

Illinois Statewide Technical Reference Manual

Request for Proposals

Date of Issuance:

August 22, 2011

Project Background

In August 2007, the State of Illinois enacted P.A. 95-0481, which among other things mandated electric utilities that served at least 100,000 customers to implement energy efficiency programs. (220 ILCS 5/8-103). In May 2009, P.A. 96-0033 was enacted, expanding this mandate to include natural gas utilities. (220 ILCS 5/8-104). The following utilities have energy efficiency programs that were developed pursuant to legislation:

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| Ameren Illinois | Electric and Gas |
| ComEd | Electric |
| Peoples Gas Light and Coke | Gas |
| North Shore Gas | Gas |
| Nicor Gas | Gas |

In addition, these utilities participate in a Stakeholder Advisory Group¹ (“SAG”), which serves to provide feedback and guidance on a wide variety of energy efficiency topics.

The electric efficiency programs were launched in mid-2008, while the gas programs launched in mid-2011. In addition, the gas utilities had various voluntary energy efficiency programs that have been in existence for between one and three years.

While the history of utility-administered energy efficiency programs in Illinois is short when contrasted to many other states, the utilities have nonetheless developed a variety of technical manuals, processes and practices. The Illinois Commerce Commission (“ICC” or “Commission”), in its recent orders approving the latest electric and gas efficiency plans, determined that a statewide Technical Reference Manual (“TRM”) would be beneficial to the Commission, the utilities and stakeholders by ensuring a consistent process for determining energy savings for individual measures.

“Consistent with those Orders, the Commission requires Nicor to participate in the statewide TRM development. The Commission also recommends that the newly-created natural gas SAG participate in developing a statewide TRM.” Nicor Gas docket 10-0562 Final Order.

“Also consistent with our rulings in other recent dockets, the Commission agrees that the development of a TRM will be valuable. We direct the Utilities to coordinate with other utilities, DCEO and SAG participants to develop a statewide manual.” People’s Gas and North Shore Gas docket 10-0564 Final Order.

¹ SAG represents the Illinois Stakeholder Advisory Group. Members and materials can be viewed at www.ilsag.org.

“The Commission directs that Ameren will work with other utilities subject to the requirements of Section 8-103 and 8-104 of the PUA and the SAG to develop a statewide TRM for use in the upcoming energy efficiency three-year plan cycle. This will allow a consistent format to be developed for a TRM.” Ameren Illinois Docket 10-0568 Order on Rehearing.

“We agree that a TRM can provide substantial benefits to the EEP going forward, and the Commission directs that ComEd will work with other utilities subject to the requirements of Section 8-103 and 8-104 of the PUA and the SAG to develop a statewide TRM in the future. This will allow a consistent format to be developed for a TRM.” ComEd docket 10-0570 Final Order.

Therefore this Request for Proposals (“RFP”) is being issued for the purposes of developing an Illinois statewide TRM for the specified parties and their energy efficiency programs. This RFP is being issued by the Illinois Energy Association (“IEA”) on behalf of the participating utilities and DCEO.

Statement of Work

1. Proposal Schedule

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| RFP Issued..... | August 22, 2011 |
| Notice of Intent to Bid Response | August 29, 2011 |
| Bidders Call | August 29, 2011 |
| Proposals Due | September 19, 2011 |
| Anticipated Contractor Start | October 31, 2011 |
| TRM Draft 1(High Impact Measures)..... | January 13, 2012 |
| TRM Draft 2 (All Measures, Appendices) | March 1, 2012 |
| TRM Final 1 (High Impact Measures)..... | March 15, 2012 |
| Final TRM Completion Date | May 15, 2012 |

2. Project Goals and Anticipated Results

The TRM should serve the following objectives:

- Provide a basis for reliable deeming of prescriptive measure-level gross and net energy savings for electric and gas programs for use in determining savings under P.A. 95-0481 and P.A. 96-0033.
- Serve as a common reference document for all utilities, stakeholders, implementers, and the Commission, so as to provide transparency to all parties regarding savings assumptions and calculations and the underlying sources of those assumptions and calculations.
- Support the calculation of the Illinois Total Resource Cost test² (“TRC”), as well as other cost-benefit tests in support of program design, evaluation

² The Illinois TRC test is defined in 220 ILCS 5/8-104(b) and 20 ILCS 3855/1-10.

and regulatory compliance. Actual cost-benefit calculations and the calculation of avoided costs will not be part of this TRM.

- Identify gaps in robust, primary data for Illinois, that can be addressed via evaluation efforts and/or other targeted end-use studies.
- Recommend a process for periodically updating and maintaining records, and preserve a clear record of what deemed parameters are/were in effect at what times to facilitate evaluation and data accuracy reviews.
- Provide standard protocols for determining energy savings for some common custom projects, as appropriate.
- The TRM should support coincident peak capacity (for electric) savings estimates and calculations for electric utilities in a manner consistent with the methodologies employed by the utility's Regional Transmission Organization ("RTO"), as well as those necessary for statewide Illinois tracking of coincident peak capacity impacts.

The TRM will exist as part of the evaluation framework in Illinois, serving to inform the evaluation efforts as well as being updated periodically by evaluation results.

The TRM should have the following characteristics:

1. Utilize the best available data from evaluations, baseline and end-use studies, and other available sources to develop measure savings estimates.
2. Provide, for each prescriptive measure, an equation or equations that are used to calculate the electric energy savings, natural gas energy savings, coincident peak electric demand reduction, water savings and other non-energy benefits as appropriate, associated with the measure.
3. For each prescriptive measure, identify each parameter that is used in the calculation of energy savings. For each parameter, determine the most appropriate data to be used. These data may reflect customer-specific data and/or default values, and should reflect reliable data that is on average representative of the applicable utility service territories in Illinois.
4. Also, identify each additional measure-specific parameter that is needed to support each utility's efforts to conduct measure-level TRC calculations, including incremental costs, measure lives, load shape profiles, persistence, and net-to-gross ratios by program or initiative strategy. For each parameter, determine the most appropriate current value to be used or the formula or source of data to be relied on. These values should reflect reliable data that is on average representative of the applicable utility service territories in Illinois. Note: Net-to-gross ratios shall be determined by independent evaluators in accordance with the Net-to-gross framework developed by SAG, and shall be provided to the consultant to include in the TRM as a reference document and an explanation of how it applies to determining net savings.

5. Present standardized equations for calculating energy savings, demand reduction, water savings and other quantifiable costs and benefits, as appropriate.
6. Provide a process, mechanism or approach for ensuring that interactive effects between efficiency measures are factored into savings estimates, where appropriate.
7. Establish and define appropriate baselines for each measure entry. Where appropriate (e.g., market-driven measures) incorporate Federal and Illinois State building and equipment efficiency codes and standards where appropriate, in establishment of baseline efficiency for measures.
8. Provide load-shape profiles for each measure or measure category, as appropriate. Profiles for gas measures should have monthly factors; profiles for electric measures should have factors by rating periods corresponding to the avoided costs, as well as coincident factors for summer and winter peak kW.
9. Document the basis of assumptions and data sources. Preference should be given to publicly available data. All data sources should be made available to the oversight committee and ICC for review and verification, and documented in the TRM. Include links to sources that are publicly available.

3. Consultant's Role

The Consultant shall develop a TRM that satisfies the objectives, timelines and characteristics listed above. In doing so, the Consultant should review existing technical reference materials, market assessment and potential studies, and program evaluations from participating Illinois utilities which will be served by the statewide TRM. The TRM should reflect geographic and demographic distinctions between different parts of the state, where appropriate and supported by available data. High-impact measures, which provide the majority of the annual energy savings for the programs in Illinois, should be given first priority and targeted for accelerated completion as contemplated in the above timeline. A list of all electric and gas measures is provided in Appendix C; these measures are ranked by contribution to portfolio savings. Further, High-impact measures are identified in these tables.

The Consultant shall work with utilities and SAG to determine which weather stations and weather data sets should be used for weather-sensitive measure calculations.

The consultant shall also identify assumptions underlying initial TRM savings estimates in which it may not have as much confidence – due to data or other limitations – as would ideally be desirable given the Illinois regulatory context, the desire to potentially bid peak demand savings into capacity markets with their associated accuracy requirements and/or other factors. Those assumptions, along with an explanation for any concerns, should be documented in a memo.

The memo should also provide some recommendations as to which assumptions would benefit the most from additional study, with such recommendations based on both the importance of the measures in the utilities' DSM portfolios, their potential importance it utility bids into capacity markets, the degree of current uncertainty regarding the assumptions, and the likely cost of studies to achieve greater accuracy.

In addition to the TRM document, the Consultant shall provide an electronic file containing measure-level savings formulas and all parameter default values, costs (or formulas and default parameters), measure lives and load shape types. This file should be in a format that can be imported into the various utility tracking systems. In addition, we are interested in Consultant proposals on the best format of a TRM (e.g., word document, database, spreadsheet) to facilitate future maintenance and updates.

The Consultant shall propose a TRM update process that encompasses the annual evaluation process and ensures timely updates to the TRM document. This process should address relevant topics including emergent changes in building and equipment efficiency standards and commercialization of new measure technologies.

4. Oversight Group

The TRM development process will include an Oversight Group that will provide information to the consultant and comment on its work products. The Group will consist of representatives of affected utilities, and DCEO and SAG participants.

5. Intellectual Property

The consultant shall not have claim to any artistic materials and intellectual properties which are, in whole or in part, created, developed or produced by consultant during the term of the agreement arising from the subject RFP or any activities to which consultant is assigned, and consultant shall not have any claim to have any right, title or interest herein of any kind or nature.

6. Contract Management

The contract for this work will be administered by the Illinois Energy Association, on behalf of the participating utilities.

7. Proposal Requirements

Proposals must be submitted in the following format. Elaborate proposals or covers are discouraged. Resumes, corporate qualifications, examples of prior work and other supporting materials may be submitted as attachments, but total

proposal length should not exceed 25 pages not including attachments and appendices.

Bidders must submit:

- Cover page
- Table of Contents
- Introduction – Briefly describe your understanding of the program and scope of work as outlined in the RFP. Identify the project’s goals and objectives and describe your approach to achieve them. Describe your organization or team, the role of each of the parties, and your management plan. Briefly describe your unique qualifications for successfully completing the project, and why you should be selected for this project.
- Conflict - Describe any current or potential conflicts you, your company and any subcontracts may have with the engagement. Also include any work you are currently performing, have been contracted to perform, or are bidding on to be performed in Illinois.
- Statement of Work – Present your overall approach to accomplish the work outlined in the RFP. You should describe the key components of your package of services and how they fit together to achieve the objectives contained herein. Propose the targets you expect to achieve. In this section, identify any proposed changes, additions or enhancements to the scope outlined in the RFP.

Provide a detailed statement of work by task. Activities, tasks, and sub-tasks should be arranged in a logical order. Each activity or task should be identified, indicating who will perform it, how it will be performed and its anticipated result(s). Identify deliverables and key milestones.

Provide a schedule for completing each identified task, activity and sub-task, outlining anticipated start and completion dates.

- Staffing and Management Plan – Describe how you will organize and manage the project. Identify the Project Manager and other key team members that will be assigned. Provide a clear description of the roles and responsibilities of each person, and indicate the approximate percentage of time each will devote to the project. Identify team members or sub-contractors, and their roles. Provide a short biography for each key team member (resumes of all key team members should be included in an appendix). Explain how you intend to coordinate and communicate with the oversight committee. If the contractor is teaming with other

organizations, a clear delineation of responsibilities is requested for each task identified.

- Qualifications – Describe the skills, abilities and experience that will enable you to successfully complete this project. Describe your specific experience with technical reference manual development. List and briefly describe relevant projects, and provide contact information for at least three references and at least two examples of projects of similar scope to this one. Each project summary should provide the following information:
 - Project name
 - Client organization
 - Client reference (name, title and contact information)
 - Project duration
 - Project description, including the specific role of your organization

Where a team of multiple parties is responding, describe the team's individual and combined experience, and indicate which team members are responsible for each project described. Summaries and samples of prior work in addition to other supporting materials that demonstrates your ability to complete this project may be attached to your proposal in an appendix.

- Schedule and Task list – Provide a task list and schedule that describes how the Consultant will achieve the development of the TRM consistent with the schedule and and goals identified in the Statement of Work. Tasks should include, at a minimum:
 - Project Kickoff – this should be conducted in-person with the participating utilities and the Illinois SAG
 - Presentation to SAG - Draft of High Impact Measures – this may be in-person or via teleconference
 - Presentation to SAG – Draft of full TRM – This should be conducted in-person
 - Presentation to SAG – final TRM – this should be conducted in-person
 - Other tasks as deemed necessary by the Consultant to support development efforts
- Budget – Provide a detailed budget, indicating labor and materials costs by task. You should provide detailed labor costs by individual or job title, indicating billing rate per hour, estimated hours for each task, and overall labor cost estimate. Provide detailed expense breakdowns by task and expense category, including materials and supplies, equipment, and travel. Develop detailed budgets for any subcontractor identified in the proposal. The target budget for this project is \$250,000.

- Appendices – The following materials should be submitted as appendices to your proposal:
 - One page or less resumes of the key personnel and organizations who will be assigned to this project.
 - Summaries and samples of prior work and other supporting materials that demonstrate your ability to successfully complete this project (by organization, if applicable), including examples and/or explanations of TRM work product that you have developed in prior efforts.

8. Proposal Evaluation

Proposals will be scored based on the following criteria:

- Previous experience and qualifications
Prior experience, expert qualifications and demonstrated skills of the persons who will perform the work are of major importance in the evaluation of proposals submitted. In particular, what have been your experiences developing technical reference manuals or related documents? Have you conducted relevant research and/or studies? Has your team adequately demonstrated the capability to develop, implement and expand the range of services required by the statement of work?
- Responsiveness to the solicitation
The contractor selected for this project will have primary responsibility for its successful implementation. Evaluation of your work plan will include consideration of your overall approach to enhancing and implementing the project, the rationale or justification for your proposed approach and strategies, and the extent to which you demonstrate an understanding of the project goals and objectives. Are your proposed targets, milestones, and anticipated results realistic? Do you have the capability to achieve a successful, timely program launch? Is your work plan thorough, specific, and consistent with the stated program objectives? Is your budget realistic and complete?
- Cost
Cost to successfully conduct the tasks for the identified project is a significant factor, and an economical price for completion of the work will be favorably considered in proposal evaluation. Evaluation of price will include both total proposed price and a review of hourly rates and total hours for completion of each task.

9. Bidders Call

There will be a bidders call on August 29, 2011, at 1 pm CDT. Parties interested in participating in the call should send an email to roger.baker@comed.com by

August 26, 2011. Conference call information will be provided via email to respondents prior to the call.

10. Intent to Bid

All interested parties must notify, via e-mail jmonk@ilenergyassn.org their intent to bid by 5:00 p.m. CDT, August 29, 2011.

7. Questions

All questions should be submitted **in writing** to Roger Baker at roger.baker@comed.com. Responses to all questions will be e-mailed to all bidders that have announced their intent to bid by September 2, 2011.

8. Submission of Proposals

Proposals are to be sent in electronic format, to Jim Monk at the Illinois Energy Association (jmonk@ilenergyassn.org).

Proposals must be submitted no later than 5:00 p.m. CDT on September 19, 2011. IEA, the participating utilities and SAG reserve the right to reject any and all bids. Contractors must be aware that IEA and the participating utilities allow no exceptions to the exact date and timeline for the opening of bids. All late bids will be rejected.

Please provide a contact name and information for any questions that IEA, SAG or participating utility staff may have about your proposals.