Customers upon scheduling the initial visit with Customer;
- (iii) will clean up the work area to the same or better conditions after any installation or service, and will follow all state and local requirements to ensure proper recycling and/or disposal of debris or waste materials;
- (iv) will provide same day customer contact to respond to Customers relating to (as applicable) (i) the quality of any equipment sold, (ii) the quality of the installation service, (iii) the Customer's satisfaction with the services or with the equipment provided or (iv) scheduling repairs to the equipment installed by Contractor that does not comply with the warranty. With respect to such repairs, Contractor will use its best efforts to perform all repair work at the earliest opportunity during its normal work schedule (but in any event, no later than ten (10) calendar days after contacted by Customer) and at no additional charge to the Customer; provided, however, that if a repair is necessary to provide Customer with hot water, heat, or if Customer's health or safety is impaired, Contractor will perform the repair within 24 hours.
- (v) will immediately take all necessary safety precautions and appropriate actions to remedy any unsafe condition related to the equipment or worksite;
- (vi) will not mislead Customers or engage in any unfair or deceptive trade practice.

### **Additional Considerations:**

#### **Call Center**

Contractor has an established customer call center. PSE will develop an approved script with contractor.

#### **Call Answering**

Contractor will provide a toll-free number dedicated to customer information and enrollment. Calls for service will be directed into Contractor's call center and go into a queue to be taken by

the next available representative. A recording will play after regular business hours informing customers to leave a message for a return call during business hours.

### **Metrics**

Contractor will answer all calls coming into the call center at a minimum rate of 80% within 30 seconds. The call abandonment rate should be 5% or less. These metrics will be required for both English and Spanish calls.

### **Hours**

Contractor's call center will operate between the hours of 5:00 a.m. – 8:00 p.m. Monday through Friday and 7:00 a.m. – 6:00 p.m. Saturday Pacific Time. After-hours callers are directed to a voice mail system to leave a message for next business day follow-up. These hours are subject to change upon mutual agreement by Contractor and PSE. Unanswered calls are directed to a voicemail box for next business day follow-up.

### **Automation Capabilities**

Contractor will maintain full automation capabilities for scheduling callers, hold messaging, multi-caller routing, voice mail, and call reports with statistics. Each workstation will be equipped with a computer allowing access to the customer database.

### **Call Monitoring**

Contractor will allow PSE to monitor calls to ensure Contractor is adhering to corporate standards. These calls may be listened to live (live calls can be listened to only at the call center location). Contractor will also silently monitor calls on a regular basis and address any performance issues.

### **Emergency Plan**

Contractor will maintain a backup plan for the call center and direct toll-free numbers and will redirect calls according to the plan during emergency situations.

### **Confirmation Call**

Contractor will provide customers a confirmation phone call and reminder of their appointment.

### **Resolving Conflicts**

Contractor customer service employees will be empowered to resolve customer conflicts, thus keeping customer dissatisfaction to a minimum (and minimizing call transfers).

### **Training**

All Contractor customer service representatives will be trained on the program, including an overview of the program, an in-depth understanding of answers to commonly asked questions, and a marketing calendar that will be updated as needed.

**Field Performance:**

All field personnel will carry cell phones, and will be dressed to convey a professional image that is branded to PSE and the Contractor.

Customers will be called by Contractor call center staff members either 1 or 2 days ahead to confirm appointments.

Customers will be called by crew members approximately 30 minutes ahead of the crew's expected arrival time as a "final" reminder (and/or if traffic/weather conditions will affect arrival times relative to the appointment time window). Note: the crew will go to the pickup site even if there is no answer to this particular reminder call.

At the customer site, the crew member(s) initially will display badge identification to the customer. If damage occurs to customer property, the damage is noted, the crew person calls a supervisor in front of the customer, and the supervisor speaks directly to the customer; the issue is then resolved within 48 hours.

If the customer is not home, a door tag will be left with the driver's name, mobile phone number, and the 800 number so the customer can reschedule. If the customer calls the driver and the truck is still in the area, the truck will return the same day to complete the appointment.

Customer is always thanked for being a PSE customer and a PSE leave behind kit may be left as a final thank you.

## Appendix E: Schedule of Estimated Avoided Cost

Consistent with WAC 480-107-055, this schedule of estimated avoided costs is intended to provide only general information to potential bidders about the cost of new power supplies. It does not provide a guaranteed contract price for electricity.

As provided for in WAC 480-107-055(2), this schedule of estimated avoided costs is based upon the estimates of currently projected market prices for electricity. The schedule below provides the nominal price forecast on a monthly basis for flat load. These forecasts are consistent with PSE's 2015 Integrated Resource Plan for "Base with no federal CO<sub>2</sub> price," except that the long-term forecast for natural gas prices has been updated. Estimated prices are derived using PSE's AURORA forecast model and do not include system integration, shaping, or transmission costs.

### Monthly Prices for Mid-C Market (Nominal \$/MWh)

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Avg. Annual</u>
<b>2016</b>	25.05	25.16	23.65	21.76	20.65	21.10	23.69	26.43	27.22	26.71	26.75	26.74	24.58
<b>2017</b>	27.33	26.99	25.63	22.85	22.80	22.78	24.79	27.54	28.47	28.17	28.37	28.17	26.16
<b>2018</b>	28.94	28.82	27.02	23.92	22.58	22.77	25.67	28.58	29.94	29.37	28.78	29.27	27.14
<b>2019</b>	29.86	29.75	27.73	24.85	24.10	23.31	26.18	29.06	30.71	30.17	29.46	30.11	27.94
<b>2020</b>	30.72	30.51	28.90	25.85	23.55	23.96	27.19	30.13	32.56	31.77	31.02	31.42	28.97
<b>2021</b>	32.73	32.82	30.96	27.71	26.28	26.66	29.20	32.64	35.34	34.85	34.70	33.99	31.49
<b>2022</b>	34.26	34.41	32.38	28.95	26.67	27.57	30.53	34.56	37.32	36.95	37.45	35.92	33.08
<b>2023</b>	35.81	36.13	33.47	30.32	29.56	29.47	32.05	36.42	38.90	39.12	39.91	37.83	34.92
<b>2024</b>	38.21	38.80	35.85	32.72	30.12	30.25	34.55	38.61	41.91	41.72	42.39	41.65	37.23
<b>2025</b>	41.10	41.76	38.94	35.93	34.31	34.13	38.23	42.95	46.32	45.67	49.56	48.98	41.49
<b>2026</b>	50.10	51.01	46.33	42.65	38.68	40.84	46.35	50.80	54.17	53.66	58.02	56.76	49.12
<b>2027</b>	52.77	52.30	48.54	44.25	41.93	43.20	47.96	53.29	55.88	55.41	60.97	60.06	51.38
<b>2028</b>	56.07	54.91	51.23	45.93	43.32	45.73	50.81	56.86	58.65	59.00	66.56	62.44	54.29
<b>2029</b>	61.41	60.46	54.92	49.52	47.48	48.22	53.79	59.92	62.54	62.35	69.96	68.33	58.24
<b>2030</b>	64.89	64.09	58.09	52.96	49.14	51.29	59.13	64.81	67.47	67.46	73.21	73.83	62.20
<b>2031</b>	66.80	65.71	59.66	54.39	51.92	53.44	60.41	66.13	69.72	69.71	75.06	76.14	64.09
<b>2032</b>	71.47	70.73	64.13	58.16	53.47	57.48	64.45	71.38	74.90	74.21	81.80	81.57	68.65
<b>2033</b>	74.18	73.79	66.44	60.02	58.69	60.52	66.97	74.78	77.81	77.18	85.50	84.52	71.70
<b>2034</b>	77.45	76.43	68.92	61.97	59.03	62.33	69.09	77.69	79.91	80.07	88.20	87.22	74.03
<b>2035</b>	80.41	80.06	71.81	64.77	63.10	64.22	71.53	80.71	83.34	82.45	89.60	91.38	76.95

# Appendix F: Intent to Bid Form



**INTENT TO BID FORM**  
Request for Proposal  
Technology and Implementation Services  
In support of  
Puget Sound Energy (PSE) Commercial & Industrial Demand Response Program

---

**Yes:** My Company intends to submit a response to this Request for Proposal  
 **No:** My Company will not submit a response to this Request for Proposal  
 **Yes/No:** My Company is a woman, veteran, minority owned business. **(If yes, identify category)**

In response to your Request for Proposal for the identified program(s), the undersigned will furnish an RFP response in accordance with the contract documents and any addenda thereto. Labor, materials, tools, supplies, equipment, transportation, supervision, services, goods, and other items as may be required.

---

**1. Company Information**

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

**2. Designated Contact for this RFP**

\_\_\_\_\_  
Name, Title

\_\_\_\_\_  
Email

\_\_\_\_\_  
Phone

**3. Signature:** (person legally authorized to commit company)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed name and title

**Submit completed form per date identified in Request for Proposal Timeline via email to:  
CIDRRFP@PSE.com**

# Appendix G: Mutual Nondisclosure Agreement



## MUTUAL NONDISCLOSURE AGREEMENT

Puget Sound Energy, Inc. a Washington corporation with offices at 10885 NE 4<sup>th</sup> St., Bellevue, WA ("PSE") and the "Other Party" identified on the signature page below are considering a business transaction (the "Transaction"). In connection with the proposed Transaction, the parties are willing to disclose confidential information to each other on the terms and conditions stated in this agreement (this "Agreement").

The parties, intending to be legally bound, agree that:

### I. Confidentiality.

1. In connection with the Transaction, each party (a "Disclosing Party") is prepared to make available to the other party (a "Receiving Party") certain Confidential Information regarding the Disclosing Party's business. The Receiving Party agrees to keep such information confidential, and protect all Confidential Information from disclosure by using the highest practical degree of care and at least the same care the Receiving Party uses to protect its own confidential information.

2. "Confidential Information" means: (i) any and all information with respect to the status of or the terms of the Transaction, and (ii) any trade secrets or other confidential or proprietary information of the Disclosing Party, whether of a technical, business or other nature (including, without limitation, the relationship between the parties, and information relating to the Disclosing Party's technology, software, products, services, designs, methodologies, know how, business plans, finances, marketing plans, customers, employees, prospects or other affairs). Confidential Information also includes any information that has been made available to the Disclosing Party by third parties that the Disclosing Party is obligated to keep confidential.

3. Receiving Party may not disclose Confidential Information to third parties; provided, however, that notwithstanding the foregoing, Receiving Party may disclose Confidential Information to its employees, consultants, advisors, or other agents (its "Representatives") only to the extent necessary for such Representatives to assist the Receiving Party in evaluating the Transaction, provided that such Representatives agree to keep such Confidential Information confidential in accordance with this Agreement. A breach of this Agreement by a Representative of Receiving Party will be deemed a breach by the Receiving Party, and Receiving Party agrees, at its sole expense, to take all reasonable measures (including but not limited to court proceedings) to restrain its Representatives from prohibited or unauthorized disclosure of the Confidential Information. Receiving Party shall immediately notify Disclosing Party of any actual, probable or reasonably suspected disclosure or unauthorized access to the Disclosing Party's Confidential Information.

4. Receiving Party will not use or allow others to use Confidential Information for any purpose other than evaluating the Transaction.

5. At Disclosing Party's request, Receiving Party will return all materials furnished by Disclosing Party that contain Confidential Information and will destroy or deliver to Disclosing Party any other materials containing Confidential Information, including materials prepared by Receiving Party, unless such Confidential Information is required to be retained by the Receiving Party to comply with applicable law, regulatory requirements or internal document retention policies. Notwithstanding the foregoing, the parties acknowledge that Receiving Party's computer systems may automatically back-up and retain electronic copies of the Confidential Information. To the extent that such systems create copies of the Confidential Information, the Receiving Party may retain such copies in its archival or back-up computer storage. If the Receiving Party retains a copy of any Confidential Information for any reason, including copies on electronic

backup media, then such information shall in all respects remain subject to the terms and conditions of this Agreement.

6. The provisions of this Part I shall not apply to Confidential Information that: (a) is or becomes publicly available through no fault of Receiving Party; (b) is or has been received in good faith by Receiving Party without restriction on use or disclosure from a third party having no obligation of confidentiality to Disclosing Party; or (c) is or has been independently developed by Receiving Party without reference to Confidential Information received from Disclosing Party, as evidenced by Receiving Party's written records.

7. The fact that portions of Confidential Information may be publicly available or otherwise not subject to this Agreement will not affect Receiving Party's obligations with respect to the remaining portion.

8. If Receiving Party is required by judicial or administrative process to disclose Confidential Information, Receiving Party shall promptly notify Disclosing Party and allow Disclosing Party a reasonable time to oppose such process. If disclosure is nonetheless required, Receiving Party may disclose only the Confidential Information that, in the written opinion of counsel acceptable to Disclosing Party, Receiving Party is legally required to disclose. Receiving Party shall use its best efforts to limit the dissemination of Confidential Information that is disclosed.

9. This Agreement will not apply to information disclosed to Receiving Party after Receiving Party receives written notice from Disclosing Party that further disclosures will not be treated as confidential.

10. In providing Confidential Information pursuant to this Agreement, Disclosing Party makes no representation, either express or implied, as to adequacy, sufficiency, or freedom from fault of such Confidential Information and incurs no responsibility nor obligation whatsoever by reason thereof; and the furnishing of such Confidential Information will not convey any rights or license with respect to such Confidential Information.

**II. No Commitment to Enter Into Transaction.** The parties acknowledge that nothing in this Agreement is intended to create or constitute any agency or partnership among the parties, or any legally binding obligation for either party to enter into, or negotiate to enter into, the Transaction.

### III. Miscellaneous.

1. This Agreement shall continue in full force and effect for two (2) years from the Effective Date, unless terminated earlier or extended by mutual agreement of the parties.

2. In the event of a default under this Agreement, the non-breaching party will be entitled to injunctive relief, without posting bond, in addition to any other available remedies, including damages. In any litigation concerning this Agreement, the prevailing party will be entitled to recover all reasonable expenses of litigation, including reasonable attorney fees at trial and on any appeal.

3. Any failure by a party to enforce another party's strict performance of any provision of this Agreement will not constitute a waiver of its right to subsequently enforce such provision or any other provision of this Agreement.

4. This Agreement will be governed by and construed and enforced in accordance with the internal laws of the state of Washington, without regard to contrary principles of conflicts of law. The federal and state courts within the State of Washington shall have exclusive jurisdiction to adjudicate any dispute arising out of and relating to this Agreement. Venue for purposes of any litigation arising under this Agreement will be in King County, Washington.

5. All additions or modifications to this Agreement must be in writing and executed by all parties.

**EFFECTIVE DATE: date last signed below**

**Puget Sound Energy, Inc.**

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Other Party:** \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Updated: 01252012

# Appendix H: Agreement for Professional Services

## Agreement for Professional Services

All Bidders must submit a statement saying you accept the Agreement or you must identify area(s) for discussion with suggested language modifications. Include the specific Section and Item number for clarity.

### MASTER SERVICES AGREEMENT

NO. \_\_\_\_\_

This Master Services Agreement (“Agreement”), dated as of \_\_\_\_\_, is entered into by and between **Puget Sound Energy, Inc.** (“PSE”) and \_\_\_\_\_ (“Consultant”). PSE and Consultant are collectively referred to as the “Parties”. This Agreement is valid through \_\_\_\_\_.

The Parties agree as follows:

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#### SECTION 1. THE SERVICES

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- 1.1 Consultant shall perform the services described in any Statement of Work mutually agreed to by the Parties that references this Agreement (each a “Scope of Work” or “SOW”). All such services and other items furnished or required to be furnished, together with all other obligations performed or required to be performed, by Consultant under this Agreement are collectively referred to in this Agreement as the “Services”.
- 1.2 Except as otherwise specifically provided by PSE, Consultant shall be responsible for providing for itself, at its own expense, all goods and services necessary for Consultant to complete the Services, including but not limited to all labor, equipment, software, data, and other materials.
- 1.3 The Parties acknowledge that it is not always possible to list every task that must be performed as part of the Services. Unless specifically excluded, tasks that are reasonably necessary to complete the Services, but which might not be specifically listed in the SOW, shall be performed by Consultant as part of the Services without any increase in the compensation otherwise payable under this Agreement.
- 1.4 All SOWs related to this Agreement are incorporated herein by reference and made a part hereof. In the event of any conflict between the terms of this Agreement and any SOW, this Agreement shall control. Notwithstanding the foregoing sentence, if a SOW by its terms expressly provides that certain provisions therein shall control over certain specified provisions in this Agreement, then to the extent such provisions in a SOW conflict with the specified provisions in this Agreement, the SOW shall control.



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## **SECTION 2. SCHEDULE**

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- 2.1** If a schedule for performance of any Services is specified, Consultant shall commence, perform and complete such Services in accordance with such schedule.
- 2.2** If a schedule for performance of any Services is not specified, Consultant shall commence such Services upon notice to proceed from PSE and shall thereafter diligently perform such Services to completion.

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## **SECTION 3. COMPENSATION**

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- 3.1** Subject to the terms and conditions of this Agreement, PSE shall pay Consultant the compensation described in the applicable SOW as full compensation for the satisfactory performance of the Services.
- 3.2** Unless otherwise provided for in the applicable SOW, Consultant shall submit to PSE, within thirty (30) days after the end of each calendar month, Consultant's invoice for the compensation payable under this Agreement for the Services performed during such month. Each of Consultant's invoices shall set forth a detailed description of the Services performed during the applicable month, the number of hours spent performing such Services, the dates on which such Services were performed, and a detailed itemization of any reimbursable costs and expenses incurred in connection with such Services. Consultant shall provide such receipts, documents, compensation segregations, time sheets, information and other items as PSE may reasonably request to verify the invoice.
- 3.3** Consultant shall place the number of this Agreement on all of its invoices. Consultant shall submit such invoices by mailing to PSE at its address for notices under this Agreement or such other address as PSE may specify in writing. PSE may change such address for invoices by giving Consultant written notice of the change.
- 3.4** Any sales, service, use, consumption or other similar taxes imposed upon the Services shall be separately disclosed and added to the amount of each invoice unless PSE provides Consultant with appropriate evidence of a tax exemption claimed for the relevant jurisdiction(s). In no event shall PSE be obligated to pay or reimburse Consultant for any taxes based on Consultant's net income, gross receipts or property, or for withholding and payroll taxes with respect to any wages or other compensation payable to Support (as defined below in Section 4.1).
- 3.5** PSE shall pay each of Consultant's invoices within thirty (30) days after PSE's receipt and verification thereof; provided, however, that if PSE disputes in good faith any portion of a valid invoice it may withhold payment in respect of such disputed amount, provided it pays the undisputed portion of the valid invoice within 30 days. PSE shall be entitled to set-off any amount due and payable to it from and against amounts held to the credit of Consultant on any account, whether under this Agreement or otherwise. This is without

prejudice to any other rights or remedies available to PSE under this Agreement or otherwise.

- 3.6** No payment by PSE shall constitute acceptance of, or a waiver of PSE's rights with respect to, any Services not in accordance with the terms of this Agreement or a SOW.

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#### **SECTION 4. PERFORMANCE BY CONSULTANT**

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- 4.1** Consultant shall not (by contract, operation of law or otherwise) delegate or subcontract performance of any Services to any third party not specifically identified in the applicable SOW without the prior written consent of PSE, which may be withheld in PSE's sole discretion. Any such delegation or subcontracting without PSE's prior written consent shall constitute a material default of this Agreement. At PSE's request, Consultant shall provide to PSE documentation related to a proposed subcontractor's qualifications to perform the Services. No delegation or subcontracting of performance of any of the Services, with or without PSE's prior written consent, shall relieve Consultant of its responsibility to perform the Services in accordance with this Agreement. Consultant shall be fully responsible for the performance, acts and omissions of Consultant's employees and subcontractors and any other person who performs Services on Consultant's behalf (collectively, the "Support").
- 4.2** Consultant shall at all times be an independent contractor and not an agent or representative of PSE with regard to performance of the Services. Consultant shall not represent that it is, nor hold itself out as, an agent or representative of PSE. In no event shall Consultant be authorized to enter into any agreement or undertaking for or on behalf of PSE.
- 4.3** Consultant shall perform the Services in a timely manner and in accordance with the applicable SOW and the standards of Consultant's profession. At the time of performance, Consultant shall be properly licensed, equipped, organized and financed to perform the Services in accordance with this Agreement. Subject to compliance with the requirements of this Agreement, Consultant shall perform the Services in accordance with its own methods.
- 4.4** Consultant shall fully cooperate with PSE and coordinate the Services with related work performed by PSE and others. If any Services depend upon the results of work performed by PSE or others, Consultant shall, prior to commencing such Services, notify PSE of any actual or apparent deficiencies or defects in such other work that render such other work unsuitable for performance of the Services.
- 4.5** Consultant shall not hire any employee of PSE to perform any of the Services. Consultant shall employ persons to perform the Services who are fully experienced and properly qualified. Consultant shall, if so requested by PSE, remove from performance of the Services any person PSE determines to be incompetent, careless or otherwise objectionable. Without limitation of the foregoing, Consultant shall assign to perform the

Services the personnel specifically listed in the SOW and shall not (for so long as they remain in Consultant's employ) reassign or remove any of them without the prior written consent of PSE. If any such personnel leave Consultant's employ or are reassigned or removed by Consultant, Consultant shall replace them with personnel approved by PSE.

- 4.6** Consultant shall promptly pay, and secure the discharge of any liens asserted by, all Support. Consultant shall furnish to PSE such releases of claims and other documents as may be requested by PSE to evidence such payment and discharge.
- 4.7** Consultant shall take all reasonable precautions to protect against any bodily injury (including death) or property damage that may occur in connection with the Services. Without limiting the generality of the foregoing, Consultant shall provide all required safety equipment, safe tools and a safe work place for all Support.
- 4.8** Acceptance of each of the Services ("Acceptance") shall be determined in accordance with the procedure set forth in this Agreement and the applicable SOW. If no acceptance procedure is set forth therein, then Acceptance shall be deemed to have occurred ten (10) business days after Completion of the applicable Services if PSE has not otherwise notified Consultant that the Services are not approved. PSE shall not unreasonably withhold its Acceptance. If any Services are not Accepted, Consultant shall promptly re-perform the applicable Services and allow PSE another ten (10) business days to review. In order for "Completion" of the applicable Services to have occurred, Consultant must provide to PSE an acceptance form that conforms with the template PSE provides, and which will clearly identify the Services by name, the date of Completion (which shall be no earlier than the date the form is delivered to PSE), and include a space for comments and PSE's Acceptance signature. As full compensation for satisfactory performance of the applicable Services, where "satisfactory" means the Services have received Acceptance, PSE shall pay Consultant the applicable compensation described in the applicable SOW, including adjustment, if any, in accordance with this Agreement. The making of (or failure or delay in making) such Approval shall not relieve Consultant of responsibility for performance of the Services in accordance with this Agreement.

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## **SECTION 5. COMPLIANCE WITH LAWS**

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- 5.1** Consultant and Support shall comply with all applicable laws, ordinances, rules, regulations, orders, licenses, permits and other requirements, now or hereafter in effect, of any governmental authority (including, but not limited to, such requirements as may be imposed upon PSE and applicable to the Services). Consultant shall furnish such documents as may be required to effect or evidence such compliance. All laws, ordinances, rules, orders required to be incorporated in agreements of this character are incorporated in this Agreement by this reference.
- 5.2** The parties hereby incorporate 41 C.F.R. 60-1.4(a) (7); 29 C.F.R. Part 471, Appendix A to Subpart A; 41 C.F.R.60-300.5(a) 11; and 41 C.F.R. 60-741.5(a) 6, if applicable.

- 5.3** This contractor and subcontractor shall abide by the requirements of 41 C.F.R. 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected.
- 5.4** This contractor and subcontractor shall abide by the requirements of 41 C.F.R. 741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.
- 5.5** Except as may be restricted by federal, state or local laws or regulations, PSE will grant Consultant access to PSE's premises or IT systems as necessary to perform the Services. Consultant acknowledges that certain portions of PSE's premises may have restricted access and require prior authorization or a PSE designated escort to allow Consultant access. If notified by PSE that access is restricted, Consultant shall comply with federal, state or local laws or regulations requiring background checks and drug and alcohol testing of employees prior to performing work at the project site. No work can begin until these requirements have been met.
- 5.6** PSE has entered into this agreement with Consultant based upon PSE's reasonable belief that Consultant, like PSE, adheres to the strictest of ethical standards. In connection therewith, Consultant has reviewed PSE's Corporate Ethics and Compliance Code at <http://www.pse.com/aboutpse/CorporateInfo/Pages/Our-Ethics.aspx>.

Consultant warrants that it and its Support will not, directly or indirectly, offer, promise, authorize or give anything of value to a government official, a political party, a candidate for political office or any other person connected to a government in any way, or authorize the giving of anything of value to a government official, a candidate for political office, or any other person connected to a government in any way, for the purposes of: (a) influencing an act or decision of that government official (including a decision not to act) in connection with PSE's business or in connection with Consultant's business with PSE; or (b) inducing such a person to use his or her influence to affect any government act or decision in connection with PSE's business or in connection with Consultant's business with PSE. Consultant further warrants that neither it nor any of its Support have offered or given, or will offer or give, any gifts or gratuities to PSE employees, agents or representatives for the purpose of securing this agreement or securing favorable treatment under this agreement. In addition, Consultant will notify PSE immediately if any of its employees, officers or principals are officials or representatives of any government or are candidates for such government positions. Any breach of this provision by Consultant shall constitute a material breach of the Contract and shall immediately entitle PSE to terminate the Contract for cause.

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## **SECTION 6. INSPECTION; EXAMINATION OF RECORDS**

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- 6.1** The Services shall at all times be subject to inspection by and with the approval of PSE, but the making of (or failure or delay in making) such inspection or approval shall not relieve Consultant of responsibility for performance of the Services in accordance with this Agreement, notwithstanding PSE's knowledge of defective or noncomplying performance, its substantiality, or the ease of its discovery. Consultant shall provide PSE sufficient, safe and proper facilities and equipment for such inspection and free access to such facilities.
- 6.2** Consultant shall promptly furnish PSE with such information related to the Services as may be requested by PSE. Until the expiration of three (3) years after final payment of the compensation payable under this Agreement, Consultant shall provide PSE access to (and PSE shall have the right to examine, audit and copy) all of Consultant's books, documents, papers and records that are related to the Services or this Agreement

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## **SECTION 7. PROPERTY AND CONFIDENTIAL INFORMATION**

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- 7.1** PSE shall own all software, writings, information, and other property, whether tangible or intangible, created, made, developed, first reduced to practice or acquired by Consultant or any Support in connection with the Services (including, but not limited to, inventions, processes, methods, concepts, documents, drawings, specifications, calculations, maps, sketches, notes, reports, data, estimates, models, samples, completed Services and Services in progress) whether or not delivered to PSE. Consultant assigns to PSE, and shall require all Support to assign to PSE, any and all patent, copyright, trade secret and other intellectual property rights that Consultant or any Support may have in and to such items. Consultant has rights in such items pursuant to paragraph 7.3. Consultant shall take such action (including, but not limited to, the execution, acknowledgment and delivery of documents) as may be requested by PSE to effect, perfect or evidence PSE's ownership of such property. Consultant shall deliver such property (together with any property furnished by PSE or the cost of which is included in the compensation payable under this Agreement) to PSE upon request and in any event upon the completion, termination or cancellation of this Agreement.
- 7.2** If Consultant or any Support uses, provides, or incorporates into any deliverables any pre-existing items or other tangible or intangible materials of any nature that are not covered by paragraph 7.1, then PSE is hereby granted a worldwide, non-exclusive, perpetual, irrevocable, royalty free, fully paid up, sublicensable right: (a) to make, use, copy, modify, and create derivative works of such items, and (b) to publicly perform or display, import, broadcast, transmit, distribute, license, or lend copies of such items (and derivative works thereof).
- 7.3** Except to the extent they contain PSE Confidential Information or PSE Information (as defined in Section 7.4 and 7.5 below), Consultant reserves a permanent, nonassignable,

nonexclusive royalty-free license to use in its performance of services for others any items assigned to PSE in paragraph 7.1.

- 7.4** As used in this Agreement, “Confidential Information” means all information previously or subsequently received by Consultant in connection with this Agreement that is identified as being proprietary and/or confidential, or that, by the nature of the circumstances surrounding the disclosure, reasonably ought to be treated as proprietary and confidential. Confidential Information does not include information Consultant can prove (i) was or becomes generally available through no breach of an obligation of confidentiality; (ii) was already in the possession of Consultant at the time received in connection with this Agreement without any prior obligation of confidentiality; (iii) was lawfully obtained by Consultant from a third party without breach of an obligation of confidentiality; or (iv) was required to be disclosed by applicable law. Consultant shall not disclose or use Confidential Information except as necessary to perform the Services.
- 7.5** PSE exclusively owns all PSE Information. “PSE Information” is any information about persons or entities that Consultant obtains in any manner from any source under this Agreement, which concerns prospective and existing customers or employees of PSE, or any third party PSE has a business relationship with. PSE Information includes, without limitation, names, addresses, telephone numbers, e-mail addresses, social security numbers, credit card numbers, call-detail information, purchase information, product and service usage information, account information, credit information and demographic information. Consultant (a) may collect, access, use, maintain and disclose PSE Information only for the specific purpose for which such PSE Information is collected, stored or processed by Consultant in order to perform the Services, and (b) shall not otherwise use or disclose PSE Information, whether or not it is publicly available.
- 7.6** Consultant shall immediately notify PSE of any actual, probable or reasonably suspected breach of security of Consultant’s systems and of any other actual, probable or reasonably suspected unauthorized access to or acquisition, use, loss, destruction, compromise or disclosure of any Confidential Information of PSE, including without limitation any PSE Information (each, a “Security Breach”). In any notification to PSE required under this paragraph, Consultant shall designate a single individual employed by Consultant who must be continuously available to PSE as a contact regarding Consultant’s obligations under this paragraph. Consultant shall, at its own expense (a) assist PSE in investigating, remedying and taking any other action PSE deems necessary regarding any Security Breach and any dispute, inquiry or claim that concerns the Security Breach; and (b) shall provide PSE with assurance satisfactory to PSE that such Security Breach or potential Security Breach will not recur. Unless prohibited by an applicable statute or court order, Consultant shall also notify PSE of any third-party legal process relating to any Security Breach, including, but not limited to, any legal process initiated by any governmental entity (foreign or domestic).
- 7.7** Upon termination of this Agreement, or upon the request of PSE, Consultant shall return, or at PSE’s option destroy, any and all Confidential Information. Consultant shall certify

in writing the completion of such return or destruction. The obligations of this paragraph shall survive termination of this Agreement.

- 7.8** Except as may be required by law, neither party to this Agreement shall, without the prior written consent of the other, make any news release or public announcement or place any advertisement stating that PSE and Consultant have contracted for the products or services specified in this Agreement or have entered into any business relationship. Use of any PSE name, trademark or service mark in any promotional materials of Consultant requires PSE's prior written approval, which is subject to the sole discretion of PSE to grant or withhold. In the event that PSE approves the use of its name, trademark, or service mark in any announcement, news release or promotional materials of Consultant, all of the contents shall be submitted to PSE's Corporate Communications Department for review prior to any publication by Consultant.

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## **SECTION 8. RELEASE, INDEMNITY AND HOLD HARMLESS**

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- 8.1** Consultant releases and shall defend, indemnify and hold harmless PSE, its subsidiaries and affiliates, and each of their respective shareholders, directors, officers, employees, representatives and agents from and against any and all claims, costs, losses, liabilities, damages, fines, and expenses of any nature (including, without limitation, reasonable attorneys' fees and costs) that arise out of or relate to, directly or indirectly, any actual or alleged:
- (a) fault, negligence, professional error or omission, strict liability or product liability of Consultant or any Support in connection with this Agreement;
  - (b) lien asserted by any Support or any supplier or vendor of Consultant upon any property of PSE in connection with this Agreement;
  - (c) infringement or misappropriation of any patent, copyright, trade secret, trademark or other intellectual property right by any deliverables or Services;
  - (d) act, error or omission of any Support that, if done by Consultant, would be a breach or default under this Agreement; or
  - (e) breach or default under this Agreement by Consultant.
- 8.2** In connection with any action to enforce Consultant's obligations under this Section 8, Consultant waives any immunity, defense or protection under any workers' compensation, industrial insurance or similar laws (including, but not limited to, the Washington Industrial Insurance Act, Title 51, of the Revised Code of Washington).
- 8.3** Consultant acknowledges that the foregoing provisions regarding indemnification and waiver are an important part of the consideration for PSE to enter into this Agreement, and that the foregoing waiver provision has been mutually negotiated.



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## **SECTION 9. WORKERS' COMPENSATION AND INSURANCE**

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- 9.1** With respect to all persons performing the Services, Consultant or its Support shall secure and maintain in effect at all times during performance of the Services coverage of insurance in accordance with the applicable laws relating to workers' compensation and employer's liability insurance (including, but not limited to, the Washington Industrial Insurance Act and the laws of the jurisdiction in which any such person was hired), regardless of whether such coverage or insurance is mandatory or merely elective under the law. Consultant shall furnish to PSE such assurance and evidence of such coverage or insurance (such as copies of insurance policies and Certificates of Compliance issued by the Washington State Department of Labor and Industries) as PSE may request.
- 9.2** Consultant shall secure and maintain insurance with provisions, coverages and limits as specified in the attached certificate of insurance, endorsement and/or schedule of insurance requirements or, if none is attached, with such provisions, coverages and limits as PSE may from time to time specify to protect PSE, its successors and assigns, and the respective directors, officers, employees, and agents of PSE and its successors and assigns (collectively, the "Owner Parties") from any claims, losses, harm, costs, liabilities, damages and expenses (including, but not limited to, reasonable attorneys' fees) that may arise out of any property damage, bodily injury (including death) or professional liability related to the Services. Upon PSE's request, Consultant shall furnish PSE with such additional assurance and evidence of such insurance (such as a certificate of insurance or copies of all insurance policies) as PSE may request. Within thirty (30) days after any renewal or any notice of termination, cancellation, expiration or alteration in any policy of insurance required under this Agreement, Consultant shall deliver to PSE a certificate of insurance acceptable to PSE with respect to any replacement policy.
- 9.3** All policies of insurance required under this Agreement shall:
- (a) be placed with such insurers and under such forms of policies as may be acceptable to PSE;
  - (b) with the exception of workers' compensation, employer's liability and professional liability insurance, be endorsed to name the Owner Parties as additional insureds;
  - (c) be primary insurance with respect to the interests of the Owner Parties;
  - (d) any insurance or self-insurance maintained by any of Owner Parties shall be excess and non-contributory insurance with respect to the insurance required hereunder;
  - (e) with the exception of workers' compensation, employer's liability and professional liability insurance, apply severally and not collectively to each



insured against whom any claim is made or suit is brought, except that the inclusion of more than one insured shall not operate to increase the insurance company's limits of liability as set forth in the insurance policy; and

- (f) provide that the policies shall not be canceled or their limits or coverage reduced or restricted without giving at least 30 days prior written notice to the Purchasing Department of Puget Sound Energy, Inc., PO Box 97034, (EST-07E) Bellevue, WA 98009-9734

- 9.4 Consultant shall ensure that any policy of insurance that Consultant or any Support carry as insurance against property damage or against liability for property damage or bodily injury (including death) shall include a provision providing a waiver of the insurer's right to subrogation against each of the Owner Parties. To the extent permitted by its policies of insurance, Consultant hereby waives all rights of subrogation against each of the Owner Parties.
- 9.5 The requirements of this Agreement as to insurance and acceptability to PSE of insurers and insurance to be maintained by Consultant are not intended to and shall not in any way limit or qualify any other obligation of Consultant under this Agreement.
- 9.6 Consultant must report to PSE any OSHA recordable injuries that occur while performing work on behalf of PSE. A recordable injury includes any injury that results in treatment beyond first aid, restricted workdays, and/or lost workdays. Consultant will report its OSHA recordable injuries for the previous month by the 5th day of each month (e.g. all October OSHA recordable injuries are reported by November 5th). The first report will be due the 5th day of the month following commencement of the Services. Consultant shall use the form included with this Agreement when reporting the injuries. When completed, the form shall be sent to [consultantsafety@pse.com](mailto:consultantsafety@pse.com).

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## SECTION 10. CHANGES

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- 10.1 PSE may at any time, by written notice thereof to Consultant, make changes in the Services within the general scope of this Agreement (including, but not limited to, additions to or deletions from any Services, suspension of performance and changes in the schedule and location of performance). If applicable, PSE and Consultant will follow the change process set forth in the SOW.
- 10.2 If any change under paragraph 10.1 causes an increase or decrease in the cost of or the time required for performance of the Services, an equitable adjustment in the compensation and schedule under this Agreement shall be made to reflect such increase or decrease, and this Agreement shall be modified in writing accordingly. Such equitable adjustment shall constitute full compensation to Consultant for such change. If any change under paragraph 10.1 results in a decrease in the Services to be performed, Consultant shall not be entitled to anticipated profit on Services not performed, and the loss of anticipated profit shall not affect the reduction in Consultant's total compensation

resulting from such decrease. Further, Consultant shall not be entitled to any reallocation of cost, profit or overhead.

- 10.3** Notwithstanding any dispute or delay in arriving at a mutually acceptable equitable adjustment under paragraph 10.2, Consultant shall immediately proceed with performance of the Services as changed pursuant to paragraph 10.1 or pursuant to the SOW. If Consultant intends to assert a claim for equitable adjustment under paragraph 10.2, Consultant must, within fifteen (15) days after Consultant's receipt of any notice under paragraph 10.1 that does not set forth an acceptable adjustment, submit to PSE a written statement of the basis and nature of the adjustment claimed. Consultant shall not be entitled to any adjustment unless such written statement is submitted by Consultant to PSE within the applicable fifteen (15) day period.

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## **SECTION 11. CORRECTION OF NONCOMPLIANCES**

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- 11.1** Consultant shall, at its expense, promptly and satisfactorily correct any Services found to be defective or not in compliance with the requirements of this Agreement.
- 11.2** If PSE directs Consultant to correct defective or noncomplying Services or to otherwise achieve compliance with this Agreement and Consultant thereafter fails to comply or indicates its inability or unwillingness to comply, then PSE may, upon ten (10) days' advance written notice to Consultant of PSE's intention to do so, correct (or cause to be corrected) the defect or noncompliance or otherwise achieve compliance by the most expeditious means available to it (by contract or otherwise) and charge to or otherwise recover (e.g., by offset against compensation payable under this Agreement) from Consultant the cost thereof.
- 11.3** PSE's right to make corrections and otherwise achieve compliance and recover from Consultant the cost thereof is in addition to all other rights and remedies available to PSE under this Agreement or otherwise by law and shall in no event be construed or interpreted as obligating PSE to make any correction of defective or noncomplying Services or to otherwise achieve compliance with this Agreement. Consultant's obligation to correct defective or noncomplying Services shall not in any way limit or qualify any other obligation of Consultant under this Agreement. Further, Consultant's obligations shall not be limited or qualified in any way because of any rights PSE has, or exercises, under this Section 11.

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## **SECTION 12. TERMINATION**

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- 12.1** PSE may at any time, by written notice thereof to Consultant, terminate this Agreement as to all or any portion of the Services not then performed, whether or not Consultant is then in breach or default. Upon receipt of any such notice of termination, Consultant shall, except as otherwise directed by PSE, immediately stop performance of the Services to the extent specified in such notice and deliver to PSE any work in process or deliverables, regardless of their level of completion.

**12.2** In the event of termination pursuant to paragraph 12.1, an equitable adjustment shall be made in the compensation payable to Consultant under this Agreement, provided that such compensation as so adjusted shall in no event exceed a percentage of the total compensation otherwise payable under this Agreement equal to the percentage of the Services satisfactorily completed at the time of termination. Further, Consultant shall not be entitled to any reallocation of cost, profit or overhead. Consultant shall not in any event be entitled to anticipated profit on Services not performed on account of such termination. Consultant shall use its best efforts to minimize the compensation payable under this Agreement in the event of such termination.

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## **SECTION 13. MISCELLANEOUS**

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- 13.1** Any notice, request, designation, direction, statement or other communication under this Agreement shall be (i) in writing (ii) delivered to the intended recipient at the address, to the attention of, and in the manner specified in the applicable SOW and (iii) effective upon receipt. Either party may change its address specified in the applicable SOW by giving the other party notice of such change in accordance with this paragraph.
- 13.2** Consultant shall not (by contract, operation of law or otherwise) assign this Agreement or any right or interest in this Agreement without the prior written consent of PSE. For the purposes of the foregoing, any transfer of a controlling interest in Consultant (e.g., by a transfer of securities or otherwise) shall be deemed an assignment of this Agreement. Any assignment without PSE's prior written consent shall be voidable at PSE's option. No such assignment, with or without PSE's prior written consent, shall relieve Consultant from its responsibility to perform the Services in accordance with this Agreement. Subject to the foregoing restriction on assignment by Consultant, this Agreement shall be fully binding upon, inure to the benefit of and be enforceable by the successors, assigns and legal representatives of the Parties.
- 13.3** PSE may engage an independent third party to conduct an information security audit of Consultant's systems from time to time, the costs and expenses of which shall be borne by PSE. If any such audit reveals a material vulnerability in Consultant's systems, PSE shall notify Consultant of such vulnerability and Consultant shall promptly correct each such vulnerability at its sole cost and expense. Consultant shall certify in writing to PSE that it has corrected all such vulnerabilities. If any audit performed under this paragraph reveals a material vulnerability in Consultant's systems, then Consultant shall bear (and if applicable, shall reimburse PSE for) all costs and expenses of such audit.
- 13.4** The failure of PSE to insist upon or enforce strict performance by Consultant of any of the provisions of this Agreement or to exercise any rights under this Agreement shall not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon any such provisions or rights in that or any other instance; rather, the same shall be and remain in full force and effect.

- 13.5** The obligations of Consultant under Sections 6, 7, 8, 11, 12 and 13, and all provisions of this Agreement that may reasonably be interpreted or construed as surviving the completion, termination or cancellation of this Agreement, shall survive the completion, termination or cancellation of this Agreement.
- 13.6** The rights and remedies of PSE set forth in any provision of this Agreement are in addition to and do not in any way limit any other rights or remedies afforded to PSE by any other provision of this Agreement or by law.
- 13.7** This Agreement sets forth the entire agreement of the Parties, and supersedes any and all prior agreements with respect to the Services. No amendment or modification of any provision of this Agreement (other than changes pursuant to Section 10) shall be valid unless set forth in a written amendment to this Agreement signed by both Parties.
- 13.8** The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted. The headings of sections of this Agreement are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections.
- 13.9** Consultant shall not commence or prosecute any suit, proceeding or claim to enforce the provisions of this Agreement, to recover damages for breach or default under this Agreement, or otherwise arising under or by reason of this Agreement, other than in the state and federal courts sitting in King County, Washington. Consultant hereby irrevocably consents to the jurisdiction of the courts of the State of Washington with venue laid in King County, and of the U.S. District Court for the Western Division District of Washington in Seattle, Washington.
- 13.10** This Agreement shall be interpreted, construed and enforced in all respects in accordance with the laws of the State of Washington without reference to any choice of law principles to the contrary.
- 13.11** This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

*--Signature page follows--*

Intending to be legally bound, PSE and Contractor have caused their duly authorized representatives to execute this Services Agreement in the space provided below.

**PSE:**  
**Puget Sound Energy, Inc.**

**Contractor:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

# Appendix I: Certificate of Liability Insurance

<b>PUGET SOUND ENERGY, INC. MANDATORY REQUIREMENTS CERTIFICATE OF LIABILITY INSURANCE</b>						DATE (MM/DD/YYYY) <b>REQUIRED</b>		
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.								
IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy (ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).								
PRODUCER <b>REQUIRED</b>				CONTACT NAME: <b>REQUIRED</b>		PHONE (A/C, No, Ext): <b>REQUIRED</b>		
				E-MAIL		FAX (A/C, No): <b>REQUIRED</b>		
				ADDRESS: <b>REQUIRED</b>		PRODUCER CUSTOMER ID#:		
				INSURER(S) AFFORDING COVERAGE		NAIC#		
INSURED <b>REQUIRED</b>				INSURER A : <b>REQUIRED</b>				
				INSURER B :				
				INSURER C :				
				INSURER D :				
				INSURER E :				
COVERAGES		CERTIFICATE NUMBER:			REVISION NUMBER:			
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.								
INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUB R WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY						EACH OCCURRENCE <b>\$1,000,000</b>	
<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				DAMAGES TO RENTED PREMISES(Ea occurrence) \$	
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$	
<input checked="" type="checkbox"/>	*Employers' Liability - Stop Gap						PERSONAL & ADV INJURY \$	
	*Employers' Liability endorsement with a minimum limit of \$1M required only if no Employers' Liability is provided with the Workers' Compensation coverage.							GENERAL AGGREGATE <b>\$2,000,000</b>
	GEN'L AGGREGATE LIMIT APPLIES PER:							PRODUCTS-COMP/OP AGG \$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC							
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) <b>\$2,000,000</b>	
<input checked="" type="checkbox"/>	ANY AUTO	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				BODILY INJURY(Per person) \$	
	ALL OWNED AUTOS						BODILY INJURY(Per accident) \$	
	SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident) \$	
	HIRED AUTOS						\$	
	NON-OWNED AUTOS						\$	
	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR						EACH OCCURRENCE	
<input checked="" type="checkbox"/>	EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				AGGREGATE	
	DEDUCTIBLE RETENTION \$						\$	
	Excess/Umbrella Liability may be used to supplement General, Automobile or Employers' Liability limits to meet minimum limit requirements.							\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY (Valid in WA State)						<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/>					E.L. EACH ACCIDENT <b>\$1,000,000</b>	
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE <b>\$1,000,000</b>	
	OTHER GARAGE LIABILITY (Required by Fleet Vendors Only)						E.L. DISEASE - POLICY LIMIT <b>\$1,000,000</b>	
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)								
Puget Sound Energy must be listed as an Additional Insured for General, Auto and Umbrella Liability policies. Also, a Waiver of Subrogation is required for General, Auto and Umbrella Liability policies. (REQUIRED)								
CERTIFICATE HOLDER				CANCELLATION				
Puget Sound Energy, Inc. Attention: Purchasing Po Box 97034 (EST-07E) Bellevue, WA 98009-9734				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.				
				AUTHORIZED REPRESENTATIVE (REQUIRED)				

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