

**2013-2014 Energy Efficiency Programs  
Third Party Placeholder  
Program Overview Template**

- 1. Program Name:** Innovative Designs for Energy Efficiency Activities  
(IDEEA365)  
**Program ID:** SCG3721  
**Program Type:** Third-Party Placeholder

**2. Description**

Southern California Gas Company (SoCalGas), along with the other CA IOUs propose a new third party solicitation process called IDEEA365 that will promote the “rolling”<sup>1</sup> concept for solicitations in the 2013-2014 cycle for new and innovative programs. The solicitation process is designed to allow for continuous introduction of innovative ideas and technologies into the energy efficiency portfolio by drawing from the skill, experience, and creativity of the energy efficiency community. The IDEEA365 process will create a mechanism for competitive solicitations offered year round for new third party programs that produce cost effective energy savings and demand reduction. Additionally, the programs selected in this new solicitation process may be allowed to continue beyond 2014 as a rolling program. This means that they would not need to reapply for the new program cycle beginning in 2015 if deemed successful based on statewide consistent criteria such as goal performance, cost-effectiveness, goals and expenditure alignment, service delivery, energy savings, and market potential.

With the IDEEA365 process, SoCalGas will offer an open request for abstracts (RFA). This RFA will be continuously open throughout the program cycle until allocated budget is depleted, and all submitted abstracts will be scored using consistent statewide scoring criteria, such as cost-effectiveness, innovation, feasibility, portfolio fit, comprehensiveness, deep savings, and supplier diversity. SoCalGas, collaborating with stakeholders, will also work to develop approaches to incorporate workforce diversity and inclusion goals into the third-party contractor selection process. SoCalGas expects to allocate about 30% of the two year budget for each third party contract as Potential Additional Funds, that will be awarded based on the contractor’s performance. The Key Performance Indicators (KPIs) will include metrics for meeting the Diverse Business Enterprise (DBE) commitments originally agreed upon by the contractor, as well as their contribution towards higher DBE stretch goals that are consistent with SoCalGas’ expectations. In addition, IDEEA365 will work with the Technology Resource Innovation Outreach Program (TRIO)<sup>2</sup> to provide awareness of this rolling solicitation opportunity and provide training for third parties who are new to the solicitation process. The “rolling” solicitations concept will be promoted by offering two unique types of solicitations.

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<sup>1</sup> For purposes of this decision (D. 12-05-015), “rolling” portfolio cycles refer to any set of reforms which obviate the need for arbitrary cycles of preparation, regulatory review, authorization, evaluation, and termination of the program portfolio *in its entirety*.

<sup>2</sup> A statewide program that seeks to engage non-traditional methods and greater outreach to generate new innovative program ideas and identify newer technologies for capturing cost-effective electric energy savings

Targeted solicitation will support identified program and market needs and technologies such as, but not limited to, water/energy nexus, hard-to-reach markets such as tenant-landlord in residential and commercial customers, a high tech program incorporating state-of-the-art information technology, and programs supporting an integrative approach. Specifically, SoCalGas will include one special solicitation for the municipal, university, schools and hospital (MUSH) market during 2013-2014. There may be solicited programs that may have various goals with no specific segment targeted; or Industrial Energy Efficiency, with specific targeted segments and innovative delivery methods; or Statewide [SW] General, with reliable program designs for EE activities but with no specific segment targeted; etc. There are no specific measures requested in the IDEEA365 solicitation process. However, abstracts and proposals are encouraged to offer comprehensive measures relative to the industry or customer segment proposed. This would include water-energy nexus programs that manage leaks and water pressure.

The second type of solicitation promotes innovation delivered by Third Party programs. SoCalGas encourages new service providers who develop and deploy new and existing emerging technologies or have innovative ideas to submit proposals through this process. Both resource and non-resource program designs are eligible under this innovative solicitation.

The solicitation process, per se, does not have non-incentive customer services. However, the bidders' abstracts and proposal responses will typically include marketing and outreach to customers, audits, economic evaluations, and incentive application assistance.

The goal of this process is to address the expansion and quality of energy efficiency programs implemented by third parties and to streamline the solicitation process. The process will provide resources and accessibility to the solicitation process by third parties and will encourage comprehensive innovative programs. Also, it will assist in overcoming the barriers to third parties qualified but new to the energy efficiency bidding process.

The RFAs and RFPs will be posted on the statewide Proposal Evaluation and Program Management Application (PEPMA) website. This website was used to post statewide IOU RFP's and capture third party proposals for the 2010-2012 program cycle. PEPMA has been enhanced and can serve as a centralized point for energy efficiency program proposals. Using this site would not only provide for bidder registration and submission of abstracts and proposals, it would make proposals available for IOU's and the established stakeholder groups to review. Single site would help to leverage online consistent system, reduce bidders' confusion and multiple training that would be needed, if they have to post on various sites. Also, third party implementers will have the option to submit statewide or local proposals at this location. These enhancements will address the lengthy solicitation process by offering a one-stop shop for all IOU RFPs and make this open solicitation possible.

Upon receipt of RFAs, IOUs will coordinate program selection, evaluate potential for each IOU, and review with IOU internal groups for potential implementation. Successfully evaluated abstracts submitted to the IDEEA365 solicitation process will move to a second stage, request for proposals (RFP), which requires more detailed proposals that must address areas such as measures, cost-effectiveness, marketing and outreach plans. Third parties will be encouraged to offer comprehensive measures relative to the industry or customer segment proposed. RFPs will be reviewed and scored using consistent statewide criteria. The selected third parties would be funded through the IDEEA365 process.

Marketing and Outreach to third parties would be via current third party mailing lists, trade associations and TRIO and IOU websites. Upon Commission approval IOUs will discuss and develop detailed plan that will include description of the process, major bidding requirements and schedule for training Webinars and RFA/RFP. The plan will be communicated to all interested parties.

To support the Commission’s vision for stakeholder involvement in the planning process, SoCalGas will collaborate and coordinate with the IOUs on a statewide stakeholder forum to be held midway through the program cycle to seek feedback on the solicitation process. In addition, SoCalGas will actively engage SoCalGas’ Peer Review Group (PRG), including the Energy Division, in the development and launch of each IDEEA 365 RFP, and will provide opportunities at early stages in the process for PRG input and feedback.

### 3. Total Projected Budget

**Table 1: Total Projected Program Budget by Category**

| Program # | Main/Sub Program Name   | Administrative Amount | Marketing Amount | Direct Implementation Amount | Incentive Amount | Total Program Budget Amount |
|-----------|---|-----------------------|------------------|------------------------------|------------------|-----------------------------|
|           | <b>SoCalGas Third Party Programs</b>                              |                       |                  |                              |                  |                             |
| 3771      | 3P-Innovative Designs for Energy Efficiency Activities (IDEEA365) | \$587,125             | \$303,087        | \$4,535,185                  | \$0              | \$5,425,397                 |
|           | <b>TOTAL:</b>   | <b>\$587,125</b>      | <b>\$303,087</b> | <b>\$4,535,185</b>           | <b>\$0</b>       | <b>\$5,425,397</b>          |

Of the two-year budget for the IDEEA365 program, a greater percentage of the funds will be allocated for targeted solicitations with the balance allocated towards innovative programs solicitation. SCG also expects that approximately 25% of the targeted solicitation will include RFPs issued for the MUSH market. Some of the targeted programs that are being considered are: Savings By Design (targets schools and hospitals and other commercial developments in the SCG / LADWP joint territories), Sustainable Communities projects, programs that support water-energy nexus, and industrial retro-commissioning projects, etc. The remaining funds will be utilized for innovative solicitations, which may span a variety of market segments.

### 3. Projected Program Gross Impacts Table

**Table 2: Total Projected Program Savings by Subprogram**

| <b>Program #</b> | <b>Main/Sub Program Name</b> | <b>2013-2014<br/>Gross kW<br/>Savings</b> | <b>2013-2014<br/>Gross kWh<br/>Savings</b> | <b>2013-2014<br/>Gross Therm<br/>Savings</b> |
|------------------|------------------------------|---|--|--|
| 3771             | 3P-Placeholder               | 0   | 0  | 0  |
|                  | <b>TOTAL:</b>                | <b>0</b>                                  | <b>0</b>                                   | <b>0</b>                                     |

This program is filed with no projected program savings but savings are expected to be realized from accepted implementers.

**4. Timelines**

List the key milestones and dates. An example is included below.

**Table 3**

| Milestone   | Dates                                |                                    |                              |
|---|--------------------------------------|------------------------------------|------------------------------|
|   | RFA/RFP 1                            | RFA/RFP 2                          | Targeted RFP                 |
| Release Request for IDEEA 365 Innovative Abstracts (Stage One)    | 01/02/2013                           |                                    |                              |
| Joint utility Webinar for Prospective Bidders                     | 01/24/2013                           |                                    |                              |
| Abstracts Due from Bidders (Stage One)                            | 02/12/2013                           |                                    |                              |
| Peer Review Group review of RFA selections                        | <i>April 2013 (target)</i>           |                                    |                              |
| Release of IDEEA 365 Innovative Request for Proposals (Stage Two) | <i>End of April 2013 (target)</i>    |                                    |                              |
| Release of IDEEA 365 Innovative Request for Proposals (Stage One) |                                      | <i>May 2013 (target)</i>           |                              |
| Release of Targeted Request for Proposals                         |                                      |                                    | <i>May 2013 (target)</i>     |
| Peer Review Group review of Innovative RFP selections             | <i>Mid-July 2013 (target)</i>        |                                    |                              |
| Abstracts Due from Bidders (Stage One)                            |                                      | <i>June 2013 (target)</i>          |                              |
| Proposals Due from Bidders  |                                      |                                    | <i>June 2013 (target)</i>    |
| Peer Review Group review of RFA selections                        |                                      | <i>August 2013 (target)</i>        |                              |
| Peer Review Group review of RFP selections                        |                                      |                                    | <i>August 2013 (target)</i>  |
| Release of IDEEA 365 Innovative Request for Proposals (Stage Two) |                                      | <i>End of August 2013 (target)</i> |                              |
| Launch programs   | <i>Early September 2013 (target)</i> |                                    |                              |
| Launch programs   |                                      |                                    | <i>October 2013 (target)</i> |
| Peer Review Group review of Innovative RFP selections             |                                      | <i>November 2013 (target)</i>      |                              |
| Launch programs   |                                      | <i>January 2014 (target)</i>       |                              |