



Duquesne Light Company Request for Proposal

**To Obtain Conservation Service Provider(s) to Implement Part of Duquesne
Light's Energy Efficiency and Conservation Plan
For the
Residential Energy Efficiency Rebate Program**

September 22, 2009

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- Appendix A. Expression of Interest Form
- Appendix B. Confidentiality Agreement
- Appendix C. Pre-Bid Application Form
- Appendix D. Bid Form Spreadsheet
- Appendix E. Binding Bid Agreement
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This Request for Proposal comports in all respects with the Pennsylvania Public Utility Commission Opinion and Orders of December 18, 2008 and January 15, 2009 at Docket Nos. M-2008-2074154 and M-2008-2069887.

1 EXECUTIVE SUMMARY

Duquesne Light Company (Duquesne Light) is seeking in this Request-For-Proposal (RFP) to procure Conservation Service Provider (CSP) services to provide rebate processing and marketing and outreach services to enable residential customers to increase energy efficiency or reduce energy consumption and implement the Energy Efficiency and Conservation Plan (EE&C Plan) according to the terms approved by the Pennsylvania Public Utility Commission's (Commission) orders dated December 18, 2008 and January 15, 2009 at Docket Nos. *Docket Nos. M-2008-2074154 and M-2008-2069887*, respectively.

CSPs interested in participating in the RFP are required to express their non-binding interest to bid by completing and submitting the Expression of Interest Form (Appendix A); a CSP is not eligible to complete this bid until this form is submitted. See eligibility section for details.

Duquesne Light is required to conduct the RFP pursuant to the Commission's Implementation Order at Docket No. M-2008-2069887. These RFP Procedures have been appropriately written to comport in all respects with the Commission's Orders at Docket Nos. *M-2008-2074154 and M-2008-2069887*.

1.1 CSP Obligation and Payment

A winning CSP will provide service for the implementation of the EE&C plan corresponding to the type of service won in the RFP. Payments to winning CSP(s) will be based on a pay-for-performance contract. *Program performance goals, associated payments and administrative costs are outlined within this RFP. Through this RFP, Duquesne Light is seeking the most qualified service provider(s) to implement the Residential Energy Efficiency Rebate Program, based on the strength of proposed service offerings.*

1.2 Key RFP Definitions and Terms:

Bid Due Date – Duquesne Light requires potential CSPs to submit their bids no later than October 26, 2009 at 11:00 a.m. Eastern Prevailing Time (EPT).

Service Period – The time period the winning CSP(s) agrees to implement the EE&C Plan.

Service Obligation – RFP winners will provide services in order to implement the EE&C Plan. The CSP will provide rebate processing and marketing and outreach services to enable residential customers to increase energy efficiency or reduce energy consumption. The RFP winner will not have direct or indirect ownership, partnership or other affiliated interest with an electric distribution company.

CSP Registry – During the Service Period, the CSP must be a member in good standing of the PUC's CSP Registry. Information on the CSP Registry can be found on the Commission's website at www.puc.state.pa.us at Docket No. M-2008-2074154.

Bid Evaluation – Duquesne Light plans to select winning CSPs based upon CSP quality of prior performance, timeliness of performance, quality of proposed work plan or

approach, knowledge, background and experience of the personnel to be utilized, cost, and other factors as deemed relevant.

Bid Price(s) – Each CSP bid must be in the form of a pay-for-performance arrangement.

CSP Contract – Winning CSP(s) will be required to sign a standardized, non-negotiable service agreement (Agreement) with Duquesne Light. Duquesne Light will not negotiate changes to the final Agreement during the RFP process.

Affiliate Participation – None of Duquesne Light’s affiliates will be eligible to bid in this RFP.

Commission Approval – Duquesne Light plans to seek Commission approval of the RFP Procedures. The RFP Procedures as well as the Agreement will be subject to the Commission approval.

1.3 Duquesne Light RFP Information

Information related to this RFP will be posted on Duquesne Light’s RFP website: www.duquesnelight.com. On this website, certain general information about the RFP will be accessible to all parties, including the RFP procedures and related documents including all appendices to this RFP.

2 TENTATIVE RFP SCHEDULE

Proposed schedule for RFP process is as follows:

Letters to potential CSPs	September 22, 2009
Expression of Interest Form completed	October 5, 2009
Confidentiality Agreement Executed	October 5, 2009
Pre Bid Application Form Completed	October 5, 2009
Customer data/operational info made available	October 12, 2009
CSP bid conference	October 15, 2009
Bids due	October 26, 2009
Winning CSP(s) selected	November 3, 2009
Agreement(s) signed	November 10, 2009

3 ELIGIBILITY

The purpose of the eligibility process is to provide information to the potential CSPs regarding their eligibility to bid. An Applicant (as defined in the attached Pre-Bid Application Form) is eligible to bid if, in a timely and complete fashion, each of the following 4 criteria is met.

3.1 Expression of Interest Form (Appendix A)

CSPs interested in participating in the RFP are required to express their non-binding interest to bid by completing and submitting the Expression of Interest Form (Appendix A). The form is intended to provide Duquesne Light with contact information so that Duquesne Light can communicate with potential CSPs in an efficient manner. CSP(s) can provide this information on-line, via email, or via facsimile. A CSP will not be eligible to submit a bid until, among other things, it has submitted an Expression of Interest Form to Duquesne Light.

3.2 Confidentiality Agreement (Appendix B)

Each CSP will be required to sign a Confidentiality Agreement Form (Appendix B). A CSP will not be eligible to submit a bid until, among other things, it has executed and delivered the Confidentiality Agreement.

3.3 Pre-Bid Application Form (Appendix C)

All interested CSPs must complete a Pre-Bid Application Form (Appendix C) in order to be eligible to participate in the RFP. Interested CSPs will be asked to submit financial information about the Certifying Company as detailed in the Pre-Bid Application Form so that Duquesne Light can assess their creditworthiness. In addition, CSPs will be asked to comply with other qualification criteria including agreeing to comply with all rules of the RFP and to certify that they will bid independently of other parties.¹

The Pre-Bid Application Form and the requested information must be submitted to Duquesne Light no later than 11:00 a.m. EPT on October 5, 2009. All submitted information must be in the English language, and all financial data must be denominated in United States currency and conform to generally accepted accounting principles (GAAP) in the United States. If the Certifying Company's financial information is consolidated with other entities, then it is the CSP's responsibility to extract and submit as separate documents all data and information related solely to the Certifying Company. This must include all financial information, associated notes and all other information that would comprise a full financial report conforming to GAAP. In the event the Certifying Company's information is not submitted by the due date or is submitted in an incomplete fashion, the CSP will be eliminated from further consideration in the RFP. **Therefore, it is in each CSP's interest to submit its pre-bid information early in the process, allowing some time to cure incomplete information before the Pre-Bid Application Form due date.**

¹ For clarification, a CSP can hedge its proposed bid with another CSP involved in the RFP process, but CSPs may not cooperate in establishing bid price levels.

3.4 PUC Registration

To qualify, interested entities must submit an application to the Commission for approval as a registered CSP. A potential CSP does not have to be in the registry prior to the RFP process, but must be able to apply and be approved as a CSP in the Commission's CSP Registry upon signing the Agreement. The Commission requires all CSP registry applicants to provide the following information. (1) Legal name of the applicant; (2) Trade or Commercial (Fictitious or Doing Business As names used; (3) Pennsylvania business address; (4) Principal place of business; (5) The name, title, business address and phone number for principal officer(s), partner(s) or director(s) of the applicant; (6) Name, business address, telephone number, fax number and email address for a Pennsylvania regulatory contact and for an agent for service of process; (7) Names of parent and subsidiary companies and affiliates that are CSPs and EDCs; (8) Completed application form, including affidavit of officer attesting to the accuracy of information provided; (9) Registration fee in a form prescribed in 52 Pa. Code § 1.42; (10) Copy of documentation from the Pennsylvania Department of State demonstrating that the applicant is registered to do business in Pennsylvania;² (11) Copy of documentation from the Pennsylvania Department of State demonstrating that any fictitious name to be used by the applicant is registered to the applicant in Pennsylvania.³

² A copy of any document from the Department of State documenting the Applicant's Department of State entity number is adequate. Certified copies of Pennsylvania Department of State documents are not required as the applicant will be verifying all information provided pursuant to 52 Pa. Code § 1.36.

³ *Id.*

4 PROGRAM BACKGROUND

4.1 Introduction

Duquesne Light, through this Request for Proposals, seeks to contract CSP services to develop projects and programs to enable residential customers to increase energy efficiency and reduce energy consumption. The period of performance will be an estimated three years and eight months that includes a period of pre-launch Program planning during November and December 2009.

Program delivery will be consistent with other Duquesne Light programs. In particular, the program will coordinate with other residential sector programs for energy efficiency and demand response. The CSP will encourage customers to participate in other Duquesne Light programs.

All program documents, forms, procedures, data and reports produced by the CSP under contract with Duquesne Light shall become the property of Duquesne Light.

4.2 Residential Sector Programs

Duquesne Light's overall residential sector is composed of approximately 525,000 customer accounts that consume nearly 4.3 billion kilowatt-hours (kWh) per year, approximately 30% of the total distributed energy. Pursuant to discussions held at Stakeholder Meetings, Duquesne Light plans to provide the following programs to provide energy efficiency services to the residential sector:

- Low Income Energy Efficiency Program
- Residential Energy Efficiency Rebate Program
- Residential, Schools Energy Pledge Program
- Refrigerator Recycling program

The residential rebate program will offer prescriptive rebates provided for each unit installed (i.e., \$ per unit of measure such as lamp, fixture, ton, square foot of insulation, etc). The low income, schools, and refrigerator recycling programs are tailored to assist respective segments to overcome unique, segment-specific, barriers to energy efficiency program participation. **This RFP is intended to identify CSP(s) best qualified to deliver energy efficiency services through the Residential Energy Efficiency Rebate Program, only.**

4.3 Residential Sector Characterization

Residential accounts are typically found in rate schedules RH, RA, and RS. Residential customer information is summarized below:

- Number of accounts: Approximately 525,000
- Annual kilowatt-hour consumption: 4.3 billion
- Percent of total load of electric system: 30%
- Number of accounts currently enrolled in Duquesne Light's On-line audit system: approximately 100,000

4.4 Residential Rebate Program Design

Programs to be developed under this RFP are expected to overcome financial barriers to help residential customers maintain and improve energy efficiency through the provision of rebates to offset the cost of implementation of measures.

Duquesne Light will provide an on-line home energy audit tool linked to an on-line rebate application. The CSP will be responsible for marketing the rebate program, integrating its rebate processing system with Duquesne Light's online audit and rebate tool, and providing application processing fulfillment services for the rebate program.

Duquesne Light will administer the Residential Energy Efficiency Rebate program (REEP) through a qualified CSP. Members of Duquesne Light's core team will support on-going activities, contract management, and assist with program outreach and marketing as well as internal tracking and reporting.

Activities that will be included in such programs include:

- Marketing and education to Duquesne Light residential customers
- Integration with Duquesne Light's on-line audit tool and rebate application
- Rebate processing and validation
- Quantifying energy savings and environmental benefits
- Validation of measure installations, savings impacts and customer satisfaction

The CSP will create and manage rebate marketing, processing, and verification infrastructure.

Overall, this task will include fulfillment to market, receive (whether via download from Duquesne Light or via phone, fax or mail), review and verify applications, manage rebate requests and applications, and process rebate payments to customers. Activities within this program include:

- *Marketing to and educating prospective customers.* Direct marketing and education may include bill inserts, newsletters, website, broadcast and print media, direct mail and promotional campaigns that coordinate with and drive customers to Duquesne Light's existing on-line home energy audit.
- *Rebate application.* Residential customers will be able to submit rebate applications via phone, fax, internet, or mail. For the electronic application submissions, the CSP will download applications directly from Duquesne Light. Other applications sent via phone, fax, and mail will be handled directly by the CSP.
- *Rebate processing.* This includes integration of qualifying products into CSP's rebate processing system, review and verification of applications, and payments to customers.
- *Measurement & Verification.* Following M&V guidelines from Duquesne Light (see below), the CSP will validate that measures have been installed in customers' homes. As part of this process, the CSP will also conduct a customer satisfaction survey. The CSP will provide Duquesne Light with real-time access to program metrics.
- *Reporting to Duquesne Light.* This includes reporting of program activities to meet regulatory and internal requirements, in particular progress toward program goals.

Eligible rebate measures may include:

- Lighting
- HVAC equipment and repairs
- EnergyStar Equipment
- Envelope and equipment insulation
- And other energy efficient measures.

Please see Appendix G for a preliminary list of residential measures applied to forecast sector efficiency gain potential. Duquesne Light anticipates working with the selected CSP to align the measure list to align with CSP experience, recommendations and current market conditions.

Ineligible rebate measures include:

- Demand response projects
- Load-shifting programs based on behavioral changes only
- Co-generation, distribute generation and self-generation projects

Duquesne Light will work with regional stakeholders to assess the viability and potentially incorporate within the residential rebate program upstream and mid-stream incentives (incentives provided by manufacturers and retail distributors) to support point-of-purchase instant rebates.

The services of the CSP may be offered directly as well as in partnership or under contract with other providers. However, performance under the agreement between the CSP and Duquesne Light will be with the CSP.

4.5 Performance Goals

The REEP is expected to achieve the following gross energy and demand savings. These are shown below on an annual and cumulative basis for program years ending May 31, 2010 through 2013.

Residential Rebate Program Performance Goals

Savings	Program Year Ending May 31			
	2010	2011	2012	2013
Energy/Yr (MWh)	16,874	33,749	33,749	33,749
Energy Cumulative (MWh)	16,874	50,623	84,372	118,121
Demand/Yr (kW)	7,845	15,690	15,690	15,690
Demand Cumulative (kW)	7,845	23,535	39,225	54,915

4.6 Program Budget

The CSP will provide a budget for each program year. The program will be expected to meet above goals based on a budget not to exceed the amounts shown in the following table. The budget plan may be adjusted over time as experience develops with the residential market sector relative to other Duquesne Light programs for energy efficiency. To facilitate such flexibility, Duquesne Light will allocate up to two-thirds of the budget in any program year, before determining whether to commit the remaining funds. An allocation is defined as the funds approved for a specific rebate application by the participating customer.

Residential Rebate Program Budget

Budget Category	Program Year Ending May 31				Cumulative
	2010	2011	2012	2013	
Incentive Payments	\$1,489,038	\$2,978,075	\$2,978,075	\$2,978,075	\$10,423,264
Administrative Costs	\$601,550	\$614,050	\$614,050	\$614,050	\$2,443,700
Total	\$2,090,588	\$3,592,125	\$3,592,125	\$3,592,125	\$12,866,964

Duquesne Light will establish appropriate ranges for customer incentive amounts for all residential sector programs under the Residential Sector Program. The forecast for these incentives are provided in Appendix G, final incentives for specific programs and measures will be provided by Duquesne Light to the CSP on an annual basis. Contractor pay-for-performance amounts are established from administrative budget per savings, and translate to \$0.02/kWh.

The program will be expected to deliver cost-effective energy and demand savings based on total resource cost test (TRC) calculations resulting in a ratio greater than 1.0. Proposals conforming to the pay-for-performance RFP requirements described above are assessed to be cost-effective. Cost-effectiveness determination, with regard to this RFP and bidders proposals, shall be performed by Duquesne Light. Duquesne Light will be responsible ultimately for assessing cost-effectiveness for the Residential Rebate program.

The CSP will utilize reporting tools consistent with requirements of Duquesne Light's Program Management and Reporting System (PMRS) described in Appendix F. These will include financial flat files, measure flat files, and other narrative and hard-copy documentation specified by Duquesne Light. The budget will show the incentive payments from Duquesne Light to participating customers as well as the pay-for-performance from Duquesne Light to the CSP for each program year. More detailed budget requirements are included in the cost proposal section 5.3.

4.6.1 Payment to CSP

Payments to the CSP will be based on the pay-for-performance model. The CSP will propose the payment amount and terms not to exceed \$0.02/kWh of annual savings in a project.

Duquesne Light expects to pay for CSP performance based on monthly invoices that document CSP performance (see RFP section 5.2.3) including rebates processed to date, estimated savings achieved and other relevant performance indicators. Approval of payments will be contingent on sustained satisfaction of Measurement and Verification requirements (see "Measurement and Verification" below).

4.6.2 Customer Incentive Payments

Customer incentives (rebates) are to be based on itemized measures with deemed savings per measure (see Appendix G for forecast savings values by measure). Incentives will be paid in the form of cash-back rebates. Duquesne Light will select the array of measures and incentive levels. CSP is responsible for designing a program that achieves overall performance goals, and that aligns incentives with customer interests and market capacity. CSP will manage incentive payments. Customers will have the option of receiving payment either as a bill credit or a check.

CSP will compile all rebate applications (electronic and written) and provide a summary of incentive applications in electronic form compatible with Duquesne Light's PMRS. CSP will maintain all incentive application information in hard copy as well as electronic form. All incentive reports will describe the measures installed, annual energy and peak demand savings, customer bill savings associated with the energy and demand savings, documenting of project costs, and the requested incentive payment by measure type and method of calculation.

For non-electronic rebate processing, CSP shall establish and support written rebate application forms that align with Duquesne Light's existing electronic forms and shall include at least the following elements;

- Instructions for customers on how to apply
- Proof of purchase/installation requirements
- Rebate check process
- Legal terms and conditions
- Customer information

- Product form that allows customer to select equipment, quantity and rebate amount for processing
- Specification form that provides details for all equipment/materials eligible for rebate

4.7 Measurement and Verification

The program will operate with careful attention to evaluation, measurement and verification practices. Protocols will be followed by the CSP based on international standards for evaluation, measurement and verification as applied under guidance from Duquesne Light and the Pennsylvania Public Utilities Commission. It is anticipated that the Commission will assume the primary responsibility for measurement and verification, and Duquesne Light and its contractors will serve in a supportive role.

To support ongoing evaluation, measurement and verification, CSP will provide Duquesne Light with real-time access to program metrics, including customer, rebate, energy, and budget information.

CSP will conduct a program impact verification and customer satisfaction survey on a random sample of participants via phone survey. The number of surveys to be conducted shall be based on program participation volume, with a sample quantity statistically valid to render a confidence level of 90% +/- 10% or higher. REEP savings impacts will be based on deemed savings values published in the TRM or other documented ex ante savings values if the TRM fails to address specific program measures.

Assessment of the Residential Energy Efficiency Rebate Program include the following performance indicators.

1. Appropriate collateral marketing materials created. Coherent outreach strategies developed. Appropriate materials delivered to market outreach implementation team on time.
2. Outreach activities launched on schedule, number of customers contacted, brochures delivered and number of radio spots. Customer perception of the credibility of the information provided. Customer satisfaction with contacts and information provided.
3. Changes in awareness. Knowledge and attitudes of customers with respect to energy efficiency and the likelihood that customer will invest in energy efficiency. Customer stated intentions to adopt recommendations.
4. Number of customers who apply for an incentive. Amount of the incentives for each end use category. Customer satisfaction with application process.
5. Number of applications processed in a timely manner. Cycle times (time from application to approval and time from approval to receipt of payment).
6. Number of applications rejected. Reasons for rejection.
7. Number of applications approved.

8. Measures installed, practices adopted and changes to systems.
9. Annual and life-cycle ex ante estimates of energy and demand impacts.

4.8 Program Scope of Work

The Program will be implemented during a 3 ½ year period (January 2010 through May 2013), within Duquesne Light's service territory subject to regulatory recommendations and/or orders. During November 2009, the CSP will plan for the Program's official launch. Additionally, the CSP shall have ensured that all rebates have been processed by the end of the Program period (May 31, 2013). Program will include the following major tasks:

- **Task 1**
Marketing to and educating prospective customers. Direct marketing and education may include bill inserts, newsletters, website, broadcast and print media, direct mail and promotional campaigns that coordinate with and drive customers to Duquesne Light's existing on-line home energy audit.
- **Task 2:**
Rebate application. Residential customers will be able to submit rebate applications via phone, fax, internet, or mail.
- **Task 3:**
Rebate processing. Integration of qualifying products into CSP's rebate processing system, review and verification of applications, and payments to customers.
- **Task 4:**
Measurement & Verification. Validation of measures installed in customers' homes and customer satisfaction.
- **Task 5:**
Reporting to Duquesne Light. This includes reporting of program activities to meet regulatory and internal requirements, in particular progress toward program goals.

Details on bidder proposal instructions with related process, milestones, and deliverables appear in section 5. A discussion on proposal evaluation and contractor selection details appears in section 6.

5 BIDDER PROPOSAL FORMAT

This section provides an overview of the bid format with details on what should be included in each section. Bidder's technical proposal should include each of the following elements, keeping in mind the *maximum* page recommendations for each. Utilize the following table to ensure that you have included each requested proposal section.

Introduction (2 pages)
Approach (10 pages)
Cost Proposal: Schedules and Budgets (4 Pages)
Organizational Qualifications and Staffing (10 pages)
Team Member Bios and Certifications (5 pages)

5.1 Introduction (2 pages)

In this introductory section, the Bidder should frame their response to this RFP which may include a discussion of some or all of the following elements:

- Program name, Company name, RFP to which bid is responding
- The market and customer segment to be served by proposed program
- Services to be provided to the customers
- Targeted electric end uses
- Geographic area that the program will cover
- Basis for the need of the program
- Projected accomplishments of the Program
- Program theory (e.g., program logic and niche) and why you think Customers or market actors will respond sufficiently to the proposed program design leading to enough installation of measures to meet the energy savings goals.

5.2 Approach (10 pages)

Bidder should include a detailed description of their proposed program approach. Please utilize the following Technical Proposal outline to describe how you will go about achieving stated program milestones and deliverables.

5.2.1 Program Planning

In this task, CSP will attend meetings and develop all necessary materials to launch and implement the program.

a. Attend Program Kick-off Meeting

CSP will attend a program commencement meeting with Duquesne Light as Duquesne Light deems appropriate to discuss logistics, technical requirements, marketing plans, evaluation measurement & verification plan, reporting & invoicing, scope of work, etc.

Deliverable and timeline: Contractor to attend meeting in November/December 2009 – Exact date to be determined.

b. Staffing Plan

The Bidder's proposal will include a staffing plan that must address the following:

- Provide an estimate of staff hours and proposed hourly rate by staff category and task
- Staff and Subcontractor Responsibilities: Describe proposed staffing structure of the Contractor (and subcontractors if applicable).

Deliverable and timeline: Staffing plan to be submitted with the proposal.

c. Work Schedule

The Bidder shall develop a draft monthly project work plan and implementation timeline.

Deliverable and timeline: Intended monthly work schedule (completed with expected program deliverables and timing) to be submitted with the proposal.

d. Quality Assurance

All Bidders shall provide in their proposals a Quality Assurance Plan (QAP). QAP will include detailed explanation of the quality assurance procedures that will be put in place for its programs, including, without limitation thereto, quality controls, regulatory compliance measures, and audit procedures. The QAP will be designed to minimize customer services issues, protect confidential information,

ensure that work claimed and charged for has been performed as described, and prevent duplicate applications for incentive payments.

The QAP must ensure that Duquesne Light will have access to all files, data, and related program operating information. The quality assurance measures will be incorporated by reference, and made a part of, any Contract.

Deliverable and timeline: Quality assurance explanation to be included in proposal.

e. Marketing Plan

The Contractor will develop a detailed marketing plan which will include a discussion of all necessary program marketing materials needed for program implementation and general customer information with an initial list of target customers. The Plan will detail a process for development, review, and production timelines; and include an outline for reaching program customers. CSP will coordinate with Duquesne Light to ensure that materials effectively communicate program value, and are aligned with existing Duquesne Light marketing materials. Duquesne Light will also actively market the program to customers and pass leads to CSP for follow-up. Upon release by customers, Duquesne Light may be able to provide to the CSP monthly billing histories of up to three years.

Deliverable and Timeline: Draft Program Marketing Plan to be submitted with proposal. Final Program Marketing Plan to be submitted in November/December 2009 - Exact date to be determined.

f. Develop Marketing Materials

CSP will design and submit to Duquesne Light all marketing materials as outlined in the Marketing Plan, for Duquesne Light approval prior to publication. Duquesne Light may provide letters of introduction for use by the CSP with prospective customers.

Deliverable and Timeline: Draft Marketing Materials to be submitted in first quarter 2010 – Exact date to be determined.

5.2.2 Project Implementation

In this task, CSP will launch the Program by providing information and training to Duquesne Light Customer Representatives, implementing the marketing campaign, and enrolling and engaging customers.

a. Program Launch

i. Duquesne Light Training

CSP will provide in-person training to appropriate Duquesne Light customer-facing staff on all relevant elements of the Program.

Deliverable and Timeline: Program Training to occur in first quarter 2010
– Exact date to be determined.

ii. Integration with Duquesne Light's On-line Home Audit

CSP will work with Duquesne Light to develop a process to gain access to Duquesne Light's the electronic database of rebate applications.

Deliverable and Timeline: CSP to develop process and begin download of the electronic rebate applications first quarter 2010.

b. Marketing and Education

iii. Perform Outreach to Customers

The CSP will conduct marketing and education to Duquesne Light's residential customers, through bill inserts, newsletters, website, broadcast and print media, direct mail and promotional campaigns.

Deliverable and Timeline: Appropriate collateral marketing materials created, coherent outreach strategies developed, outreach activities launched on schedule, number of customers contacted, number of media network contacted for successful program marketing (e.g. radio spots, newsletter/paper ads, etc.), number of direct mail mailed out (e.g. brochures and bill inserts delivered) customer satisfaction with contacts and information provided: Ongoing beginning first quarter 2010.

c. Residential Rebate Processing

iv. Rebate Application

For electronic application submissions, the CSP will download applications directly from Duquesne Light. Other applications sent via phone, fax, and mail will be handled directly by the CSP.

Deliverable and Timeline: Number of customers who apply for an incentive, amount of the incentives initially requested: Ongoing

v. Rebate Processing

The CSP will review and verification of applications.

Deliverable and Timeline: Number of applications processed, approved, and rejected (with reasons for rejection), and total amount of the incentives: Ongoing

vi. Payment of Incentives/Rebates

CSP will submit to Duquesne Light customer rebate applications conforming to section 4.6.2.

Deliverable and Timeline: total amount of incentives paid to customers: Ongoing

d. Inspections and Verification

vii. Measurement & Verification

Following M&V guidelines from Duquesne Light, the CSP will validate that measures have been installed in customers' homes.

Deliverable and Timeline: Measures installed, practices adopted and changes to systems, annual and life-cycle ex ante estimates of energy and demand impacts: Ongoing

viii. Customer Satisfaction

The CSP will conduct a customer satisfaction survey.

Deliverable and Timeline: Customer satisfaction survey, number of customers who completed survey, report of responses: Ongoing

5.2.3 Invoice and Reporting for Completed Projects

a. Invoicing Requirements

The CSP will be responsible for maintaining needed program management tools, including project status reporting, performance measurement, schedule reporting, budget reporting, etc. These tools and forms will be developed to meet basic requirements specified by Duquesne Light. The Contractor will submit monthly, quarterly, and annual reports to Duquesne Light for program accomplishments and installations performed in the preceding calendar month. Reports will be submitted into Duquesne Light's Program Management and Reporting System (PRMS).

The monthly invoice shall at a minimum include the following items:

- Number and status of projects - Description of the program's completed and pending projects along with measure type(s) and number of units installed for each measure.
- Energy and demand savings - Discussion of total energy and demand savings by completed projects.

Monthly invoices, accompanied by supporting electronic flat file reports, are required by the 10th day of each month for work completed the preceding month. On June 30, 2013, or sooner, the Contractor will submit a final invoice and program report. CSP shall be responsible for implementing, adhering to, and submission of all items as described in Appendix F. Duquesne Light recognizes CSPs often maintain their own work process systems and will work with selected CSPs to mitigate requirements for double data entry, and; make every effort not to impose processes and procedures that might negatively affect the functionality of pre-existing CSP systems and processes.

5.2.4 Program Ramp-Down and Final Reporting

a. Ramp-Down Plan

CSP will provide a ramp-down plan to ensure complete program shut-down, taking into consideration that all services must be complete, all projects installed, and all incentives paid by date specified in plan.

Deliverable and Timeline: Program ramp-down plan to be submitted with this proposal. Program ramp-down period will begin to later than April 1, 2013.

b. Program Shut-Down

CSP will provide a plan with procedures on shutting down the program, including a plan to end customer services while ensuring the continuation of warranty services. By April 1, 2013 CSP will send a program shut-down announcement to customers notifying them that the program is ending and supplying a contact to help them follow up on warranty issues. The announcement should also encourage customers to pursue other Duquesne Light programs, and provide information on how to contact Duquesne Light for further information on energy efficiency programs.

Deliverable and Timeline: Draft program shut-down announcement to be submitted to Duquesne Light for approval by end of first quarter, 2010. Announcement to be mailed to customers by April 1, 2013.

c. Final Reporting

CSP will deliver the final document to conclude the program. Report discussion will include: program achievements (kWh and kW savings as compared to targets), program challenges, goal attainment, lessons learned, program improvement recommendations, proposed program next-steps.

Deliverable and Timeline: CSP to submit Final Report to Duquesne Light by June 30, 2013.

5.3 Cost Proposal: Schedules and Budgets (4 Pages)

Although program budget is defined in this RFP, CSPs should include in this section of the proposal a brief narrative and budget structure in order to demonstrate familiarity and experience with administering programs of this type. The cost proposal must explain proposed costs of the program and include a budget for each program year. Descriptions of these components are discussed below:

5.3.1 **Budget Narrative**

Provide an explanation for proposed program costs including budget allocations, incentive payments and pay-for-performance structure. The CSP's proposal for payment and terms shall conform to budget requirements detailed in section 4.6.

5.3.2 **Program Budget:**

Provide a budget for each program year showing budget allocations including incentive payments from Duquesne Light to participating customers for each program year, and pay-for-performance from Duquesne Light to the CSP for each program year. Utilize the Budget Table in Section 4.6. Budget allocations are further discussed below:

- **Incentive/Rebate Costs** – Monetary amount paid directly by Duquesne Light to residential customer for the installation of energy efficiency equipment.
- **Pay-for-Performance**— Include in budget payments to CSP based on pay-for-performance structure proposed in budget narrative. (As stated above, the CSP will propose the payment amount and terms not to exceed \$0.02/kWh of annual savings.)
- **Miscellaneous Administrative Costs** – Typically, program overhead costs such as staff labor/benefits, program monitoring and improvement, employee expenses, and miscellaneous general expenses that are not marketing or rebate/incentive costs.
- **Marketing/Outreach Costs** – Typically, marketing costs such as collateral material, outreach costs such as promotional events, and staff labor associated with incurring marketing costs and activities.
- **Rebate Processing Costs**- Rebate application tracking and incentive fulfillment, tracking system entry
- **M&V Costs** – Cost associated with inspection of installed measures in customers' homes and conducting a customer satisfaction survey.

5.4 Organizational Qualifications and Staffing (10 pages)

- Provide a complete current client listing relevant to this scope of work.
- Provide sample of relevant program experience including project description or case study. Provide total number of customers served in each program.
- Indicate the number of years Bidder has been in business and the number of years Bidder has performed services specified by this RFP and with target sector.
- Bidder shall include a list of at least three (3) references from the Bidder's client listing that may be contacted for detailed information on the Bidder's past and current job performance. Bidder shall provide names, titles, organizations, telephone numbers, email and postal addresses.
- Provide a summary listing of judgments or pending lawsuits or actions against; adverse contract actions, including termination(s), suspension, imposition of penalties, or other actions relating to failure to perform or deficiencies in fulfilling contractual obligations against Bidder's firm. If none, so state.

5.5 Team Member Bios and Certifications (5 pages)

- Include a list of key personnel to be involved with this program indicating roles, responsibilities, and level of commitment
- Include Bios for each team member

6 PROPOSAL SUBMISSION, EVALUATION CRITERIA AND CONTRACTOR SELECTION

6.1 Submittal of Proposals

All bids are firm offers, binding pursuant to the Binding Bid Agreement, and due via e-mail by October 26, 2009. E-mail bids should be submitted to pjordan@duqlight.com. The deadline will be strictly enforced and Duquesne Light will only consider bids submitted on or before the designated time. In the event of technical difficulties in submitting bids, a CSP may, as an alternative, fax its bid prior to the 11:00 a.m. EPT deadline to 412-393-8644. Agreement terms and conditions are non-negotiable. Bids conditioned in any manner, including any changes to the Agreement, will be rejected. Accompanying each bid, each CSP must include a signed

Binding Bid Agreement provided in Appendix E. Each CSP is requested to attach an electronic copy of its executed Binding Bid Agreement to its E-mail bid submission.

6.2 Conforming Proposals

For a CSP's bid to be deemed a conforming proposal, it must be complete, including:

- a) the Bid Form Spreadsheet, completed in full and without modification (Appendix D);
- b) an executed Binding Bid Agreement (Appendix E).

A conforming proposal must be submitted by the bid deadline, must not be conditioned in any manner, and must be submitted by a qualified CSP as described in Section IV of this document. Proposals deviating from the above criteria will be deemed non-conforming and eliminated from further consideration. Any such elimination will be communicated by Duquesne Light to the relevant CSP(s) and will be final.

6.3 Duquesne Light Confirmation of Proposal Submission

Duquesne Light will confirm receipt of a CSP's proposal via email. As indicated on each Bid Form Spreadsheet, each CSP will provide a contact name and email address that will be used for the receipt confirmation.

6.4 Overview of Bid Evaluation Criteria and Process

Duquesne Light will evaluate responsive proposals in accordance with the Section 5: Bidder Proposal Format. Responsive proposals will be scored based on selection criteria detailed below.

Criteria		Total Possible Points
1. Proposal		(50)
a.	Program is described and fulfills all areas of the Scope of Work and Bidder Proposal Format (Section 5).	(5)
b.	Work Plan is comprehensive and achievable. (Section 5.2.1.c)	(15)
c.	Expected impacts and customer Quality Assurance procedures are identified and will be measured/reported/verified in accordance with Section 5.2.1.d of this RFP.	(10)
d.	Process for customer enrollment/participation is clearly defined and appears to be effective/innovative. (Section 5.2.2.b)	(15)
e.	Marketing plan is described and will encourage customer participation. (Section 5.2.1.e)	(5)
2. Experience and Capabilities		(25)
a.	Bidder possesses demonstrated experience and expertise in sector(s) the proposed program will target. (Section 5.4)	(10)
b.	Bidder team member roles and responsibilities are identified. (Section 5.5)	(5)
c.	Case study examples are applicable and sufficient. (Section 5.4)	(10)
3. Time Schedule		(15)
a.	Timetable is outlined and milestones are achievable. (Section 5.2.1.c)	(10)
b.	Bidder reasonably demonstrates ability to fulfill work within the time schedule. (Section 5.2.1.c)	(5)
4. Cost Effectiveness		(10)
a.	Bidder proposes innovative, varied approach to achieve desired program performance goals within budget. (Section 5.3)	(10)
Total		(100)

Duquesne Light will evaluate proposals in accordance with the evaluation criteria above. The proposals shall be classified initially as acceptable, potentially acceptable, or unacceptable.

Proposals may be accepted on evaluation without discussion. However, if deemed necessary, prior to entering into discussions, a "priority list" of responsible Bidders submitting acceptable and potentially acceptable proposals shall be generated. The priority list may be limited to a minimum of three responsible Bidders who submitted the highest-ranked proposals. The objective of these discussions is to clarify issues regarding the Bidder's proposal.

If during discussions there is a need for any substantial clarification or change in the RFP, the RFP shall be amended by an addendum to incorporate such clarification or

change. Addenda to the RFP shall be distributed only to priority listed Bidders who submit acceptable or potentially acceptable proposals.

Duquesne Light anticipates additional rounds of discussions with, and interviews of the top three (3) Priority Listed Bidders.

Duquesne Light reserves the right to determine what is in the best interest of the Program for purposes of reviewing and evaluating proposals submitted in response to the RFP.

6.5 Selection of Winning CSPs

Duquesne Light will notify each CSP of its selection on or before November 3, 2009. Duquesne Light expects to execute the Agreement with each winning CSP by 6:00 p.m. EPT on November 10, 2009.

6.6 Contract Execution

Each winning CSP will be required to execute and deliver a standardized Binding Bid Agreement with Duquesne Light. Duquesne Light will not negotiate changes to the final Agreement during the RFP process. The Agreement contains the parties' rights and obligations. Duquesne Light expects to execute the final Agreement with each winning CSP by November 10, 2009.

6.7 Duquesne Light's Filing at the Commission

Duquesne Light will seek Commission approval of the RFP Procedures herein. It is Duquesne Light's intention that the review process will focus on whether the RFP was implemented in accordance with these RFP Procedures and whether the RFP appears to have generated a result that is consistent with competitive bidding.

6.8 Duquesne Light will seek Commission approval

Duquesne Light filed at the PA Public Utility Commission on July 1, 2009 for approval of its EE&C Plan and will adhere to the Orders and direction as established by the PA Public Utility Commission.

6.9 Termination of the Agreement

Each Agreement between Duquesne Light and a winning CSP will terminate pursuant to the terms of the Agreement.

6.10 Contingency Plan

In the event that Duquesne Light does not receive any bids in this RFP, it will submit an alternative plan to the Commission.

7 MISCELLANEOUS

7.1 Elimination Right

If in the course of the solicitation process, any CSP is found to provide false information, misrepresent its financial or operational characteristics or omit any pertinent information, Duquesne Light reserves the right to eliminate such CSP from the RFP process. Duquesne Light reserves the right to reject any bids or terminate any performance due to cause.

7.2 Warranty on Information

The information provided in the RFP, or on Duquesne Light's RFP website, has been prepared to assist CSPs in evaluating the RFP. It does not purport to contain all the information that may be relevant to a CSP in satisfying its due diligence efforts. Neither Duquesne Light nor its representatives makes any representation or warranty, expressed or implied, as to the accuracy or completeness of the information, and neither shall be liable for any representation expressed or implied in the RFP or any omissions from the RFP, or any information provided to a CSP by any other source.

Neither Duquesne Light nor its representatives shall be liable to a CSP or any of its representatives for any consequences relating to or arising from the CSP's use of any such information.

7.3 Hold Harmless

Each CSP shall hold Duquesne Light harmless from and against any and all damages and costs, including but not limited to legal costs, in connection with all claims, expenses, losses, proceedings or investigations that arise as a result of a winning CSP's performance.

7.4 CSP's Acceptance

The submission of a proposal to Duquesne Light shall constitute a CSP's acknowledgment and acceptance of all the terms, conditions and requirements of this RFP as described in the RFP Procedures.

Each CSP and its representatives irrevocably agree to submit to the personal jurisdiction of any Pennsylvania State or Federal court and any appellate court thereof in respect of any action,

dispute or proceeding arising out of this RFP process, including but not limited to the execution, implementation and performance of the Agreement.

7.5 Confidential Information

This document is provided to each CSP under and pursuant to the terms of the Confidentiality Agreement relating to Duquesne Light's RFP process that was previously executed and delivered by each CSP and Duquesne Light. Subject to the Confidentiality Agreement, all proposals submitted by each CSP pursuant to this solicitation shall become the exclusive property of Duquesne Light.

7.6 Cooperation in Obtaining Regulatory Approvals

Each CSP agrees to cooperate, to the fullest extent necessary, in obtaining any and all required State, Federal or other regulatory approvals necessary under or contemplated by the Agreement.

7.7 Affiliate Participation

None of Duquesne Light's affiliates will be eligible to bid in this RFP.

7.8 Treatment of Minority Businesses

Duquesne Light encourages bids from "disadvantaged businesses" (i.e., minority-owned, women-owned, persons-with-disability-owned, small companies, companies located in Enterprise Zones, and similar entities) consistent with the Commission's Policy Statements at 52 Pa. Code 69.804, 69.807 and 69.808.

7.9 Contact Information

Questions and comments regarding Duquesne Light's RFP should be submitted in writing via email and be directed to:

Duquesne Light Company
Patricia Jordan
2515 Preble Ave MD: NM-MS
Pittsburgh PA 15233
email: pjordan@duqlight.com
phone: 412-393-8909
fax: 412-393-8644