



# **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  
Small Office Building Sector Customers**

August 19, 2009

# Duquesne Light Company Request for Proposal

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Appendix A. Expression of Interest Form

Appendix B. Confidentiality Agreement

Appendix C. Pre-Bid Application Form

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Appendix E. Binding Bid Agreement

Appendix F. Reporting Requirements

Appendix G: Commercial Sector Umbrella Energy Efficiency Program Incentives

*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 a Conservation Service Provider (CSP) that provides information and technical assistance on measures to enable a customer to increase energy efficiency or reduce energy consumption and will 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, and so Duquesne Light is seeking the most qualified CSP for this Program, to be based on the strength of bidder proposals.*

### 1.2 Key RFP Definitions and Terms:

**Bid Due Date** – Duquesne Light requires potential CSPs to submit their bids no later than September 25, 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 information and technical assistance on measures to enable a person 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](http://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](http://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	August 17, 2009
Expression of Interest Form completed	September 4, 2009
Confidentiality Agreement Executed	September 4, 2009
Pre Bid Application Form Completed	September 4, 2009
Customer data/operational info made available	September 11, 2009
CSP bid conference	September 15, 2009
Bids due	September 25, 2009
Winning CSP(s) selected	October 23, 2009
Agreement(s) signed	November 6, 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 are 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.<sup>1</sup>

The Pre-Bid Application Form and the requested information must be submitted to Duquesne Light no later than 11:00 a.m. EPT on September 4, 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.**

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<sup>1</sup> 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;<sup>2</sup> (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.<sup>3</sup>

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<sup>2</sup> 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.

<sup>3</sup> *Id.*

## **4 PROGRAM BACKGROUND**

### **4.1 Introduction**

Duquesne Light, through this Request for Proposals, seeks to contract a CSP to develop projects and programs to enable customers owning and/or operating small office building facilities to increase energy efficiency and reduce energy consumption. The period of performance will be an estimated three years and eight months, this 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 commercial 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 Commercial Sector Programs**

Duquesne Light's overall commercial sector is composed of approximately 59,000 customer accounts that consume nearly 6.9 billion kilowatt-hours (kWh) per year, approximately 50% of the total distributed energy. Duquesne Light plans to provide the following four programs to provide energy efficiency services to this important sector:

- Commercial Sector Umbrella Energy Efficiency Program (Umbrella Program)
- Large Office Buildings Program (peak demand greater than 300 kW)
- Small Office Buildings Program (peak demand equal to or less than 300 kW)
- Retail Segment Program (retail stores, grocery stores and restaurants)

The Commercial Sector Umbrella Program provides a level of service to *all* commercial customers and establishes the terms, conditions and incentive levels for the remaining commercial programs. All commercial sector programs will feature two types of incentive payments for participating customers: Prescriptive incentives or menu-driven rebates provided for each unit installed (i.e., \$ per unit of measure such as lamp, fixture, ton, square foot of insulation, etc), and; calculated or custom incentives provided for complex projects based on a \$ per annual kilowatt-hour saved based on engineering calculations. Commercial Sector Umbrella Program incentives, applicable to all commercial sector programs are provided in Appendix G. The large office building, small office building and retail segment programs are tailored to assist each segment 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 to the small office buildings segment, only.

### 4.3 Small Office Building Characterization

Customers with small office buildings are defined as those with annual peak demand equal to or less than 300 kilowatts (kW) for one facility. These accounts are typically found in rate schedules GS, GM (less than 25 kW demand), GL and GMH (less than 25 kW demand). Small office building customer information is summarized below:

- Number of accounts: Approximately 43,000
- Annual kilowatt-hour consumption: 1.1 billion
- Percent of total load of electric system: 7.8%

Sales to the small office segment of 1.1 billion kilowatt-hours per year represent about 16% of the commercial sector sales.

### 4.4 Small Office Building Program Design

Programs to be developed under this RFP are expected to overcome barriers of information and technical assistance through an innovative and comprehensive design which helps customers maintain and improve energy efficiency. Comprehensive programs may include multiple measures, take account of interactive savings between measures, advance new designs and technologies, and require more complex project management in planning and installation.

Activities that could be included in such programs include:

- Benchmarking of energy use based on utility bills
- Walk-through energy audits to assess the facility to identify energy efficiency opportunities and estimate resultant energy savings
- Compiling/presenting a summary report, detailing the recommended upgrades, list of measures, associated program incentives and uncovered costs
- Life cycle cost benefit analysis
- Project and construction planning and management
- Project documentation and operator training
- Post-installation quantification of savings
- Providing guidance about alternative financing assistance
- Quantifying environmental benefits

**The CSP may offer a range of services to achieve program success that includes:**

- Marketing to prospective customers based on leads from Duquesne Light, as well as resources of the CSP
- Educating customers and recruiting participants
- Conducting walk-through facility audits
- Preparing summary report of findings of relevant efficiency improvements, complete with recommended measure upgrades, associated energy savings and eligible program incentives, cost analyses and identification of financing options
- Securing customer approval to proceed with efficiency measure upgrades
- Completing and submitting customer applications to reserve program incentive funds to Duquesne Light for approval
- Conducting post installation inspections
- Verifying savings estimates
- Coordinating applications for incentive payments
- Conducting project completion and follow-up services
- Conducting customer satisfaction surveys

**Eligible projects include:**

- Measures providing electricity savings (lighting, heating ventilation and air conditioning, office equipment, etc)
- Energy management systems
- Thermal energy storage projects with energy savings during on-peak hours of Duquesne Light

**Ineligible projects include:**

- Demand response projects

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

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 small office building program 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.

**Small Office Segment Performance Goals**

Savings	Program Year Ending May 31			
	2010	2011	2012	2013
Energy/Yr (MWh)	5,317	10,635	10,635	10,635
Energy Cumulative (MWh)	5,317	15,952	26,586	37,221
Demand/Yr (MW)	1	2	2	2
Demand Cumulative (MW)	1	3	5	7

The program will be expected to meet these 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 small office segment 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 project application by the participating customer.

**Small Office Segment Budget**

Budget Category	Program Year Ending May 31				Cumulative
	2010	2011	2012	2013	
Incentive Payments	\$430,126	\$859,251	\$859,251	\$859,251	\$3,007,879
Administrative Costs	\$226,406	\$193,106	\$190,406	\$186,806	\$796,724
Total	\$656,532	\$1,052,357	\$1,049,657	\$1,046,057	\$3,804,603

As described above, customer incentive amounts are established for all commercial sector programs under the Commercial Sector Umbrella Program provided in Appendix G. The administrative costs translate into a performance incentive of \$0.025/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 small office segment program. While individual projects of participating customers or measures within projects will not be subject routinely to the total resource cost test as the program is implemented, the segment program as a whole will be evaluated by Duquesne Light and monitored for cost-effectiveness.

#### 4.6 Customer Incentive Payments

There are two types of incentive structures. One type of incentive is paid based on itemized measures with deemed savings per measure. The second is based on multiple measures with savings calculated at standard rates for lighting, air conditioning and refrigeration, and other measures in terms of cents per /kilowatt-hour.

Incentive applications shall be submitted electronically to Duquesne Light using Duquesne Light’s PMRS along with hard-copy documentation that 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. Hard copy documentation will include Installation Agreement, Project Inspection Form, energy savings calculations, and installation/equipment invoices.

Customer incentives will be paid to the participating customers by Duquesne Light as a bill credit or by check, or to the designated recipient of the customer by check.

#### 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. The evaluation process will proceed depending on which of the two types of incentive structures are in use (see section 4.6).

Requirements for pre- inspection and post-inspection of projects by CSPs will depend on the size and nature of the project, as summarized in the following table:

Project Inspections Relative to Installation	Itemized Measures	Calculated Measures
Pre-inspection before installation	Not required	Required
Post-inspection for projects under \$5,000	Random inspection 10% of projects	Required

Post-inspection for projects over \$5,000	Required	Required
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#### 4.8 Program Budget

The CSP will provide a budget for each program year. The CSP will utilize reporting tools consistent with requirements of Duquesne Light's PMRS. 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.

#### 4.9 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 \$0.025/kWh of annual savings in a project.

Duquesne Light expects to pay for CSP performance in two steps. For applications submitted and approved by Duquesne Light, up to 30% of the pay for performance will be based on estimated savings. Applications will include a signed project agreement wherein the customer commits to proceed with the installation. The remainder of the pay for performance will be paid based on verified savings upon project completion and acceptance by the customer.

#### 4.10 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. During November and December 2009, the CSP will plan for the Program's official launch. Additionally, the CSP shall have ensured that all completed project installations, site inspections, and all incentive/rebates have been paid to the Customer by the end of the Program period (May 31, 2013). Program will include the following major tasks:

##### **Task 1: Program Setup**

In the initial weeks following contract execution, CSP will attend meetings and develop all necessary materials, systems and procedures required to successfully launch and implement a turn-key small office building sector efficiency program.

##### **Task 2: Program Launch**

The CSP will launch the Program by providing information and training to Duquesne Customer Representatives, conducting customer outreach, and implementing other key aspects of the Program marketing campaign.

##### **Task 3: Enroll and Engage Customers**

In this task, the CSP will enroll customers in the Program and deliver preliminary services, which will include customer meetings and site visits, facility walk-through audits, design assistance, presentations, and delivery of associated summary reports detailing efficiency recommendations with the necessary cost/benefit detail for customers to move forward with recommended upgrades.

**Task 4: Installation of Energy Efficient Measures/Projects**

The CSP will provide for installation and verification of efficiency upgrades to customer facilities, in addition to overseeing customer payment of program-associated incentives/rebates.

**Task 5: Invoice and Report for Completed Projects**

On a monthly basis or at the request of Duquesne Light, the CSP will document and upload to Duquesne Light all salient program accomplishments and verified energy savings.

**Task 6: Program Ramp-Down and Final Reporting**

During the final weeks of the contract and Program period, the CSP will oversee that all customer upgrades are completed, associated program incentive payments are realized, and Duquesne Light receives all relevant documentation and reports.

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 a 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 February/March 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, and installing energy efficient measures/projects.

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. Implement Marketing Campaign

CSP will execute marketing as directed by the approved Marketing Plan. This will include printing and distributing outreach materials.

Deliverable and Timeline: CSP to begin distribution of marketing materials in first quarter 2010 – Exact date to be determined.

## **b. Enroll and Engage Customers**

### iii. Perform Outreach to Customers

CSP will call-on and schedule meetings with customers and perform preliminary walk-through assessment for eligible customers.

Deliverable and Timeline: Customer meetings and walk-through assessments: Ongoing beginning first quarter 2010– Exact date to be determined.

### iv. Provide Program Services

The CSP will:

- Provide for turn-key services to the end-customer. Based on site walk-through audits, CSP will compile and present back to the customer a summary report of findings complete with upgrade recommendations and cost/benefit details for moving forward with the upgrades. This report and project proposal should clearly identify customer energy efficient equipment/measure upgrades and associated program resources and any uncovered costs. This report will also include information about how to attain program incentives and other funding assistance opportunities.

Deliverable and Timeline: Summary report of findings/project proposals, complete with energy upgrade recommendations, cost/benefit analysis, and details on available incentives from the program and avenues for funding assistance: Ongoing beginning first quarter 2010– Exact date to be determined.

## **c. Installation of Energy Efficient Measures/Projects**

v. Installation Agreement

Once preliminary services have been conducted, CSP will issue and obtain customer signature on an Installation Agreement, to be executed for measures selected by customer. The Agreement along with estimated energy savings and incentive amounts will be submitted to Duquesne Light for review and approval prior to installation.

Deliverable and Timeline: Signed installation agreements: Ongoing beginning first quarter 2010 – Exact date to be determined.

vi. Project Installation

CSP will install energy efficient hardware and equipment as prescribed by the Installation Agreement. This sub-task requires the detailing of each step taken to install equipment, including quality control protocols.

Deliverable and Timeline: Report on installed measures: Ongoing beginning first quarter 2010 – Exact frequency and date to be determined.

vii. Inspections and verification

CSP will inspect and verify that all installed measures are fully functional. Bidder should include in the Proposal a quality-control plan to ensure that all projects are properly installed and that any customer complaints are addressed promptly and that DUQUESNE is notified within one week of CSP receipt of complaint.

Deliverable and Timeline: Contractor quality control plan - that includes policies and procedures for addressing customer issues - to be submitted with this proposal. Duquesne Light customer complaint notification to be submitted on an ongoing basis (within 1 week of CSP's receipt of complaint.)

viii. Payment of Incentives/Rebates

CSP will submit to Duquesne Light an incentive application outlining measures installed, incentive amount per measure, and total incentive to be paid from Duquesne Light to the customer. This will include a description of how the incentive amount was determined.

Deliverable and Timeline: Completed Incentive Application: 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 in a flat file format using Duquesne Light's energy efficiency 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.

### 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 no 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, 2103.

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)**

The cost proposal must contain a budget narrative explaining proposed costs of the program and include a budget for each program year. Descriptions of what should be included are discussed below:

#### **1. Budget Narrative**

Provide explanations for proposed costs of the program including budget allocations, incentive payments and pay-for-performance structure. Payments to the CSP will be based on pay for performance. The CSP will propose the payment amount and terms not to exceed \$0.025/kWh of annual savings in a project. Duquesne Light expects to pay for CSP performance in two steps. For applications submitted and approved by Duquesne Light, up to 30% of the pay for performance, will be based on estimated savings. Applications will include a signed project agreement wherein the customer commits to proceed with the installation. The remainder of the pay for performance will be paid based on verified savings upon project completion and acceptance by the customer.

#### **2. Program Budget:**

Provide 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. Budget allocations are further discussed below:

- **Administrative Costs** – Typically, program overhead costs such as staff labor/benefits, employee expenses, and miscellaneous general expenses that are not marketing, direct implementation 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.
- **Direct Implementation Costs** – Costs related to activities directly tied to, and associated with, engineering, audits, installation of energy saving measures or providing services that result in obtaining energy savings, direct implementation labor costs, and subcontractor costs.
- **Incentive/Rebate Costs** – Monetary amount **paid directly by Duquesne Light** to a market actor or Customer for the inducement of a service or to obtain a specific act, typically 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.

#### 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.
- 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 September 25, 2009 . E-mail bids should be submitted to [pjordan@duqlight.com](mailto: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.

<b>Criteria</b>		<b>Total Possible Points</b>
<b>1. Proposal</b>		<b>(50)</b>
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)
<b>2. Experience and Capabilities</b>		<b>(25)</b>
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)
<b>3. Time Schedule</b>		<b>(15)</b>
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)
<b>4. Cost Effectiveness</b>		<b>(10)</b>
a.	Bidder proposes innovative, varied approach to achieve desired program performance goals within budget. (Section 5.3)	(10)
<b>Total</b>		<b>(100)</b>

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 reserves the right to have additional rounds of discussions with the top three (3) Priority Listed Bidders.

Duquesne Light reserves the right to determine what is in the best interest of (Program or Utility Name) 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 October 23, 2009. Duquesne Light expects to execute the Agreement with each winning CSP by 6:00 p.m. EPT on November 6, 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 6, 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 will seek to obtain Commission approval of its EE&C Plan and will file the same no later than July 1, 2009.

#### **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](mailto:pjordan@duqlight.com)  
phone: 412-393-8909  
fax: 412-393-8644