

REQUEST FOR PROPOSAL
FOR
ENERGY EFFICIENCY SERVICES

MAY 4, 2023



May 4, 2023

Subject: Puget Sound Energy
Customer Energy Management
2024-25 Energy Efficiency Services, Request for Proposals

Dear Potential Bidders:

Puget Sound Energy, Inc. (PSE) is soliciting proposals for **the renewal of existing energy efficiency services AS WELL AS new offerings of energy efficiency services** for the 2024-2025 program years. This Request for Proposals (RFP) is sponsored by the Customer Energy Management (CEM) group at PSE. The CEM group is soliciting support for existing Demand Side Management services that will result in direct and measurable gas and/or electric energy savings. PSE is soliciting proposals for 15 services in these sector topic areas:

- Commercial Audit Services
- Commercial and Industrial Virtual Engagement and Commissioning
- Commercial New Construction Whole Building Energy Model Review
- Direct to Consumer Retail
- Efficiency-as-a-Service
- Electric Vehicle Chargers
- Engineering and Sub-Metering services
- Healthcare Strategic Energy Management
- Large Power Users — Industrial and Large Commercial
- Residential
- Small Commercial
- Smart Thermostats
- Space Heat
- Weatherization
- Web-Based Incentive Calculation Tools

The first action item (see Solicitation Timeline in I. Introduction, Section C of the RFP) is to provide a completed Intent to Bid form identifying the sector topic areas for which you would like to submit a proposal. This allows PSE to identify contact(s) for ongoing RFP communications such as answers to questions and RFP updates. Bidder questions are due a week later.

- **Intent to Bid forms are due May 19, 2023** and must be submitted electronically to CEMRFP@pse.com.
- **Mutual Nondisclosure Agreement (MND) forms are due May 19, 2023** and must be submitted electronically to CEMRFP@pse.com.
- **Bidder questions are due May 26, 2023** and must be submitted electronically to CEMRFP@pse.com.
- **Electronic proposal responses must be received by no later than 5 p.m. Pacific Time, June 19, 2023**, to CEMRFP@pse.com

All communication regarding this RFP should be directed to CEMRFP@pse.com.

Sincerely,



JoEllen Vasquez Fajardo
Senior Market Analyst
Energy Efficiency Services — Puget Sound Energy

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I. INTRODUCTION

The goal of this RFP is to secure bids for the implementation of **existing and new services** that will provide energy savings and related services to PSE customers for the 2024-25 service years. This RFP is sponsored by the CEM department, the PSE division chartered with delivering energy efficiency and other energy management services to PSE customers. PSE is seeking proposals for 15 new and existing services that will produce electric and natural gas savings from both residential and business customer sectors throughout the entire service area.

A. Key Considerations for Bidders

- Any products bid through this RFP should be available for implementation starting January 1, 2024, and ending December 31, 2025.
- PSE will determine from the list of responding interested parties those vendors and contractors with whom PSE, in its sole judgment, wishes to engage in further discussion and/or negotiate a contract.
- PSE is under no obligation to select any proposal or move forward with any proposed service.
- For all awarded contracts, bidders must collect and provide data on individual customers, measures, and installations sufficient to enable required energy efficiency evaluation, measurement & verification (EM&V) to PSE staff. PSE must approve EM&V, marketing, IT data security, sales, and/or promotional plans.
- All conservation measures included in a service proposal must produce savings that can be reliably measured or estimated with accepted engineering methods.
- PSE requires successful bidders to use PSE branding in activities contracted by the parties. Co-branding helps PSE customers recognize that some service activities are authorized by and performed on behalf of PSE. Bidders must include in a proposal those areas that might be considered for co-branding if their company is selected as a vendor. Co-branding Guidelines are found in Exhibit G — Doing Business with PSE Reference Documents.
- All bidders must respond to the IT Security Preliminary Questions in Exhibit F and must be willing and able to adhere to PSE's data security requirements.
- Due to the duration of the evaluation, approval, and procurement processes at PSE, proposals are required to be valid for a minimum of 90 days following the deadline for a submission of a proposal. A proposal may not be modified, withdrawn, or canceled by bidders during this period of time. Bidders agree to this condition by submitting a proposal.
- A note about language: The terms "vendor(s)," "selected vendor(s)," "bidder(s)," "selected bidder(s)," "contractor(s)," "third party," "provider," and "implementer" are all used throughout this document dependent on the context of the potential service descriptions in which they are featured. In some instances, the terms may be used interchangeably.

B. PSE’s Critical Factors and Key Priorities for 2024-25

Table 1 outlines the critical factors that all written responses must meet in order to be considered in RFP response.

| Table 1. PSE Critical Factors |
|--|
| Complies with conservation tariffs: <ul style="list-style-type: none"> • Electric Tariff 83¹ • Gas Tariff 183² |
| Results in direct or indirect energy efficiency savings |
| Meets PSE service cost-effectiveness standards |
| Meets PSE procedural and distributional equity priorities |
| Able to evaluate, measure, and verify savings |
| Maintains a reasonable Direct Benefit to Customer (DBtC)*/service administrative cost ratio |

**Costs related to customer service and engagement activities (versus service implementation administrative costs).*

All bidder responses should also directly align with one or more of the following key priorities for 2024-25. The key priorities will be considered as part of the evaluation criteria used for any proposal provided in response to this RFP , and they are listed below in no particular order:

- **Serves Targeted Customer Segment(s)**
 - Services may target customer segments using one or more of the following approaches:
 - Targeting customer segments who are underserved by PSE’s existing or past energy efficiency service models and approaches in new or innovative ways. Proposals should provide data analysis (including raw data that was used in the analysis as an attachment) demonstrating that the segment is “underserved.”³
 - Utilizing market segmentation to focus energy efficiency efforts on specific customer segments within a sector (i.e., commercial, residential, and industrial) more efficiently and effectively than achieved by traditional models.
 - Utilizing other methods that more effectively drive engagement of a subsector within a customer segment (e.g., facility operators, property managers, building owners, property associations, English as a second language customers, etc.) to drive deeper savings in residential and commercial sectors.
 - Addressing and improving procedural barriers that will significantly increase product or service distribution among Highly Impacted Communities and Vulnerable Populations.

¹ https://www.pse.com/-/media/Project/PSE/Portal/Rate-documents/Electric/elec_sch_083.pdf

² https://www.pse.com/-/media/Project/PSE/Portal/Rate-documents/Gas/gas_sch_183.pdf

³ Historical program information can be found on www.pse.com (See Section I, Subsection E for more details)

- **Improves Customer Experience and Satisfaction**
 - Proposals should consider how a service directly improves PSE customer (gas, electric, or both) experience and satisfaction with the utility. If available, proposals should include proposed evaluation metrics and any required data that would be needed to monitor success.
- **Provides Self-Service Options**
 - PSE is focused on providing more self-service options to its customers at a corporate level. PSE is seeking written responses that integrate with its initiative to provide innovative online and digital options to customers that promote energy efficiency. Any proposal should align with the following requirements (in addition to the detail requirements outlined in Exhibit G):
 - If the proposal includes a digital user interface, it should be integrated with established PSE digital architecture, providing a seamless and consistent digital experience across all channels (e.g., website, mobile applications, interactive voice response systems, etc.) The interface should include single sign-on capability through PSE's myPSE account login.
 - Any customer data (including all transaction and interaction data) collected or generated through the idea or created as part of the service shall be the property of PSE and must be accessible to PSE at all times in near real time as necessary via secure automated means. This includes data such as (but not limited to) customer contact information and the customer journey across all channels. If data collection is part of the product, service, and/or support service, written response should include detailed requirements related to data inventories and movement. A selected vendor will be required to demonstrate adherence to PSE's data security requirements and best practices guidelines as outlined in Exhibits F and G.
- **Integration With Other PSE Services**
 - Written responses should highlight integration with other PS products and/or services such as, but not limited to, other energy efficiency services, Demand Response, renewable customer-facing services, myPSE, paperless billing, autopay, etc.
- **Piloting an Innovative Approach**
 - PSE is interested in new and innovative approaches that drive deeper energy efficiency savings through energy efficiency pilots. Written responses should demonstrate market readiness for an innovative idea, and attachments should provide additional detail on the need for the pilot; Unit Energy Savings (UES) sources and/or estimates; data that supports the need for the new approach; and any best practices or examples from other utilities implementing similar services.
- **Delivering Services That Account for Updated Building Codes in the PSE Service Area**
- **Delivering Services That Account for the Ongoing COVID-19 Pandemic, Remote Delivery Conditions, and Customer Perceptions**

C. Solicitation Timeline

The following represents PSE’s initial projected timeline.

| Activity | Dates* |
|---|---------------|
| RFP release | May 4, 2023 |
| Intent to Bid Form due to PSE | May 19, 2023 |
| Bidder questions due to PSE | May 26, 2023 |
| PSE response to bidder questions | June 9, 2023 |
| Requested proposal due to PSE | June 19, 2023 |
| Notification of short-list vendors identified for interview | July 6, 2023 |
| Bidder interviews, reference checks, IT security, and selection process begins | July 7, 2023 |
| Scope, pricing and contract marketing, sales and/or promotional plans | Sept. 2023 |
| Negotiation finalization | Oct. 2023 |
| Contract terms due to PSE purchasing department | Nov. 2023 |
| Contract execution/service launch | Jan. 1, 2024 |

**All submissions must be received by PSE no later than 5 p.m. Pacific Time, on the due date. This timetable is provided for planning purposes only and may be modified by PSE as required.*

D. Bidder Questions

PSE requires questions on the RFP to be submitted in writing, electronically to CEMRFP@pse.com.

All questions received from bidders must be categorized by service (e.g., Home Energy Report, Single-Family New Construction, Retail Field Services, etc.). PSE will answer all respondents who have submitted intent to bid for that service, see Section III. Proposal Details for specifics.

No phone calls, please.

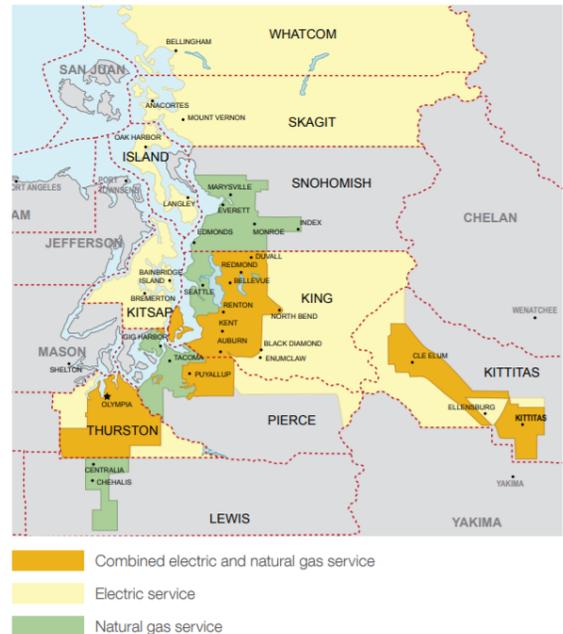
E. About Puget Sound Energy

PSE is proud to serve our neighbors and communities in 10 Washington counties. We're the state's largest utility, supporting 1.2 million electric customers and over 900,000 natural gas customers. With one of the nation's largest and oldest energy efficiency programs, we're dedicated to finding innovative solutions and building partnerships throughout the greater Puget Sound region.

PSE strives to deliver a great customer experience and looks to our contractors to continuously enhance it.

1. Service Area

- A. 6,000+ square miles, primarily in the Puget Sound region of Western Washington
- B. population of approximately 4 million within the [service area](#)
- C. counties within service area:
 - a. Island (electric)
 - b. King (combined)
 - c. Kitsap (electric)
 - d. Kittitas (combined)
 - e. Lewis (natural gas)
 - f. Pierce (combined)
 - g. Skagit (electric)
 - h. Snohomish (natural gas)
 - i. Thurston (combined)
 - j. Whatcom (electric)



2. PSE Customer Experience Intent Statement:

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

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

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

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

PSE expects vendors to align with this intent.

3. PSE Core Values

PSE is committed to its core values of safety, honesty, responsibility, and integrity and has specific expectations of entities with which PSE does business. As such, PSE expects all suppliers to comply with all applicable laws and regulations, such as those pertaining to the environment, safety and employment, discrimination, and labor laws.

For more information, please review PSE's Responsible Contractor Guidelines and Corporate Ethics and Compliance Code:

1. <https://www.pse.com/en/pages/suppliers/responsible-supplier-and-contractor-guidelines>
2. <http://www.pugetenergy.com/pages/codeethics.html>

4. PSE's Commitment to Diversity, Equity, and Inclusion

As a company serving a vast and diverse population across Washington, PSE considers Diversity, Equity, and Inclusion (DEI) to be a fundamental priority and implements it throughout all aspects of the organization and our work. While we recognize that there is still much to be done in order to achieve full equity, we consistently strive to lead with it and align with all equity-related initiatives in our state.

It is PSE's expectation that all selected vendors also prioritize this commitment. We strongly encourage bidders to consider including innovative strategies to serve *all* customers in our territory within their proposals, as well as details about their own internal equity-minded policies and practices. Proposals addressing a participation increase among Named Communities — which is composed of Highly Impacted Communities and Vulnerable Populations — will be aligned with PSE's priorities within the 2024-25 biennium. Please view Proposed Service Details (Section III — Proposed Service Details in III. Proposal Requirements, Section B) for more information.

F. About the RFP Sponsor and Key Stakeholders

PSE is committed to helping our customers reduce energy costs and manage their energy consumption. Our success to date can be attributed to our customers, employees, and partnerships with program service providers. Together, we achieve a remarkable level of energy savings.

The sponsor of this RFP is CEM, the department within PSE that is dedicated to providing energy efficiency products and services to PSE business and residential customers. Key stakeholders who will also participate in the review and evaluation of proposals include, but are not limited to, individuals from PSE's Marketing, Outreach, Digital Experience, and Data Security Teams.

For reference, historical conservation plans and reports can be found here:

Electric tariffs & rules: <https://www.pse.com/pages/rates/electric-tariffs-and-rules#sort=%40documentdate43883%20descending>

Natural gas tariffs & rules: <https://www.pse.com/pages/rates/gas-tariffs-and-rules#sort=%40documentdate43883%20descending>

II. POTENTIAL SERVICES

A. Commercial Audit Services

PSE is seeking audit support services to assist commercial customers in identifying energy efficiency measures in their buildings. Particularly in light of Clean Buildings Performance Standard (CBPS) compliance requirements, providing an audit to those most in need can help overcome the barriers of knowing what measures are available, cost-effective, and how to prioritize where to start.

To ensure that these audits lead to actual energy efficiency projects, PSE is requesting some program and project support with these services. This may include developing an approach to qualify customers and designing a payment structure to mitigate the risk of an audit yielding no further action by the customer.

1. Service Budgets and Targets

PSE would like to be able to offer 30-50 building system-level audits or site evaluations (similar to an American Society of Heating, Refrigerating, and Air-Conditioning Engineers [ASHRAE] Level 1 audit) and 10-20 ASHRAE Level 2 audits for commercial buildings in 2024-25.

The service budget will not exceed \$550,000 for the 2024-25 biennium. Bidder proposals must contain a rate structure and basis (e.g., per building, per sq. ft., etc.) and should include start-to-finish services that include customer eligibility verification, performing the audit, report writing, report delivery to the customer, and next steps for project development.

2. High-Level Success Factors and Proposal Evaluation Criteria

- The ability to perform audits by a “Qualified Energy Auditor,” as defined in the CBPS.
- The ability to create a clear audit report that includes building overview, energy efficiency measures, estimated kWh and therm savings, ballpark costs, and paybacks.
- The ability to assist PSE in finding customers (with equity in mind), and vetting those customers for things like available budget, management buy-in, etc.
- The ability to assist a customer with next steps to ensure audits lead to projects.
- An understanding of the CBPS, including Energy Use Intensity (EUI) targets, life cycle cost analysis, the Early Adopter Incentive Program, and reporting requirements to the Department of Commerce.
- An understanding of utility incentive programs in order to pair measures with eligible incentives.
- Training within PSE to explain the audit services available and how to engage if PSE has a potential customer.
- Having a local presence in PSE service areas to conduct audit services.

3. Measure Mix and Customer Incentives

Viable measures will be identified and assessed through the audit process. Measures should look at all typical commercial building systems including Heat, Ventilation, Air Conditioning (HVAC), lighting, refrigeration, and domestic hot water. Measures will be ranked in a logical method, based on factors like present life cycle, cost effectiveness, savings-to-investment ratio, etc. The customer incentive is likely to be some cost-sharing model with PSE, or potentially full audit costs if the audit results in capital upgrades.

4. How Customers Can Participate

PSE will offer audits to select customers, but will want to target PSE gas customers. Criteria will include alignment with DEI criteria per Section III — Proposed Service Details in III. Proposal Details, Section B. Audits will likely be reserved for buildings that require significant energy savings in order to meet their CBPS EUI target.

5. Key Partnerships

- The third party is expected to work with PSE engineers and customer-facing staff, such as the Business Services Team and account executives. This includes setting out clear expectations for recruitment activities and timelines for responding.
- The third party is expected to work with PSE customers and potentially contractors.

6. Measurement and Verification

PSE engineers will review audit measures and savings estimates for reasonableness and eligibility for PSE incentives, prior to presentation to the customer — this includes sharing Excel savings calculations.

7. Vendor Performance Management Expectations

The selected vendor must have:

- regular meetings with PSE to manage work progress;
- defined timing expectations around customer follow-up, report writing, report delivery, and next steps;
- excellent customer service, written, and verbal skills; and
- accurate promotion of different PSE energy efficiency measures.

8. Vendor Service Management Expectations

The selected vendor must provide assistance in:

- the development of levels of audits to offer (single/multi-measure, ASHRAE Level 1, ASHRAE Level 2);
- the development of eligibility criteria to qualify for an audit (e.g., building size, annual consumption minimums, percentage above EUI target, etc.);

- the development of cost and payment methodology (i.e., paying for 50 percent of the audit up front and the remainder if they do a capital project);
- helping customers in project management tasks after the delivery of the audit report, such as seeking qualified contractors for proposed measures, or drafting an RFP;
- helping source project financing including neighboring utility, county, state, or federal funds; and
- customer participation in the Early Adoption Incentive Program with the Washington Department of Commerce, if applicable.

9. Other Considerations

- Demonstration of experience with audits and integration with utility programs.

B. Commercial New Construction Whole-Building Energy Model Reviews

PSE’s Commercial New Construction (CNC) Whole Building Energy Model Review option is an offering within the larger CNC program. This service provides an energy model review for the customer to determine project savings and associated incentives. The customer provides energy models of both their proposed building and of an equivalent building that just meets all requirements of their permitted energy code. The submitted energy models must use the same fuel mix to avoid fuel-switching incentives. For example, a proposed all-electric building must submit a baseline energy model that is all-electric while also meeting the requirements of their permitted energy code. The selected vendor(s) will act as third-party model reviewers and take all relevant documents — including modeling files, building plans, and code compliance forms — to confirm that the energy models are built correctly and that the energy usage and savings are reasonable.

The Energy Model Review offering will be available to commercial and industrial new construction customers with buildings greater than 50,000 square feet that plan to achieve at least 10 percent savings with multiple efficiency measures. Model review staff should be able to complete reviews with the following energy modeling software:

- Equest/DOE2
- Energy Plus
- Trane Trace
- Carrier HAP
- IES-VE
- WUFI/Passivhaus

PSE will manage the service, and the third-party model reviewers will provide energy model reviews as needed on a per-project basis.

1. Service Budgets and Targets

The Energy Model Review offering is estimated to have a biennial budget for 2024-25 up to \$80,000. Multiple third-party firms may be selected for this task.

Proposals must contain hourly rates for model reviewers, as well as estimated hours to complete a typical energy model review. This estimate should include time for model/document review and adjustments, as well as time to write a report that details the energy savings, energy saving measures, and any changes made to the model. The above budget reflects a maximum amount. Third-party reviewers will be paid per project.

2. High-Level Success Factors and Proposal Evaluation Criteria

- The ability to review energy models provided in all software listed above in a timely manner.
 - The third party is *not* responsible for creating the energy models.

- The third party *is* responsible for making any necessary changes and confirming the accuracy of the model and associated energy savings.
- The ability to review different modeling protocols:
 - WSEC C406
 - WSEC C407
- The ability to remove renewable generation from energy models.
- The ability to create a clear review report that includes:
 - a building overview;
 - energy efficiency measures that exceed code;
 - baseline code requirements for efficiency measures;
 - baseline and proposed energy end-use within the building (e.g., heating, cooling, fans, etc.); and
 - kWh and therm savings between the proposed and baseline energy models.
- The ability to flag PSE midstream equipment that is included in the project (PSE will provide a list of eligible midstream equipment).
- An hourly rate for energy model reviewers.
- A typical review and reporting time.

3. Measure Mix Customer Incentives

A custom incentive will be awarded to the customer based on the energy savings from the energy model review. Incentives will be determined on a \$/kWh saved and \$/therm saved basis. The incentive will be paid by PSE after construction and verification is complete.

4. How Customers Can Participate

Customers will submit a custom grant application found on PSE's website in order to be assigned to an Energy Management Engineer (EME). The customer will provide all documentation (energy model files, building plans, and code compliance forms) to the EME who will request an energy model review from the third party. The EME will provide the chosen third party with all documentation and will facilitate any communication between the third party and the customer if needed.

5. Key Partnerships

The third party is expected to work with PSE EMEs as well as customers if questions arise during energy model reviews.

6. Measurement and Verification

All Measurement and verification (M&V) will be conducted by PSE EMEs. If EMEs find discrepancies between the original model and what has been installed, the vendor may be asked to update the energy model to reflect the as-built conditions.

C. Digital Marketing Services

PSE is seeking a digital marketing partner to augment its internal marketing efforts to support its residential Weatherization and Space Heat programs.

To drive increased awareness and program adoption, PSE sees a need to expand its digital assets library, define a new campaign creative approach, and explore video and interactive web content. The preferred partner will exhibit proven success creating informational and educational digital content for partners within the utilities industry.

Deliverables of interest include, but are not limited to:

- **Access to digital assets** to supplement PSE's internal digital marketing efforts supporting email, social, video, and other campaigns. Of particular interest are digital assets representing equipment common to energy efficiency that are not readily available via other stock content sources. These include assets of equipment like, but are not limited to:
 - ductless heat pumps;
 - hybrid heat pumps;
 - air source heat pumps;
 - integrated space and water heat systems;
 - energy-efficient windows;
 - attic/wall/floor insulation; and
 - duct sealing materials.

Digital assets related to weatherization and space heat processes, including the replacement of older equipment with energy-efficient equipment, are also of interest.

- **The conception, creation, and delivery of a limited video series** supporting education about PSE's weatherization and space heat programs.
- **Spanish language offerings** of the above-mentioned deliverables.

At this time, PSE is *not* seeking support for email or social media campaigns, billing and payment promotions or communications, newsletters, outage communications, text-to-enroll services, or any other similar marketing services. The primary goal is to supplement PSE's existing marketing services.

1. High-Level Success Factors and Proposal Evaluation Criteria

- on-time delivery of requested assets as defined during initial exploration with bidders
- itemized quote for proposed deliverables
- alignment with PSE's key priorities as outlined in Section B of the RFP introduction

- flexibility in offerings to align with changing market conditions
- ability to offer multiple concept examples, two to three, for the look/feel of campaign collateral and digital assets
- effective coordination with PSE's Marketing and Program Management Teams to leverage existing partnerships and avoid duplicating efforts
- collaborative, effective partnerships with key stakeholders

2. Key Partnerships

Internal stakeholders include members of the Marketing and Outreach, Residential Weatherization and Space Heat Program Management, and Programs Support Teams — among others. The goal is to remain aligned and integrated with corporate initiatives and leverage internal efficiencies when applicable. If selected, the vendor may be required to closely coordinate activities with another PSE service partner delivering complementary products and services.

3. Vendor Performance Requirements

The timeline for services is January 1, 2024, through December 31, 2025.

All assets must adhere to [PSE Brand Guidelines](#).

4. Vendor Service Management Expectations

The selected vendor will provide a direct point of contact to work closely with PSE's Marketing Communications Team and respective program managers to execute service deliverables. No marketing materials shall be developed or distributed without PSE's approval. Procedure changes may take place during the contract duration that warrant a contract amendment or scope change.

D. Efficiency-as-a-Service

PSE is seeking Efficiency-as-a-Service (EaaS) to increase energy efficiency program participation for hard-to-reach customers, with a focus on small- to medium-sized businesses (SMBs), commercial tenants, and industrial customers. These customers face several challenges to pursuing energy efficiency solutions including a lack of technical expertise to understand energy efficiency solutions; securing financing to procure those solutions; and navigating commercial landlord and tenant issues in terms of these efficiency solutions. As a result, these businesses remain underserved by energy efficiency programs.

The goal of the service is to offer turnkey project implementation and financing options for customers not typically eligible for similar help from PSE's Small Business Direct Install service.

The selected EaaS vendor will demonstrate strategies to engage customers to increase participation in energy efficiency solutions through providing secured financing, installation, monitoring, and maintenance. Services provided through the EaaS service will include, but not be limited to:

- Marketing, outreach, and customer engagement activities co-branded with PSE and coordinated with PSE's outreach and marketing personnel.
- Education on energy usage and energy efficiency benefits.
- Promotion and referrals to PSE energy efficiency programs.
- An initial energy assessment and data collection to identify energy efficiency solutions.
- Pre- through post-solution installation management and maintenance.
- M&V of the energy efficiency solution to show achieved savings.

EaaS bidders will explain their savings model — including explaining costs to customers and to PSE — and they will provide standard copies of agreements with customers and contractors as attachments to their RFP responses for review by PSE's legal team.

The service seeks to align with broader PSE initiatives including embedding equity into its offerings. As such, the provider will explain strategies for outreach and marketing specifically to Highly Impacted Communities and Vulnerable Populations as defined by WAC 480-100-605. (Please see Section III — Proposed Service Details in III. Proposal Details, Section B for more information.)

1. Service Budgets and Targets

For the 2024-25 biennium, PSE would like to target at least 3,100,000 kWh and 160,000 Therms in energy savings for the service.

Bidders should provide a breakdown of the proposed costs to the utility per kWh and therm saved.

2. High-Level Success Factors and Proposal Evaluation Criteria

- outreach and marketing
- turnkey implementation

- financing options available for customers
- trade ally management
- M&V of savings solution

3. Measure Mix and Customer Incentives

- Viable measures to be identified and assessed through the audit process. HVAC and Refrigeration energy conservation measures (ECMs): Variable Frequency Drives (VFDs), HVAC optimization services, advanced controls, unit replacement; high-efficiency motors within evaporators, fan controls, on-demand control of defrost, anti-sweat fan controls, and lighting.
- Customer projects incentivized for eligible measures.

4. How Customers Can Participate

Customer participation will be solicited through the selected EaaS vendor through direct outreach and marketing. The vendor will coordinate with PSE's Marketing and Outreach Teams on co-branding and messaging to ensure they both meet PSE messaging standards.

There may be occasions where PSE staff refer customers to the vendor.

5. Key Partnerships

- The EaaS vendor is expected to work with PSE engineers and customer-facing staff — such as outreach and marketing staff — prescriptive rebate program managers, Business Services and Business Energy Management account executives.
- The EaaS vendor is expected to work with PSE customers and potential contractors.

6. Measurement and Verification

The EaaS vendor will provide PSE with detailed measures and savings data. PSE staff will review proposed measures and savings estimates for accuracy and eligibility, and they will perform verification to confirm installations happen as reported.

It is the selected vendor's responsibility to resolve any and all inconsistencies found with reported and verified installations.

7. Vendor Performance Requirements

Key Performance Indicators (KPIs) will include, but are not limited to:

- total customers participating
- predicted vs. validated energy savings
- total energy savings
- measured customer satisfaction
- adherence to [PSE Brand Guidelines](#)

8. Vendor Performance Management Expectations

General Service Management

Before an energy-saving measure is installed, the selected vendor will conduct or arrange for preliminary and detailed energy assessments to determine potential savings opportunities. Once the project scope is finalized and construction is completed, the vendor will perform an M&V analysis to determine the actual savings. The customer is typically responsible for a service fee based on the units of energy saved.

The vendor will submit qualifications for staff, internal or third-party, doing the preliminary energy assessment and field audit.

Energy Efficiency Measures

Common energy efficiency solutions included in an EaaS model are lighting retrofits, upgrades to HVAC and other equipment, and building automation and controls. Bidders will outline in the response to this RFP the energy efficiency measure/solutions planned for their EaaS models.

Cross-Territory Utility Program

PSE's gas and electric customers extend across 10 counties and 6,000 square miles, primarily in the Puget Sound region of Western Washington. The EaaS service will be available to all customers in PSE's service territory.

Customer Satisfaction

The vendor must demonstrate a commitment to customer satisfaction. The EaaS service will allow PSE to increase customer participation in energy efficiency solutions and help customers save energy.

Local Contractor Engagement

Wherever possible, the selected vendor is encouraged to use local contractors registered as active Contract Alliance Network (CAN) PSE Trade Allies.

Marketing

The selected vendor will be expected to coordinate with PSE Marketing and Outreach Teams. All marketing collateral must be approved by PSE and meet messaging and branding guidelines.

Quality Control

The vendor must have and submit a quality control (QC) plan for its third-party contractors to PSE that includes a pre- and post-installation inspection and field audit.

9. Vendor Service Management Expectations

The selected vendor will be expected to provide PSE with comprehensive participation data monthly and will also be responsible for providing PSE with savings forecasts, ongoing savings data validation for customers who have been engaged, and notifying PSE of any customers who have issues or where savings are not persisting.

The vendor will be expected to coordinate participation messaging with PSE's Marketing and Outreach Team in order to tailor the message to best suit PSE's specific customer base.

Bidders will provide PSE with an overview of the strategy that will be used to meet these expectations. In response to this RFP, bidders should also provide PSE with copies of the standard contracts used as customer service agreements and for installation and maintenance with trade allies.

The financing, installation, and maintenance provided to customers through the service will be completely independent of PSE and will be explained as such in the terms and conditions of all service and performance contracts.

10. Other Considerations

Due to the data collection and analysis aspects of this service, in the RFP response, please provide the following:

- Will the vendor provide a hosted platform for data analysis and exchange?
- Will the platform support data management and administration by PSE business owners?
- What customer data will be stored? Where, and for how long?
- What compliance policies will the vendor have in place to ensure customer data integrity and privacy?

E. Engineering and Sub-Metering Services

PSE’s Engineering and Sub-Metering Services are designed to provide customers an outside resource or third-party engineering firm to develop and implement energy efficiency projects. They also support customer strategic energy management (SEM) efforts. These services will support the Industrial Energy Management (IEM) program and its four sub-offerings: custom capital grants, the Industrial Systems Optimization Program (ISOP), Industrial Strategic Energy Management (ISEM), and Comprehensive Small Industrial (CSI), serving industrial and institutional customers. The services will support the Commercial/Industrial (C/I) retrofit E250/G250 and Commercial Strategic Energy Management (CSEM) E253/G253 program schedules.

The Engineering Services for the IEM program are focused on industrial processes and manufacturing facilities. Some examples of analysis and services desired would be:

- HVAC central plants
- refrigeration
- compressed air
- pumping
- fans and blowers
- water and wastewater treatment
- industrial system optimization
- SEM

The engineering services for the commercial and industrial retrofit and commercial SEM program are focused on commercial and institutional facilities. Some examples of analysis and services desired would be:

- HVAC systems
- fans, pumps, and blowers
- project implementation supports
- M&V
- energy-saving regression analysis
- SEM

PSE will manage the program, and the selected vendor will provide engineering services as requested. The program scope depends on the needs of the projects and the service goals in the IEM program. The service has two main tasks: energy engineering support and equipment sub-metering. Proposals may be submitted for one or both tasks. Bidders are encouraged to identify areas of specialty, along with tasks they would like to deliver.

1. Service Budgets and Targets

The Engineering Services biennial budgets for 2024-25 are estimated to be:

- Engineering Support: \$1.5 million to \$2.5 million
- Electrical Sub-Metering: \$50,000 to \$150,000

Proposals must contain a breakdown of hourly rates for each task including engineering, administration support, and miscellaneous project tasks. The details of the hours for each task and the total budget must be provided as well.

The majority of the work is related to the IEM program. The budget is for all services, and PSE may select multiple vendors as it sees fit.

2. High-Level Success Factors and Proposal Evaluation Criteria

Typical Scope of Projects for Engineering Support for the IEM Program:

A typical scope may be to provide energy savings, cost estimates, and project implementation support such as M&V and commissioning. At PSE's request, the bidders will provide a brief proposal for each project request to indicate the scope of the service and hours required with a **not-to-exceed budget**. In general, the budget for the engineering support will **not exceed 10 percent of the project incentive**. As an example, a refrigeration project that saves 250,000 kWh and is eligible for an incentive of \$112,000 will have a budget for engineering support of \$11,200 or less.

For SEM support, a typical scope may be to provide a turnkey solution that includes customer recruitment, developing and providing workshops, conducting treasure hunts, providing regular coaching, building an M&V model, and reporting savings. At PSE's request, bidders will provide a brief proposal for each SEM cohort to indicate the scope of the service and hours required with a **not-to-exceed budget**.

For the industrial system optimization program, the selected vendor will provide a turnkey solution that includes customer recruitment, conducting on-site scoping, performing detailed assessment and optimization, building an M&V model, and reporting savings. At PSE's request, bidders will provide a brief proposal for each project request to indicate the scope of the service and hours required with a **not-to-exceed budget**.

The budget for each project is based on a **time and material** proposal provided by the selected vendor and must be approved by PSE before actual work starts.

For the commercial and industrial retrofit project, a typical scope would be to provide engineering analysis on the savings and cost estimates. In some cases, implementation support, M&V, or commissioning may be needed. For each project, PSE will request a time and material proposal to a not-to-exceed amount.

For the commercial SEM management program, typical tasks include energy assessment, savings analysis, regression analysis, coaching, and other program support. PSE will request a proposal of time and materials for a not-to-exceed amount.

Typical scope of projects for Sub-Metering Services:

A typical scope for this task would be to sub-meter a 100 HP air compressor for two weeks. In some cases, the scope may be instantaneous power readings of equipment. To minimize the cost of travel, multiple projects may be grouped together as one project. All electrical measurements will include true power measurements. Bidders will provide a proposal with the number of hours required, a not-to-exceed budget, and a proposed schedule to complete the

project at PSE's request. PSE must approve the budget and schedule before the actual work begins.

Safety is very important to PSE. People conducting sub-metering must be qualified, follow all industry standards and practices, and obey all applicable government or local rules, laws, and regulations.

PSE program staff that includes the service manager, account executives, and EMEs will work closely with the selected vendor to implement the service. PSE is responsible for the service design and operation. The selected vendor's role is to support PSE to successfully implement the services.

3. Measure Mix and Customer Incentives

The requested services are to support custom grant programs. Measures and incentives are determined based on the custom grant program offerings. They are not part of this request.

4. How Customers Can Participate

Customers or their contractors may submit requests for services. PSE and the selected vendor may actively conduct outreach and recruitment of customers to participate in PSE's services. PSE will review customer requests to determine the needs and set the scope. The request will be managed depending on PSE's available in-house resources and the potential incentives of the project. Some requests for engineering support may be handled by in-house engineers.

5. Key Partnerships

The selected vendor is expected to share other PSE products, programs, and service materials with customers participating in this service.

6. Vendor Performance Management Expectations

Service providers must be able to perform the requested service within budget and meet the requirement of the scope of work. Providers should assign qualified staff to perform the tasks and have internal QC processes to ensure the quality of work.

F. Healthcare Strategic Energy Management

PSE's Healthcare SEM Program will offer comprehensive SEM services to a cohort of up to five healthcare organizations over the course of three years. The Healthcare SEM program will focus on the implementation and administration of a comprehensive SEM service at each one of the participating organizations.

Currently, healthcare customers in SEM fall under the CSEM Program. Healthcare organizations, specifically hospitals and clinics, differ greatly from the overwhelming majority of buildings that make up the rest of PSE's CSEM portfolio. As such, this service will aim to build on the success and foundation of the CSEM Program to create a smaller service that is tailored to this subset of customers.

The selected vendor will be connected with the participating organizations by PSE and will work with each of them to create an SEM service to save energy across their respective portfolios. Participating customers will be incentivized for their energy savings by PSE through both a performance incentive (for kWh and therms saved) and a target incentive (for reaching their annual energy saving targets). The vendor will also complete the M&V needed to track the energy use and savings each year, which will be reviewed by PSE.

Service objectives include, but are not limited to:

- **Energy Efficiency:** The primary goal of the service should be to improve the energy efficiency of healthcare organizations. The service should identify and implement strategies to reduce energy consumption such as upgrading equipment, optimizing operations and maintenance (O&M) practices, adjusting schedules, and improving building envelopes.
- **Compliance:** The service should help healthcare organizations prepare for and comply with the Clean Buildings Law.
- **Education and Training:** The service should include educational and training components that help healthcare organizations understand the importance of energy efficiency and environmental sustainability. These components could include both individual organization and cohort-style trainings.
- **Measurement and Verification:** The service should include a rigorous M&V process that tracks energy use and savings over time and ensures that the service is meeting its goals and objectives.

1. Service Budgets and Targets

- Bidders shall quote this proposal as a per-year cost for administering up to five organizations.
- The savings target will be determined based on the number of participating organizations, as well as the size of each individual organization.
- Savings targets for SEM programs average 3–5 percent for electric and gas savings.

- Bidders shall use Exhibit D to provide estimated budgets. Budgets proposed by bidders should include a pricing schedule with all labor, overhead, travel, other direct and indirect costs, and costs associated with the proposal. Bidders should include all general and administrative costs in hourly labor rates and direct expenses. All sub-contractor costs must also comply with these terms.

2. High-Level Success Factors and Proposal Evaluation Criteria

Bidders will also be evaluated based on their ability to provide a proposal that aligns with the information provided in this service description while also meeting other key priorities such as:

- achieving savings target at each organization;
- clearly documenting energy conservation measures (ECMs) from identification to implementation;
- implementing the SEM service at each organization;
- determining energy savings at each site and following the ASHRAE Guideline 14 whole-facility approach;
- aligning with PSE's key priorities as outlined in Section B of the RFP introduction;
- preparing all organizations for compliance with the Clean Buildings Law;
- integrating with PSE programs and helping to connect customers to other grants and rebates offered by PSE when applicable; and
- adhering to DEI metrics by:
 - increasing participation in areas with previous lower participation;
 - collaborating with local DEI partners; and
 - following other DEI metrics as observed in similar programs.
 - View Section III — Proposed Service Details in III. Proposal Details, Section B for more information about DEI.

3. Measure Mix and Customer Incentives

An incentive will be awarded to the customer based on the energy savings across a customer's portfolio. Incentives will be determined on a \$/kWh saved and a \$/therm saved basis. An additional incentive will be awarded to the customer for achieving their annual energy savings target. The incentive will be paid by PSE on an annual basis after verification is complete.

4. How Customers Can Participate

Customers will include healthcare organizations identified by PSE, including current/recent CSEM customers who are healthcare organizations.

5. Key Partnerships

The selected vendor is expected to work with PSE EMEs and with PSE's EnergyCAP Data Team as well as participating customers.

6. Measurement and Verification

The selected vendor shall verify site savings following the ASHRAE Guideline 14 whole-facility approach's linear regression modeling. Each site will have an individual energy model using 12 consecutive months of baseline energy usage data.

7. Vendor Performance Requirements

Outside of the service level agreements outlined by PSE, KPIs specific to the service will be developed in collaboration with the chosen vendor and the service planning teams to ensure operational efficiency and a high level of customer satisfaction.

8. Vendor Performance Management Expectations

The selected vendor will collaborate with the PSE Program Team to achieve service targets (budgets and savings), forecasting, strategic planning, and customer issue resolution. Procedure changes may take place during the contract duration, warranting a contract amendment or scope change.

The vendor may be required to assist in the items mentioned below, and, as such, proposals should provide separate pricing for each when applicable:

- SEM kickoff meeting with customer organizations;
- regular meetings with customer organizations;
- an annual site visit with each customer organization to identify energy-saving opportunities; and
- the M&V of energy savings at a site level across each customer organization.

9. Vendor Service Management Expectations

The selected vendor will provide a direct point of contact to work closely with PSE's Program Team and respective program managers to execute service deliverables. Procedure changes may take place during the contract duration, warranting a contract amendment or scope change.

G. Home Energy Reports

PSE is seeking a vendor that specializes in electronic and print Demand Side Management communications to implement a behavioral modification service. Targeting PSE residential customers with energy insights and neighbor comparisons, its aim is to drive behavioral energy efficiency savings via Home Energy Reports (HER).

Service objectives include, but are not limited to:

- delivering measureable energy efficiency savings across a broad spectrum of PSE customers;
- driving measureable participation increases in other PSE energy efficiency programs and boosting adoption of PSE new products and services;
- increasing awareness of PSE energy efficiency and other offerings through program marketing;
- driving improvements in customer satisfaction; and
- positioning PSE as a trusted energy advisor to its customers.

Example customer segments for this service include, but are not limited to:

- all residential Schedule 214 customers
- low-income or hard-to-reach populations
- customers in Named Communities
- relative electric high users
- multi-family residential customers
- other populations as determined by service staff

Eligibility requirements of this service include:

- Schedule 214 residential customers with at least 12 months of usage. Historically, this segment has met HER Service eligibility requirements.
- Customers must be within PSE’s full-service territory and use electric or dual-fuel services. Natural gas-only areas are not eligible.

Other considerations include:

- PSE’s HER service has been active since 2008 and is evaluated on an annual basis.
- PSE is looking to increase customer awareness of other relevant PSE services and works with other internal teams to provide greater energy insights to reduce usage.

1. Service Budgets and Targets

- Bidders shall quote this proposal as a per-year cost for providing these services in 50,000-recipient population groups, up to 500,000 total recipients.
- Savings targets will be determined based on the number of customers added to the 2024-25 portfolio.
- Typical savings for this service average 1-3 percent for electric and 1-1.5 percent savings for natural gas.

- Please explain if PSE is expected to provide specific test and control customer lists or how bidders will help create those lists for rigorous evaluation.
- Bidders shall use Exhibit D to provide estimated budgets. Budgets proposed by bidders should include a pricing schedule with all labor, overhead, travel, other direct and indirect costs, and costs associated with the proposal. Bidders should include all general and administrative costs in hourly labor rates and direct expenses. All sub-contractor costs must also comply with these terms.

2. High-Level Success Factors and Proposal Evaluation Criteria

Bidders will be evaluated based on their ability to provide a proposal that aligns with the information provided in this service description while also meeting other key priorities such as:

- **Standardized data format:** The ability to comply with PSE's rigorous security standards.
- **Integration with PSE Programs:** PSE provides a wide variety of rebate and awareness programs. A seamless data integration approach that can interact with other vendors' systems and share data or statistics as needed.
- **Cost Effectiveness:** The ability to provide low-cost reports — either electronic, paper, or a mix — with customized energy insights to customers.
- **Accuracy in segmentation:** This service requires thorough quality checks in place to prevent inaccurate reporting.
- **AMI capabilities:** It is important to have the ability to provide reports based on AMI meter data and a data feed to support this.

3. Measure Mix and Customer Incentives

For historical service performance, refer to the links in this RFP's Introduction, section F.

i. Incentive Structure and Measure Table

- a. The service does not include specific measures or incentives, however, it should refer customers to PSE resources for details on energy savings opportunities.

4. How Customers Can Participate

This service should be an opt-out service for selected customers. All customer-facing digital communication must be mobile-first designed and browser and operating system agnostic.

5. Key Partnerships

The successful vendor will need to work closely with other departments at PSE as well as other vendors outside of PSE. Partnerships include, but are not limited to:

- PSE marketing, branding, and advertising teams
- PSE customer service
- Field Services vendors may need to use online tools or access customers' energy insights as applicable
- PSE IT and Digital Experience Teams

- Vendors providing additional reports and customer energy management services — specifically, Oracle.

6. Measurement and Verification

All M&V activities will be managed by PSE, and an impact evaluation will be completed each year. Selected vendors will provide savings updates via a program management platform and annual data to PSE upon request.

7. Vendor Performance Requirements

KPIs for the selected vendor may include, but are not limited to:

- delivery rate
- click-through rate
- support service level agreement (SLA)
- continuous improvement and feature upgrades
- report delivery schedule and cadence
- reporting on specific treatment messages
- reporting on customer engagement
- total energy savings
- customer service satisfaction

8. Vendor Service Management Expectations

- ability to forecast, track, and make adjustments
- consistent savings performance that is measureable and verifiable
- data security and systems integration
- demonstrated ability to create a superior customer and client experience
- monitoring of customer segments and providing recommendations and their implementations
- cross-channel engagement
- adherence to [PSE Brand Guidelines](#)

9. Other Considerations

- Does the bidder provide a hosted platform, API, or other implementation? What are the options?
- Does the product support content management and administration by PSE business owners?
- What is the process for making changes to the product regarding messaging, customer experience, etc.?
- What customer communication options (e.g., on-screen confirmation messaging, email, SMS, etc.) does this product provide or support?
- What customer data is stored? Where and how? Explain how it will be accessible to PSE and if any additional costs apply to access it? How will the solution integrate with PSE's SAP CIS system?
- What technical customer support is provided? Is there a separate call center?

- What is the upgrade path for the product? How may PSE participate in upgrade designs?
- Does the material pricing include both product and labor?
- How will tax be handled as part of the service delivery, and who is responsible for remitting to the state?
- Is the bidder providing the full-cost of service, or is the bidder responsible for only a portion of the delivery?

H. PSE Online Marketplace

An Online Marketplace creates a pathway for PSE to serve residential customers by offering instant rebates for energy efficient products. It also provides an alternative to traditional brick-and-mortar shopping that allows PSE to reach customers who do not have easy access to retailers participating in PSE rebate programs. PSE can record the energy savings from the Online Marketplace’s sales and receive clear attribution for rebates.

The Marketplace assists PSE in meeting energy savings targets while providing a valuable service to customers. Beyond offering instant rebates, its goals are to record energy savings, enroll customers in demand response (DR) programs, and connect customers to PSE’s Trade Ally Network (TAN). The timeline for services is January 1, 2024, through December 31, 2025.

1. Service Requirements

PSE is interested in receiving proposals that are separated into a quote for the required services listed in this Service Requirements section and optional incremental quotes for each individual potential add-on service listed in section 2 below: Add-On Services.

The following services are a required part of the PSE Online Marketplace and should be included in the response to this RFP. The RFP response should be inclusive of all discovery, development, and maintenance for the following required services:

a) ENERGY STAR® Smart Thermostats and Line Voltage Connected Thermostats

- The selected vendor must determine customer eligibility and sell the unit with the corresponding instant PSE rebate or instant Efficiency Boost rebate.
 - Rebates:
 - ENERGY STAR Smart Thermostats: Up to \$75 PSE Standard Instant Rebate and up to \$175 PSE Efficiency Boost Instant Rebate.
 - Line Voltage Connected Thermostats: Up to \$75 PSE Standard Instant Rebate and up to \$130 PSE Efficiency Boost Instant Rebate.
 - Eligibility Criteria:
 - PSE Standard Instant Rebate Customer Eligibility: To be eligible for the PSE standard instant discount on ENERGY STAR smart thermostats or line voltage connected thermostats, you must be a current PSE residential customer with electric heat or natural gas heat provided by PSE. Eligible customers may receive up to one ENERGY STAR smart thermostat instant rebate and up to five line-voltage connected thermostat rebates. Additional ENERGY STAR smart thermostats and line voltage connected thermostats may be purchased without the PSE instant discount. PSE Online Marketplace purchases must be shipped to and installed at

addresses within the PSE service territory. Instant discounts are awarded at the time of purchase.

- **Efficiency Boost Instant Rebate Customer Eligibility:** To be eligible for the PSE Efficiency Boost instant discount on smart thermostats or line voltage connected thermostats, you must be a current PSE residential income-qualified customer with electric heat or natural gas heat provided by PSE. Eligible customers may receive up to one ENERGY STAR smart thermostat instant rebate and up to five line-voltage connected thermostat rebates. Additional smart thermostats and line voltage connected thermostats may be purchased without the PSE instant discount. PSE Online Marketplace purchases must be shipped to and installed at addresses within the PSE service territory. Instant discounts are awarded at the time of purchase. PSE will provide an income qualification table.
- DR pre-enrollment will be the default, with the option for the customer to decline during checkout. The selected Online Marketplace vendor must be able to integrate with AutoGrid Flex™ for DR services as follows:
 - The vendor must scan the thermostat box for device information required for DR enrollment (such as, but not limited to, device ID and serial number) and send that to AutoGrid Flex™, along with customer account information (such as, but not limited to, customer account number) via secure file transfer protocol (SFTP).
 - The vendor must be able to send the required DR data to AutoGrid Flex™ within 24 hours of order picking.
- The selected vendor must integrate PSE's Trade Ally Network (TAN) portal, Trade Ally Connect (TAC), so that customers have an easy referral to this service. PSE's preference is for direct handoff from the Online Marketplace to PSE's TAC portal using the customer account number, which would be collected from the Online Marketplace gate validation. Another option is to link to the TAN webpage on PSE.com from the Online Marketplace so that the customer can then log into their MyPSE account and begin the TAN referral process. Desired TAN integration points include:
 - product pages
 - during/after checkout process
 - purchase confirmation email
 - informational page on the online marketplace
- ENERGY STAR smart thermostats: Estimating 9,600 units in 2024 and 9,500 units in 2025.

- Line voltage connected thermostats: Estimating 2,600 units in 2024 and 2,600 units in 2025.
- Please see the estimated qualified products list in Attachment 1: “QPL 2024-2025 Marketplace RFP.xlsx,” which can be found at this link: [PSE | Acquiring New Energy Sources](#).

b) Electric Vehicle Chargers

- The selected vendor must determine customer eligibility and sell the unit with the corresponding instant PSE rebate or instant Empower Mobility rebate.
 - Rebates:
 - up to \$300 PSE standard instant rebate
 - up to \$600 PSE Empower Mobility instant rebate
 - Eligibility Criteria:
 - Standard Instant Rebate Customer Eligibility: To be eligible for the PSE standard instant discount on an Electric Vehicle (EV) charger, you must be a current PSE electric residential customer. Eligible customers may receive up to one EV charger instant rebate per EV registered to the account owner. Additional EV chargers may be purchased without the PSE instant discount. PSE Online Marketplace purchases must be shipped to and installed at addresses within the PSE service territory. Instant discounts are awarded at the time of purchase.
 - Empower Mobility Instant Rebate Customer Eligibility: To be eligible for the PSE Empower Mobility instant discount on an EV charger, you must be a current PSE electric residential customer that is part of a Named Community or shares demographic characteristics with customers in Named Communities — see Section III — Proposed Service Details in III. Proposal Details, Section B for the definition of a Named Community. Eligible customers may receive up to one EV instant rebate per EV registered to the account owner. Additional EV chargers may be purchased without the PSE instant discount. PSE Online Marketplace purchases must be shipped to and installed at addresses within the PSE service territory. Instant discounts are awarded at the time of purchase. PSE will provide Named Communities qualification questions.
- DR pre-enrollment is a requirement for the customer. The selected Online Marketplace vendor must be able to integrate with AutoGrid Flex™ for DR services as follows:

- The vendor must scan the EV charger box for device information required for DR enrollment (such as, but not limited to, device ID and serial number) and send that to AutoGrid Flex™, along with customer account information (such as, but not limited to, customer account number) via SFTP.
 - The vendor must be able to send required DR data to AutoGrid Flex™ within 24 hours of order picking.
- Integrate PSE's TAN so that customers have an easy referral to this service. PSE's preference is for direct handoff from the Online Marketplace to PSE's TAN portal using the customer account number, which would be collected from the Online Marketplace gate validation. Another option is to link to the TAN webpage on PSE.com from the Online Marketplace so the customer can then log into their MyPSE account and begin the TAN referral process. Desired TAN integration points include:
 - product pages
 - during/after checkout process
 - purchase confirmation email
 - informational page on the online marketplace
- EV chargers: Estimating 3,050 units in 2024 and 2,950 units in 2025.
- Please see the estimated qualified products list in Attachment 1: "QPL 2024-2025 Marketplace RFP.xlsx," which can be found at this link: [PSE | Acquiring New Energy Sources](#).

c) CTA 2045 box

- The selected vendor must send eligible PSE customers the DR pre-enrolled product for free.
 - Eligibility Criteria:
 - Customers with a CTA-2045 capable water heater (standard electric resistance or heat pump water heater) who heat their water with PSE electricity may place an order for a free EcoPort. Upon activation, the customer will receive a confirmation email and a \$75 bill credit the following month. If the device remains connected and enrolled in DR, the customer will receive additional \$75 payments annually on the anniversary of their initial enrollment. Limit one per customer, exceptions may apply for homes with more than one water heater.

- DR pre-enrollment is a requirement for the customer. The selected Online Marketplace vendor must be able to integrate with AutoGrid Flex™ for DR services as follows:
 - The vendor must scan the product box for device information required for DR enrollment (such as, but not limited to, device ID and serial number) and send that to AutoGrid Flex™, along with customer account information (such as, but not limited to, customer account number) via SFTP.
 - The vendor must be able to send required DR data to AutoGrid Flex™ within 24 hours of order picking.
- CTA 2045 box: Estimating 150 units in 2024 and 250 units in 2025.

Please see the estimated qualified products list in Attachment 1: “QPL 2024-2025 Marketplace RFP.xlsx,” which can be found at this link: [PSE | Acquiring New Energy Sources](#).

d) PSE Customer Validation Will Be Performed at the Account Level

- PSE IT Security requirements for sharing the full PSE customer list (including, but not limited to, customer account number) with the selected Online Marketplace vendor are as follows:
 - SOC 2 Type 2 certification
 - US data centers only data storage
 - Data At Rest Encryption (DARE) is to be used for the customer information (or for the selected Online Marketplace vendor to respond with the security controls they use to protect the customer list)

e) Free Shipping for All Special Offers

- The selected Online Marketplace vendor will cover the shipping costs for all special offers such as, but not limited to:
 - flash sales (the manufacturer reduces the product price for a limited time);
 - limited-time offers (PSE contributes a higher rebate for a limited time);
 - manufacturer discounts (the manufacturer reduces the product price for events such as Black Friday, Earth Day, etc.); and
 - orders where the customer receives the Efficiency Boost or Empower Mobility rebates.
- For sales that do not include special offers, free shipping will be offered for purchases that total \$50 or more.

2. Add-On Services

PSE is interested in receiving proposals that are separated into a quote for the required services listed in section 1 above: Service Requirements and optional incremental quotes for each individual potential add-on service listed in this section.

The following add-on services are under consideration by PSE for possible inclusion in the Online Marketplace. At the time of this writing, PSE is still evaluating the viability of these additions and would like to see these services each quoted separately from the required Marketplace services. RFP bidders do not necessarily need to provide incremental quotes for or offer the following services. Each incremental quote for the add-on services should be inclusive of all discovery, development, and maintenance needed.

a) *Language Translations*

- Offer the PSE Online Marketplace in languages such as, but not limited to, Spanish, Mandarin, Hindi, Vietnamese, Korean, and Russian.
- Provide ongoing translation for:
 - marketing tactics such as, but not limited to, ribbon copy or unique offer pages; and
 - new product pages or copy revisions after the initial marketplace is built.
- Translate customer order confirmations and shipping tracking information emails.

b) *Dehumidifiers*

- The selected vendor should determine customer eligibility and sell the units with the corresponding instant PSE rebate or instant Efficiency Boost rebate.
 - Rebates:
 - Up to \$30 PSE Standard Instant Rebate.
 - Up to \$60 PSE Efficiency Boost Instant Rebate.
 - Eligibility Criteria:
 - Standard Instant Rebate Customer Eligibility: Customers may qualify for up to one rebate per household. PSE Online Marketplace purchases must be shipped to and installed at addresses within the PSE service territory. Instant discounts are awarded at the time of purchase.
 - Efficiency Boost Instant Rebate Customer Eligibility: Income-qualified customers may qualify for up to one rebate per household. PSE Online Marketplace purchases must be shipped to and installed at addresses within the PSE service territory.

Instant discounts are awarded at the time of purchase. PSE will provide an income qualification table.

- Dehumidifiers: Estimating 300 units in 2024 and 300 units in 2025.

Please see the estimated qualified products list in Attachment 1: “QPL 2024-2025 Marketplace RFP.xlsx,” which can be found at this link: [PSE | Acquiring New Energy Sources](#).

c) Room Air Cleaners

- Determine customer eligibility and sell the unit with the corresponding instant PSE rebate or instant Efficiency Boost rebate.

- Rebates:

- Up to \$30 PSE Standard Instant Rebate.
- Up to \$60 PSE Efficiency Boost Instant Rebate.

- Eligibility Criteria:

- Standard Instant Rebate Customer Eligibility: Customers may qualify for up to one rebate per household. PSE Online Marketplace purchases must be shipped to and installed at addresses within the PSE service territory. Instant discounts are awarded at the time of purchase.
- Efficiency Boost Instant Rebate Customer Eligibility: Income-qualified customers may qualify for up to one rebate per household. PSE Online Marketplace purchases must be shipped to and installed at addresses within the PSE service territory. Instant discounts are awarded at the time of purchase. PSE will provide an income qualification table.

- Room air cleaners: Estimating 750 units in 2024 and 750 units in 2025.

Please see the estimated qualified products list in Attachment 1: “QPL 2024-2025 Marketplace RFP.xlsx,” which can be found at this link: [PSE | Acquiring New Energy Sources](#).

d) LED Bulb Kits

- The LED bulb kits may be sold to any Marketplace customer. There are no PSE rebates or customer eligibility requirements. PSE Online Marketplace purchases must be shipped to and installed at addresses within the PSE service territory.

- The selected Online Marketplace vendor will work with a PSE program manager to determine the kit contents and develop an estimate for the number of LED bulb kits sold in 2024 and 2025.

Please see the estimated qualified products list in Attachment 1: “QPL 2024-2025 Marketplace RFP.xlsx,” which can be found at this link: [PSE | Acquiring New Energy Sources](#).

e) *Mini-Weatherization Kits*

- Vendors may send PSE Efficiency Boost customers the mini-weatherization kit for free.
 - Eligibility Criteria:
 - Mini-Weatherization Kit Customer Eligibility: Must be a current PSE residential income-qualified customer with electric heat or natural gas heat provided by PSE. Eligible customers may receive up to one mini-weatherization kit per home. PSE Online Marketplace purchases must be shipped to and installed at addresses within the PSE service territory. Instant discounts are awarded at the time of purchase. PSE will provide an income qualification table.
- Vendors should integrate PSE’s TAN so customers have an easy referral to this service. PSE’s preference is for direct handoff from the Online Marketplace to PSE’s TAN portal using the customer account number, which would be collected from the Online Marketplace gate validation. Another option is to link to the TAN webpage on PSE.com from the Online Marketplace so the customer can then log into their MyPSE account and begin the TAN referral process. Desired TAN integration points include:
 - product pages
 - during/after checkout process
 - purchase confirmation email
 - informational page on the Online Marketplace
- Mini-Weatherization Kits: Estimating 2,500 units in 2024 and 3,500 units in 2025.

Please see the estimated qualified products list in Attachment 1: “QPL 2024-2025 Marketplace RFP.xlsx,” which can be found at this link: [PSE | Acquiring New Energy Sources](#).

3. Proposal Evaluation Criteria

PSE is interested in receiving proposals that are separated into a quote for the required services listed in section 1 of this service description and optional incremental quotes for each individual potential add-on service listed in section 2.

RFP responses should include a summary of the proposed customer journey including, but not limited to:

- when during the shopping experience customers are validated;
- how eligible rebates are presented on the Marketplace,
- the process for DR enrollment,
- how PSE's TAN is integrated, and
- customer communications after the order is placed.

Proposals should include a description of how the selected Online Marketplace vendor plans to help PSE equitably meet its customers, with particular attention to Named Communities. This may include tactics such as, but not limited to: promotion creation, inventory sourcing, customer journey, and relationship building. Please review Section III — Proposed Service Details in III. Proposal Details, Section B for more content to consider including in the RFP response.

4. How Customers Can Participate

Only validated residential customers of PSE will be able to receive instant discounts through the Online Marketplace. The selected Online Marketplace vendor will validate customers prior to site entry on the Marketplace landing page. Validated customers will only see the rebates they are eligible to receive. Customers will validate using their account number and by answering some qualification questions related to the Efficiency Boost rebate and the Empower Mobility rebate. The selected Online Marketplace vendor will have access to PSE's full customer list including previous rebate participation from brick-and-mortar retail in order to enforce rebate quantity limits. Customers who are ineligible or unable to validate will be allowed to purchase Marketplace products at full retail price without the instant PSE rebate.

5. Marketing

PSE will be responsible for the marketing and advertising of the Online Marketplace. The selected Online Marketplace vendor will provide Search Engine Optimization (SEO) for the Online Marketplace. The selected Online Marketplace vendor will provide PSE with the metadata for SEO.

The selected Online Marketplace vendor will provide strategy insight and promotional opportunities based on their previous experience. The Online Marketplace platform will need to facilitate strategies such as, but not limited to:

- flash sales (the manufacturer reduces the product price for a limited time);

- limited-time offers (PSE contributes a higher rebate for a limited time);
- manufacturer discounts (the manufacturer reduces the product price for events such as Black Friday, Earth Day, etc.);
- sweepstakes;
- contests;
- promotion codes;
- coupons; and
- other promotions to drive sales through the Online Marketplace.

6. Measurement and Verification

PSE Online Marketplace orders must only be shipped to addresses within an approved ZIP Code list within the PSE service territory.

The selected Online Marketplace vendor will invoice PSE for product incentives by the eighth day of the month for sales from the previous month. The selected Online Marketplace vendor will send PSE separate invoices and corresponding order data files for monthly sales and returns according to the product categories. Each invoice will be submitted at the same time as the corresponding order data via secure file transfer. The selected Online Marketplace vendor will retain order data for a period of three years. Data fields to accompany product incentive invoices include, but are not limited to:

- customer account number
- customer first and last name
- site address
- phone number
- email address
- shipping address
- occupant type
- sales data (measure type, purchase date, manufacturer, model number, retail cost, rebate total, quantity, device serial number, Media Access Control [MAC] address, install code)
- home heat fuel
- home heating equipment
- year home was built
- invoice number
- invoice date

- rented or owned home
- county (Efficiency Boost rebates only)
- household size (Efficiency Boost rebates only)
- self-attestation for gross income (Efficiency Boost rebates only)
- self-attestation that information provided is accurate (Efficiency Boost and Empower Mobility rebates only)

The selected Online Marketplace vendor will invoice PSE for non-measure services (such as, but not limited to, fees for development or maintenance) by the 15th day of the month for sales from the previous month.

The selected Online Marketplace vendor will send PSE a separate monthly data file for customers who place orders for non-rebated products.

The selected Online Marketplace vendor will review all invoices and data files for Quality Assurance (QA) and QC prior to submitting to PSE.

7. Vendor Performance Requirements

The timeline for services is January 1, 2024, through December 31, 2025.

The Marketplace platform will be branded for PSE per PSE Brand Guidelines. PSE attribution will be listed for all rebates on the Marketplace and on customer order confirmation emails. Customers will receive two emails after placing an order: 1) a confirmation email immediately after placing their order; and 2) an email containing the shipping tracking information when their order ships. The emails will contain PSE branding per [PSE Brand Guidelines](#).

The selected Online Marketplace vendor will use secure Payment Card Industry (PCI) compliant payment processing. The selected Online Marketplace vendor will apply security updates to the Online Marketplace on an ongoing basis.

The selected Online Marketplace vendor will ship orders for delivery to the customer within five business days from the date of purchase. Orders containing products that require DR enrollment or provisioning (such as, but not limited to, ENERGY STAR smart thermostats and EV chargers) should not be shipped until two business days after data transfer requirements have been completed as noted in section 1: Service Requirements a and b, and in section 2: Add-On Services d.

Each shipment will include PSE attribution on the outside of the box and a full-color PSE service flyer inside the box. PSE will design the collateral and the selected Online Marketplace vendor will print the collateral.

The selected Online Marketplace vendor will provide customer service related to Marketplace purchases by a unique phone number and email address. Customer service utilizing chat is preferred but not required. The selected Online Marketplace vendor's customer service will be open Monday through Friday from 9 a.m. to 5 p.m. Pacific Standard Time. The selected

Online Marketplace vendor will address customer inquiries within one business day and will process returns, exchanges, and refunds.

The selected Online Marketplace vendor will maintain an uptime percentage of at least 99 percent during each quarter. "Uptime percentage" is calculated by subtracting from 100 percent the percentage of minutes during which the Online Marketplace was unavailable, not including any scheduled downtime where PSE was notified at least 48 hours in advance of the planned outage.

8. Vendor Service Management Requirements

The selected Online Marketplace vendor will have a weekly call with PSE to review and discuss the Marketplace, promotions, projects, issue resolution, etc.

The selected Online Marketplace vendor will provide monthly enhancements to the Online Marketplace such as, but not limited to, PSE requests, product offering revisions, and marketing promotions support. The selected Online Marketplace vendor will modify and optimize the Online Marketplace based on data, evolving it to improve its performance.

PSE and the selected Online Marketplace vendor may request adding or removing products or product categories to the Marketplace, changing PSE rebate amounts, or revising product pricing from time to time. All revisions to the product list must be approved by a PSE program manager in advance.

The selected Online Marketplace vendor will provide a monthly report that will include metrics for customer service, sales, and website performance as well as an annual summary report of the Marketplace.

The selected Online Marketplace vendor will include a link to an online post-purchase survey on the customer's confirmation webpage, confirmation email, and shipping tracking email. The survey will be branded for PSE per PSE Brand Guidelines. The selected Online Marketplace vendor will provide PSE with a quarterly report of post-purchase survey results.

I. Large Power User Self-Direction Energy Efficiency Service

PSE's Large Power User Self-Direction Energy Efficiency (LPU) service is an energy efficiency service available to PSE customers who receive their power at high voltage or have special contracts for electrical service with PSE.

This service runs on a four-year cycle wherein the first two years the customers have exclusive access to funds they have contributed to the service through the electric rider (Schedule 120). This is called the non-competitive phase. After the non-competitive phase ends, any unclaimed funding from the customers is combined into a funding pool available to all customers using the service. Customers may submit projects to utilize this remaining funding in the competitive phase of the LPU service.

PSE plans to offer a Strategic Energy Management (SEM) offering using a portion of this unclaimed funding, to be removed from the competitive phase funding pool, in this current service cycle (2023-26).

The goal of the SEM service will be to provide SEM training and support to a cohort of LPU service participants, which range from large office complexes, universities, chemical refiners, armed forces installations, manufacturers, and water treatment facilities, among others.

The competitive phase will begin in May 2025.

1. Service Budgets and Targets

The budget for LPU competitive phase SEM is estimated to be \$1.5 million.

2. High-Level Success Factors and Proposal Evaluation Criteria

Success factors for the LPU competitive phase SEM service may include the level of customer engagement in the service, a broad training curriculum and supports (such as energy tracking software or a resource library), success in scoping events in finding potential measures, the realization rate of discovered measures, and overall energy savings.

Proposals will be evaluated on overall SEM service design, previous SEM experience, and proposal cost.

3. Measure Mix and Customer Incentives

Performance incentives of \$0.04/kWh (est.) will be provided to SEM measures such as operations-, maintenance-, behavioral-, and process-related changes, up to a maximum of \$50,000. The incentive rate and maximum cap may be revised based on actual funding available closer to the start of the competitive phase.

4. How Customers Can Participate

Customers in the LPU service may opt-in to the competitive phase SEM cohort at no cost to them.

5. Key Partnerships

The selected vendor is expected to share other PSE products, programs, and service materials with customers participating in this service. The vendor is expected to work with PSE engineers and customer-facing staff, such as account executives.

6. Measurement and Verification

The selected vendor will be expected to construct energy models for each participating customer, in order to track accumulated energy savings while accounting for weather and customers' KPI variation. In instances where an energy model cannot meet sufficient suitability, a bottom-up calculation may be used instead to calculate energy savings.

7. Vendor Performance Requirements

The vendor is expected to provide a schedule to PSE and its customers at the start of the cohort that outlines the time commitment and event dates to all customers.

8. Vendor Performance Management Expectations

The vendor will be responsible for updating the energy models for each customer and retrieving the KPI and energy data from PSE and the customers.

9. Vendor Performance Management Expectations

The vendor is expected to run the LPU competitive phase SEM service with minimal guidance from PSE.

J. Midstream Rebate Delivery

PSE first launched a midstream program delivery model in 2018. Since then, it has grown to include several technologies and expanded to be a regional service for most product categories. The current PSE Midstream Rebate service includes commercial lighting; commercial and residential heating, HVAC, and water heating (WH); and commercial food service (CFS). In 2020, the service expanded to include Seattle City Light (SCL), and again in 2021 to include Snohomish County Public Utility District (SnoPUD). Regional coordination has been crucial to the success of the service.

PSE's Midstream service engages distributors to influence the stocking and encourage the upselling of high-efficiency products for commercial and residential end use. By intervening up the supply chain, the service influences a much larger portion of the addressable market, and it helps increase claimable energy savings compared to end-user focused downstream services.

The stocking of high-efficiency equipment allows the service to reach customers facing an equipment burnout. Equipment burnouts represent a large portion of equipment sales that are often uncaptured by downstream services.

Services provided through Midstream Rebate Delivery should include, but are not limited to:

- **Distributor recruitment** – engaging existing participants and expanding to non-participants (e.g., new distributors, small distributors, added branches, etc.).
- **Distributor relationship management** including:
 - service training (sales and technical for all participating branches and distributor staff),
 - service enrollment and participation agreement renewals, and
 - administrative support as needed.
- **Distributor communications** including, but not limited to:
 - all collateral,
 - surveys,
 - marketing, and
 - training opportunities.
- **Data collection for each project or claim** including, but not limited to:
 - equipment,
 - distributor,
 - contractor
 - installation location,
 - available customer data,
 - savings, and
 - incentives.
- **Data upload compatibility** with PSE's energy efficiency rebate processing platform/database – iEnergy Program management adhering to data mapping guides.
- **Distributor data upload support and training.**
- **Product eligibility validation.**

- **Installation location eligibility validation.**
- **Prioritized DEI tactics** to reach Highly Impacted Communities, Vulnerable Populations, and SMBs.
 - Metrics have been identified and goals will be set annually.
- **Prioritized attribution via utility brand(s)** during all distributor, contractor, and customer interaction activities.
- **Branded point of sale (POS) marketing materials creation and printing** adhering to brand standards.
- **Contractor landing page** for collateral, tools, etc.
- **Field services** that include:
 - distributor employee training on the service;
 - distributor event staffing;
 - qualifying product list customization;
 - POS marketing material distribution; and
 - contractor engagement specific to increasing service participation and removing barriers from participating in the service.
- **Monitoring/validation of pass-through requirements** to contractors and/or customers.
- **Annual surveys for contractors and distributors** for purposes of gauging participant satisfaction, improving service design, identifying new measures, and other data as needed.
- **Measure development** including:
 - establishing baselines,
 - incremental measure costs,
 - savings,
 - market share and potential,
 - sales incentives, and
 - rebate amounts.
- **Recommendations** for new and emerging technologies and product development.
- **Strategic analysis** summarizing:
 - key successes,
 - failures,
 - lessons learned,
 - recommendations for adaptive management, and
 - changes to engagement strategies and/or targeted audiences.
- **Tracking federal/state codes and standards** and their impact on service savings.
- **Cross-promotion of other PSE energy efficiency and clean energy initiatives** to distributors and contractors.
- **Coordination with other federal and state incentives** including tax credits and rebate offerings (e.g., Inflation Reduction Act [IRA]).
- **Distributor and contractor tools** to ease pass-through/participation (e.g., address look-up tools to increase eligibility confidence of participants).
- **M&V validation.**
- **Contractor training** promoting heat pump technologies (HVAC and WH).

- This service will not be included in the performance-based service but instead will be itemized separately.

Qualifying customers include any PSE commercial or residential customer, owner, or tenant with appropriate owner consent, of a residential, commercial, or industrial facility receiving electric or gas service. This includes both new construction and retrofit projects as applicable to each technology.

PSE prefers to be regionally aligned with incentives offered by neighboring utilities' midstream programs for market consistency and reduced participant confusion. The expectation is that the service will continue to align on brand, rebates, eligibility requirements, and market messaging to distributors, manufacturers, contractors, and customers. There are some measures that don't work for all utilities, so some offer more equipment types than others. However, for shared equipment types, the anticipation is that incentives and minimum specifications will be aligned. Proposals should specifically speak to, and will be scored on, how well the service can collaborate and align with the regional utilities in service implementation and delivery. Local in-person meetings and coordination with regional participants will be required.

The service seeks to align with broader corporate initiatives that include providing self-service options and online tools to make doing business with PSE easy. The cross-promotion of other applicable products and services to encourage company integration will also be of importance. Additionally, it is critical to ensure that customers receive equitable access to PSE programs and resources.

1. Service Budgets and Targets

The service savings targets for 2024-25 are based on existing market potential and future savings projections and are built off of the existing PSE service historical performance noted below.

| Utility and Technology | 2022 kWh (actual) | 2022 Therms (actual) | 2023 kWh (forecast) | 2023 Therms (forecast) |
|-------------------------------|----------------------------------|-------------------------------------|------------------------------------|---------------------------------------|
| PSE HVAC & WH | 18,830,000 | 650,000 | 15,000,000 | 350,000 |
| PSE Lighting | 18,550,000 | N/A | 17,100,000 | N/A |
| PSE CFS | 1,000,000 | 150,000 | 1,400,000 | 475,000 |
| TOTAL: | 38,380,000 | 800,000 | 23,500,000 | 825,000 |

Though this RFP is seeking to solely address PSE’s savings goals, SCL and SnoPUD volume⁴ is provided so that bidders can understand the volume of savings potential if they are the successful vendor for all three utilities. The anticipation is the existing three participating utilities will continue their services into 2024 and 2025. Currently, the regional service is implemented by one vendor. Attempts have been made to align regional RFP scopes with the intent and hope that all three will proceed with one vendor, however — due to timing of each utilities RFP process — each utility will assess responses independently. Economies of scale will be considered during contract negotiations at which time the three utilities will know the successful bidders from each RFP.

PSE’s preference is to receive bids on all midstream technologies through the same vendor, however, bidders may opt to offer pricing for specific technologies only — excluding others as desired. The three current technology categories are: 1) HVAC and WH; 2) Commercial Lighting; and 3) Commercial Food Service. Bidders must demonstrate how they will coordinate and collaborate for a regional agreement on a technology in the event that the utilities have differing vendors for that technology.

PSE seeks pricing for turnkey midstream service delivery for its 2024-25 service via a performance-based fee structure. The service is established in the region, and pricing should be based on building upon the existing success of the service.

Estimated budget- and performance-based pricing should be based on the proposed measure mix provided in section 3 of this service description. Using the existing measure list, bidders should populate the below table with estimated 2024-25 high and minimum targets. If bidders’ proposals include measures not listed within the RFP, they must list newly proposed measures and indicate the volume (in kWh or therms) associated with those measures. Consideration should be given to PSE’s desire to leave certain measures in its downstream delivery model. New measures should indicate who will receive the incentive — whether it be distributor, contractor or customer — and how the service will ensure delivery of the incentive to the intended audience.

⁴

| Utility and Technology | 2022 kWh (actual) | 2023 kWh (forecast) |
|------------------------|-------------------|---------------------|
| SCL HVAC & WH | 12,000,000 | 13,500,000 |
| SnoPUD HVAC & WH | 975,000 | 2,700,000 |
| SCL Lighting | 8,000,000 | 5,300,000 |
| SnoPUD Lighting | 2,635,000 | 5,000,000 |
| SCL CFS | 340,000 | 500,000 |
| TOTAL: | 23,950,000 | 27,000,000 |

| Program / Pricing Category | 2024-2025 2-year KWH High Target | 2024-2025 2-year KWH Minimum Target | 2024-2025 2-year Therm High Target | 2024-2025 2-year Therm Minimum Target |
|--------------------------------|--|---|--|---|
| HVAC & WH | | | | |
| performance price per kwh | | | | |
| incentive price per kwh | | | | |
| performance price per therm | | | | |
| incentive price per therm | | | | |
| Contractor training add-on | | | | |
| | | | | |
| Commercial Lighting | | | | |
| performance price per kwh | | | N/A | N/A |
| incentive price per kwh | | | N/A | N/A |
| | | | | |
| Commercial Food Service | | | | |
| performance price per kwh | | | | |
| incentive price per kwh | | | | |
| performance price per therm | | | | |
| incentive price per therm | | | | |
| | | | | |
| Processing Fee % | _____ % | | | |

* If vendor proposal includes measures not listed w/in the RFP, vendor must list measures and indicate the volume associated with those measures as well as intended recipient.

View the pricing table as an attachment called “PSE RFP_2024 Midstream HVAC-WH-Lighting_CFS-Pricing table” at this link: [PSE | Acquiring New Energy Sources](#).

Pricing should be provided as noted below:

| Service Budget Item | Description |
|--|---|
| Performance Price (Administration and Implementation) | Covers all administrative, outreach, engineering and service management costs to deliver a successful midstream service (does not include specific utility-sponsored heat pump (space and water) contractor training but should include ALL other costs associated with service delivery) Provide in \$/kWh & \$/therm |
| Incentive Price (Rebate Payments) | Distributor/Contractor/Customer Pass-Through Rebates and all sales incentives (spiffs) Provide in \$/kWh and \$/therm |

| | |
|--|--|
| Utility-Sponsored Contractor Training (Not Included in Performance-Based Fee) | <p>≥ 2 in-person contractor trainings annually (e.g., HVAC sizing; duct sealing; quality installations; heat pump water heater training, including manufacturer demos)</p> <p>Provide in \$/class to coordinate turnkey training⁵</p> |
| Processing Fee | <p>Any financing or processing fee to reimburse distributors for pass through rebates</p> <p>Provide in % of Rebate dollars</p> |

Performance payments (administration and implementation) will include the following:

- *Administrative costs* may include, but are not limited to, all costs related to service invoicing and reporting, measure development costs, labor costs of administrative staff, and administrative overhead costs including IT system customization.
- *DBtC* may include, but are not limited to: incentives, spiffs, FAQs, labor related to installation, permitting, distributor and contractor training, survey costs, market-facing communication, distributor or contractor outreach, and other customer-related costs.

2. High-Level Success Factors and Proposal Evaluation Criteria

The key business expectations are to achieve 100 percent of target for 2024-25 biennium energy savings while delivering an outstanding customer experience. The selected vendor is expected to provide a high level of professionalism and responsiveness as measured by distributor, contractor, and customer feedback, as well as other metrics to be determined.

Vendors will also be evaluated based on their ability to provide a proposal that aligns with the information provided in this service description while also meeting key priorities outlined in the RFP Introduction.

Proposals will be evaluated through evaluation criteria, see example below:

| Category | Percent |
|-----------------|----------------|
| Rebate Systems | 10% |

⁵ Training coordination includes all tasks associated with turnkey class delivering including but not limited to: obtaining a venue, food and beverage, invitations, registration, post-event surveys, obtaining speakers. Venue, food and beverage and speaker or technical training costs will be approved for pass-through billing and should not be included in vendor pricing.

| | |
|--|-----|
| Market Engagement and Relationship Building | 15% |
| Field Services Including Distributor and Contractor Engagement | 15% |
| SMB/HIC/VP/Contractors | 15% |
| Cost-Effectiveness | 10% |
| Delivery of Training and Special Market Promotions | 10% |
| New and Emerging Technologies/Product Development | 10% |
| Regional Utility Alignment and Collaboration Tactics | 15% |

3. Measure Mix and Customer Incentives

Incentive Structure

Incentives will need to be tied to each unit's capacity, type, efficiency rating, and address location of installation. This information is key for service coordination and must be supplied in a timely manner. Structural designations such as new construction or retrofit, as well as business type are also necessary data to apply accurate savings to each claim.

Some measures require a pass-through of the incentive from the distributor to the contractor or customer; others are paid to the distributor and do not require pass-through. Attribution is important, so PSE is interested in exploring how to make all incentives pass-through without a negative impact to savings goals.

Measure savings values and calculations require annual reviews. PSE anticipates completing 2024 measure analysis prior to awarding bids and signing contracts. A deep dive or revamp of measures will be required during the 2025 service year for the 2026-27 biennium — or prior to 2025 based on federal or state code changes and/or significant market changes. This process will be coordinated between the selected bidder and the utility. For the purposes of this proposal, service incentive levels and savings estimates should be based on the regional best estimates available; bidders' expertise to determine incentive levels that are relative to market demand; and they should maintain utility cost effectiveness requirements.

a) Measure Table

| Potential Rebated Wholesale Products | |
|--|----------------|
| Commercial Lighting Measures | Vintage |
| Linear LED T8 Lamps, type A, B, C and hybrid Linear LED T5 Lamps, type A, B, C and hybrid LED HID Lamps CFLED Lamps LED Fixture Luminaires LED Troffers LED Wraps and Strips LED High Bays LED Downlights | Retrofit only |
| Commercial Foodservice Measures | |
| Commercial Kitchen — Fryers Commercial Kitchen — Steamers Commercial Kitchen — Griddles Commercial Kitchen — Hot Food Holding Cabinets Commercial Kitchen — Commercial Ovens (Various) Commercial Kitchen — Ice Machines (Various) Commercial Kitchen — Dishwashers (Various) Commercial Reach-In Refrigerators and Freezers — Solid- and Glass-Door Laboratory Refrigeration — Ultra-Low Temperature Freezers | Any |
| HVAC and Water Heat Measures | |
| Commercial Air-Cooled Air Conditioners — Split and Packaged Commercial Water Cooled and Evaporative Cooled Air Conditions — Split and Packaged Commercial Air-Cooled Heat Pumps — Split and Packaged Commercial Water Cooled Heat Pumps — Split and Packaged Commercial Air-Cooled Heat Pumps < 5.4 tons | ANY |

| | |
|--|--|
| Commercial Condensing Natural Gas Storage Water Heaters | |
| Commercial Condensing Natural Gas Tankless Water Heaters | |
| Commercial Condensing Natural Gas Domestic Hot Water Boilers (Excludes Space and Process Load Boilers) | |
| Commercial Heat Pump Water Heaters < 120 Gallons | |
| Residential Heat Pump Water Heaters < 120 Gallons | |
| Residential Air Source Heat Pumps (Including Variable Speed Mini/Multi-Splits) | |
| Residential Natural Gas Storage Water Heaters (Condensing and Non-Condensing) | |

4. How Customers Can Participate

Customers will participate in this service by purchasing qualifying equipment from a contractor who is purchasing from a participating distributor or by purchasing directly from a participating distributor. Customer attribution will be a key part of a successful service, and customers must be able to attribute utility market intervention to their high-efficiency equipment purchases. PSE is interested in reviewing unique and effective ways to make sure that this attribution occurs for every sale.

5. Key Partnerships

Internal stakeholders to the service include, but are not limited to, the following PSE organizations: Marketing, Community Outreach, Data Systems and Services, Evaluation, Business Services, Products & Services, Commercial, Multi- and Single-Family Energy Efficiency Program Teams, Trade Ally Support, and the Verification Team.

External organizations include, but are not limited to, local trade allies, regional energy efficiency associations (NEEA), ENERGY STAR, CEE, and other utilities that provide services to PSE customers. A PSE priority is to remain aligned and integrated with corporate initiatives as well as to leverage internal efficiencies when applicable. In some cases, depending on the program, the selected vendor may be required to closely coordinate activities with another PSE service partner delivering complementary products and services.

Local contractor engagement can also play a key role in reaching the savings targets for the service. It is expected that the chosen vendor coordinates relationships with PSE's TAN in collaboration with the respective service managers.

6. Measurement and Verification

Work performed in this service will be subject to review by PSE's in-house verification staff. PSE reserves the right to randomly inspect a percentage of completed work at service participants' sites at any point during the service implementation, and PSE will be responsible for verifying a subset of completed projects post-install on a regular basis. If there are any problems arising from the review of the work, the implementer shall perform corrective actions in accordance with QA requirements.

It is the selected vendor's responsibility to resolve problems resulting from project work. This may include, but is not limited to:

- inconsistencies of products installed with reports submitted to PSE and/or invoices submitted to PSE as discovered by the Verification Team;
- incompatibility of installed equipment with approved equipment; and/or
- PSE customer complaints.

The verification process and related requirements will be outlined and agreed to during contract negotiation. Repairs or adjustments will be made at no charge to the customer or to PSE. PSE reserves the right to be the final arbiter in dispute resolution.

7. Vendor Performance Requirements

The success of the project will be determined based upon the following criteria: PSE will work with the selected vendor to develop KPIs. These KPIs will help determine service success. KPIs can include, but are not limited to:

- savings goals
- distributor support
- a distributor satisfaction survey for all markets served
- a contractor satisfaction survey
- invoicing and data quality
- QA and QC goals

8. Vendor Service Management Expectations

The selected vendor is required to manage all day-to-day service activities for the region served. The proposal must, at a minimum, demonstrate examples of and/or the ability to perform the following responsibilities:

General Service Management

- Monthly tracking and reporting of service metrics including, but not limited to:
 - savings accomplishments to-date;
 - project pipeline and savings forecast at the measure level;
 - units installed;
 - projects completed;
 - site-specific customer data; and
 - contractor activity (including training).
- Data mapping formats to allow uploads directly to PSE's energy efficiency data platform (iEnergy Program Management) on a biweekly or monthly basis.
- Managing and resolving all customer satisfaction issues in a timely manner.
- Supporting service evaluation and independent review activities.
- Developing required applications and participation agreements.
- Managing Relationships with both internal and external stakeholders including PSE trade allies.
- Reporting on unique customer characteristics, segments, and regions served.
- Developing and implementing a training program for distributor staff including both sales and program administration.

- Reporting on unique distributor characteristics, segments, and regions served.
- Reporting on unique contractor characteristics, segments, and regions served.
- Reporting on percentages of market share that the service is reaching.
- Reporting on service participation barriers, risks, and mitigation plans.

Energy Efficiency Measures

- Identifying qualifying product to be stocked.
- Tracking stock levels of qualified product throughout the duration of the service.
- Identifying market share and new opportunities.
- Promoting other utility programs and/or services when interacting with distributors, contractors, and customers.

Marketing

- Coordinating with PSE Marketing:
 - All marketing collateral must be approved by utility corporate communications and meet utility messaging and brand guidelines.
- Completing utility branding on all service materials
 - Generally, each service has approved regional branding. Performance-based costs shall include all collateral creation and distribution. PSE reserves the right to have PSE-only branded materials in territories served solely by PSE.
- Ensuring purchaser contact information is correct.

Quality Control

- Posting inspection of a specified number of projects.
- Supporting utility efforts to survey distributors, contractors, and customers on service satisfaction.

Additional considerations

- PSE is interested in reviewing innovative delivery techniques and service options.

Women and Minority Subcontracting

The Seattle Mayor's Executive Order and City ordinance require the maximum practicable opportunity for successful participation of minority and women-owned subcontracts. All proposers must agree to SMC Chapter 20.42, and seek meaningful sub-consultant opportunities with WMBE firms. The City requires a plan for including minority- and women-owned firms, which becomes a material part of the contract. The Plan must be responsive in the opinion of the City, which means a meaningful and successful search and commitments to include WMBE firms for subcontracting work. The City reserves the right to improve the Plan with the selected Consultant before contract execution. Consultants should use selection methods and strategies sufficiently effective for successful WMBE participation. At City request, Consultants must furnish evidence such as copies of agreements with WMBE sub-consultants either before contract execution or during contract performance. The

winning Consultant must request written approval for changes to the Inclusion Plan once it is agreed upon. This includes changes to goals, sub-consultant awards and efforts.

WMBE firms need not be state certified to meet the City's WMBE definition. The City defines WMBE firms as at least 51 percent owned by women and/or minority. To be recognized as a WMBE, register on the City's Online Business Directory. Federally funded transportation projects require a Disadvantaged Business Enterprises (DBE) program; for that program, firms must be certified by the Washington State Office of Minority and Women Business Enterprises (OMWBE).

K. Single-Family New Construction

PSE's Single-Family New Construction service provides financial incentives to builders and designers to influence the installation of energy-efficient measures into single-family (SF) buildings in PSE's service area. The service promotes the increased efficiency of electric equipment installed and operated in single-family dwellings with three or fewer attached units.

Any customer, owner, or tenant of a residential new construction dwelling that will receive PSE electric service under Schedules 7, 7A, 8, 11, 12, 24, 25, 26 and 31 (or their equivalent) of Electric Tariff G or Natural Gas Tariff through PSE's residential Schedule 23 and commercial schedule 31 can benefit from the service.

PSE works with single-family new construction builders, property owners, contractors, efficiency equipment suppliers, distributors and manufacturers. Structures must be newly constructed single-family homes prior to occupancy that exceed the 2018 Washington State Energy Code (WSEC) or standard practice where minimum efficiency requirements are not prescribed by code. The incentive paths may include whole home, prescriptive, credits above code, or certification-based.

Incentives include a variety of end-use classifications, but are not limited to:

- shell upgrades, including windows
- appliance upgrades
- smart thermostats

Service goals are to strengthen relationships with local builders and partner with them in finding cost-effective ways to construct above-code homes. Moving forward, PSE's new construction services face some headwinds, including:

- an increasingly stringent WSEC;
- stricter appliance, lighting, and water fixture standards from 2019 Washington House Bill 1444;
- heat pumps, heat pump water heaters, and condensing boilers are now incentivized under PSE's Midstream rebate service; and
- fewer opportunities for gas savings exist due to the general trend toward electrification in the region.

Due to these barriers, PSE's New Construction service seeks innovative ways to push projects toward deeper savings. PSE is also interested in synergies that may exist between certification programs (LEED, ENERGY STAR, Passivhaus, Built Green, etc.) and service offerings.

1. High-Level Success Factors and Proposal Evaluation Criteria

- achievement of 100 percent of biennium savings targets
- alignment with PSE's key priorities as outlined in Section B of the RFP introduction

- customer satisfaction as measured by surveys
- flexibility in offerings to align with changing market conditions
- snapshot of specific anticipated service targets
- number of projects enrolled
- savings per project
- number of projects from repeating developers; or number of long-term relationships with developers
- coordination with PSE’s Marketing, Outreach, and Events Team to leverage existing partnerships and avoid duplicating efforts
- collaborative, effective partnerships with key stakeholders — including builders, developers, contractors, architects, and engineers
- DEI metrics including:
 - number of affordable housing projects enrolled
 - project participation in parts of our service area that have had lower participation in the past
 - collaboration with local DEI partners that are involved in the new construction industry

2. Measure Mix and Customer Incentives

For reference regarding historical service performance refer to:
<http://pse.com/aboutpse/Rates/Pages/default.aspx>

3. How Customers Can Participate

PSE would work with a third-party vendor. The vendor could work with customers in a number of ways. One example is working with home raters to model homes to determine savings above code. The vendor could also work with home raters to leverage PSE incentives to encourage green building certifications. Another possible participation pathway could be working directly with builders to incorporate above-code features into design plans. Ultimately, the goal is above-code homes, and the vendor can work with home raters, builders, developers, architects, and other parties, to achieve this goal.

4. Key Partnerships

PSE offers a number of different pathways for new construction to participate in energy efficiency incentives. The vendor will manage the project up until payment, at which point PSE will review and subsequently submit payment to customer.

PSE will collaborate with the selected vendor on a variety of marketing and outreach tactics including, but not limited to, targeted direct mail, paid and earned media, solicitation at customer events, and direct contact with property designers/builders.

To be eligible for PSE’s new construction grants:

- Projects must be within PSE’s electric and/or natural gas service area.
- Projects must have three or fewer attached units. Exceptions may apply for townhome projects.
- Projects must be in the design or construction phase.
- Projects must use PSE fuel for space and water heating.

5. Measurement and Verification

Vendor will verify installation and inspect a minimum of 10 percent of projects. Projects will be subject to a site visit or comparable real-time virtual visit from PSE and/or the vendor. M&V of savings for each project shall be in accordance with WSEC or standard practice where minimum efficiency requirements are not prescribed by code. Vendors shall provide a description of how they will resolve project-level issues related to installed measures/data submissions, as well as how M&V will be used for continuous improvement. The New Construction services are subject to regular and ad hoc third-party evaluations and audits, and they may be required to support data-gathering and customer-coordination activities as needed.

6. Vendor Performance Requirements

The selected vendor will collaborate with the PSE Program Team to achieve service targets (budgets & savings), forecasting, strategic planning, and customer issue resolution. Procedure changes may take place during the contract duration, warranting a contract amendment or scope change.

The selected vendor may be required to assist with the items mentioned below and, as such, proposals should provide separate pricing for each when applicable:

- project management
- measure-level reporting and analysis
- providing design support of energy efficiency strategies
- developing financial calculators to support project decision makers
- developing customer recruitment strategies

7. Vendor Service Management Expectations

The selected vendor will provide a direct point of contact to work closely with PSE’s Program Team and respective program managers to execute service deliverables. Procedure changes may take place during the contract duration warranting a contract amendment or scope change.

8. Other Considerations

Given the risk factors involved with the Single Family New Construction service, PSE prefers that the vendor incorporate pay-for-performance into the proposal payment structure.

L. Small Business Direct Install

PSE's Small Business Direct Install (SBDI) service is designed to be a SMB outreach and engagement service that focuses on customer service, community involvement, customer recognition, and energy savings. SBDI will utilize a turnkey project direct-install delivery model to provide energy efficiency measures to eligible SMB customers across the entire service territory in a way that meets the unique needs of this customer segment. The service has been designed to complement PSE's other commercial programs and PSE's Energy Efficiency Outreach team goals.

For the purposes of this RFP, an SMB is defined as a commercial customer typically served by PSE electric rate schedule 24, or 25 if less than 10,000 sq. ft.; or served by gas rate schedule 31. PSE may use additional criteria to further define eligible customers. PSE is open to additional input on the definition of a small business as part of this RFP response.

In their proposals, bidders will demonstrate innovative strategies to engage this customer segment to increase participation levels and provide cost-effective services. Services provided through this service should include, but are not limited to:

- comprehensive energy assessment and data collection identifying all energy saving opportunities
- identification and installation of direct install opportunities
- identification and installation of Demand Response-ready equipment
- education and information on energy usage and energy efficiency benefits
- cross-promotion and referrals to additional PSE programs, products, and services
- local contractor relationship management to support the service, including service training and enrollment, oversight, and administrative activities
- direct install project management including permitting and materials management
- support for targeted energy efficiency outreach, including community blitzes, segment-specific campaigns and pilots
- support for customer recognition and follow-up
- cross-utility coordination
- ensuring ongoing system compatibility with PSE's energy efficiency rebate processing platform
- prioritization of the PSE brand during all marketing, outreach, and customer interaction activities
- superior customer service and QA

The service seeks to align with broader corporate initiatives that serve SMBs, including providing self-service options and online tools to make doing business with PSE easy. Cross-promotion of other applicable products and services to encourage company integration will also be of importance. Additionally, a particular emphasis to ensure that socially and economically disadvantaged business customers receive equitable access to PSE programs and resources is critical.

1. Service Budgets and Targets

The SBDI service biennial savings targets for 2024-25 will be based on existing market potential and the need to increase savings targets with this service to offset other portfolio losses. SBDI services and future savings projections are informed by the regional Integrated Resource Plan (IRP). Estimated 2024-25 targets for the purposes of this RFP are as follows:

| 2022-2023 Savings Target | kWh | Therms |
|--------------------------------------|------------|---------------|
| Small Business Direct Install | 32,000,000 | 0 |

Proposals shall include a proposed administrative payment structure that may include, but is not limited to, the following payment structures: performance-based payment, time and materials, milestone-driven, flat fee, or a combination. PSE will compare and align proposed material costs with those supplied by other PSE commercial programs.

Administrative costs should meet or exceed PSE’s desired ratio of 80 percent Direct Benefit to Customer (DBtC) costs to 20 percent administrative costs. Administrative costs may include, but are not limited to, all costs related to service invoicing and reporting, labor costs of administrative staff, and administrative overhead costs. DBtC may include, but are not limited to: measure costs, incentives, labor related to installation, permitting, survey costs, and other customer-related costs.

Estimated budgets shall be based on the proposed measure mix (Attachment 1 – Basic Measure List ([raft]), which can be found in section 8 of this service description, and anticipated kWh and therm targets listed above.

If implementers are proposing a performance-based payment model, bidders must demonstrate how the performance payment was determined in the notes section of Exhibit D.

2. High-Level Success Factors and Proposal Evaluation Criteria

The selected vendor will be expected to achieve 100 percent of the 2024-25 biennium energy savings targets and provide a high level of customer satisfaction. Other evaluation criteria may include, but are not limited to:

- customer experience
- equitable design and delivery
- cost-effectiveness
- acquisition cost

- trade ally integration
- new and emerging technology or product development

Vendors will also be evaluated based on their ability to provide a proposal that aligns with the information provided in this service description while also meeting PSE's key priorities outlined in section B of the RFP Introduction.

3. Measure Mix and Customer Incentives

For reference regarding historical service performance refer to:
<http://pse.com/aboutpse/Rates/Pages/default.aspx>

Incentive Structure

Incentives by measure may vary depending on the measure installed and the negotiated labor rate. It is anticipated that a subset of measures will be no-cost, while others will have an incentive cap that may be comparable to PSE's other program incentives.

For the purposes of this proposal, incentives should be based on a mix of no-cost and low-cost measures. The estimated incentive budget for measures should be based on total measure and installation costs (including labor and equipment).

An estimate is acceptable, as the final incentive by measure and total incentive budget will be determined as part of the contract negotiation process. For the purposes of the incentive estimate, see Attachment 1 in section 8 of this service description for additional information on no-cost versus low-cost measures. PSE will work with the selected vendor to finalize no-cost and low-cost measures.

Measure Table

SBDI measures may include lighting, HVAC, refrigeration, water savings, plug load, and other no-cost/low-cost direct install measures. Anticipated measures are both traditional direct install measures (e.g., water savings measures, LED open signs, web-enabled thermostats, controls, etc.) as well as more comprehensive measures (e.g., full fixture retrofits, fuel canopy lighting) that may require project permitting.

The selected vendor will be required to procure and manage all direct install products included in the service. A list of eligible measures is included as Attachment 1 to this RFP. Attachment 2 describes eligibility criteria for the current list of direct install measures. Bidders responding to this RFP are requested to complete Attachment 1 with estimated installation costs for each of these measures, to be used as part of the proposal review. Costs should include unit, labor, installation equipment rentals, permitting, and any other related costs. Labor costs should include the installation cost of the unit. These costs are expected to be estimates, and they will be further refined as part of the contracting process with the selected vendor.

If the selected vendor would like to propose additional measures during the service cycle, they should provide calculations to support claimed unit energy savings for new and/or modified measures delivered by the service, and all energy savings shall be verified using standard and regional engineering practices. Bidders will also provide delivery tactics for measures that have historically been difficult to deliver to SMBs.

4. How Customers Can Participate

As appropriate, PSE and the selected vendor will recruit qualifying customers for this target market service. Recruitment may be done through community “blitzes,” word-of-mouth referrals, door-to-door recruitment, key account relationships, and targeted marketing campaigns through small business associations. Proposals should demonstrate existing or proposed relationships with associations or organizations that support small businesses and how they will be leveraged, if available. The selected vendor will be required to actively screen and recruit potential customers.

5. Key Partnerships

Internal stakeholders to the service include, but are not limited to, the following PSE organizations: Marketing, Community Outreach; Data Systems and Services; Evaluation, Business Services; Products & Services; Commercial; Business Lighting; Multi-Family Retrofit; and Single-Family Existing Energy Efficiency Program Teams, and PSE’s Verification Team. External organizations include, but are not limited to, local trade allies, other utilities that provide service to PSE customers, government, and community organizations. A PSE priority is to remain aligned and integrated with corporate initiatives as well as leverage internal efficiencies when applicable. In some cases, depending on the program, the selected bidder may be required to closely coordinate activities with another PSE service partner delivering complementary products and services.

Local contractor engagement will also play a key role in reaching the savings targets for the service. It is expected that the chosen bidder will engage and recruit installers in conjunction with already established relationships with PSE’s TAN contractors.

6. Measurement and Verification

Work performed in this service will be subject to review by PSE’s in-house verification staff. PSE reserves the right to and will randomly inspect a percentage of completed work at service participants’ sites and at any point during the service implementation.

PSE will be responsible for verifying a subset of completed projects post-install on a regular basis. If there are any problems arising from the review of the work, the implementer shall perform corrective actions in accordance with PSE’s QA requirements.

It is the vendor’s responsibility to resolve problems resulting from project work. This may include, but is not limited to: inconsistencies of products installed, with reports submitted to PSE and/or invoices submitted to PSE as discovered by PSE Verification Team; and/or the incompatibility of equipment installed with approved equipment.

It is the vendor’s responsibility to conduct post-install verification for the first three projects completed by any third-party installers. The verification process and related requirements will be outlined and agreed to during contract negotiation. Repairs or adjustments will be made at no charge to the customer or to PSE. PSE reserves the right to be the final arbiter in dispute resolution.

7. Vendor Performance Requirements

The selected bidder is required to manage all day-to-day service activities for the region served. The proposal must demonstrate examples of and/or the ability to perform the following responsibilities, at a minimum:

General Service Management

- The monthly tracking and reporting of service metrics, including (but not limited to):
 - savings accomplishments to date;
 - project pipeline and savings forecast at the measure level;
 - assessments completed;
 - projects completed;
 - site-specific customer data; and
 - referrals to other PSE services.
- The ability to directly submit customer assessment and project data with project statuses to PSE's energy efficiency data platform (Nexant iEnergy DSM Central) on a biweekly basis.
- The management and resolution of all customer satisfaction and local contractor issues in a timely manner.
- The ability to conduct support program evaluations and independent review activities.
- The development of required applications and participation agreements.
- The management and product qualification oversight of energy-efficient equipment inventory.
- Ensuring coordination with the PSE SBDI program manager, community outreach, and PSE lighting programs is relevant to service activities.
- The support of the Community Outreach Team to engage local communities in energy efficiency outreach events (blitzes).
- The gathering of expansive customer facility data that relates to how they use energy and report back to PSE.
- The development of relationships with local business organizations (e.g., business associations, chambers of commerce, business councils, etc.) to promote the service through a targeted marketing approach.
- The continued coordination with and administration of a cost-sharing model with local water agencies for water-saving measures.

Energy Efficiency Measures

- comprehensive energy efficiency assessments at customer sites
- proposal and work order development indicating all eligible measures
- the promotion of other PSE programs and/or services when interacting with contractors and customers

Local Contractor Engagement

- annual recruitment and enrollment of interested local contractors (must be registered as active CAN PSE Trade Ally) contractors)
- development of and training for local contractors on SBDI service, eligibility requirements, and measures
- negotiation of labor rates for SBDI Projects
- streamlined contractor-driven project review and approval
- work order development and assignment to enrolled contractors using a performance matrix referral process (similar to PSE Trade Ally CAN structure)
- oversight of local contractor activities including: permitting compliance, QA, and customer satisfaction review
- reimbursement of project costs to local contractors in a timely manner

Marketing

- Coordinating with PSE Marketing, SBDI Program Manager and Community Outreach.
- Approving all marketing collateral by PSE corporate communications, and meeting PSE messaging and brand guidelines.
- Coordinating marketing collateral and service materials with other PSE business rebate collateral for seamless look and feel.
- Supporting a localized approach to marketing the service, based on the region(s) served.
- Completing PSE branding on all service materials, successful bidder staffing clothing, gear, business cards, and any vehicles used in the field (as reviewed and approved by PSE).
- Help plan and participate in up to five community outreach campaigns (blitzes) per year aimed to bundle and serve a set number of qualified businesses in a rural area over a three-day period.
- Support development and execution of campaigns specific to identified business segments

In addition to the core marketing responsibilities outlined above, this service is interested in innovative outreach tactics and marketing support that could include, but is not limited to: multicultural engagement and collateral, rural engagement and collateral, segment-specific engagement and collateral.

- All proposals must show collaboration with internal PSE Marketing and Outreach departments.

Quality Control

- Field pre- and post-inspection of a specified number of projects for each enrolled local contractor
- Self-audits of implementer's crews.
- The ability to provide and support one year of labor plus the appropriate product warranties on all installed equipment.
- The ability to support PSE efforts to survey customers on service satisfaction.

Additional Considerations

- PSE is interested in reviewing innovative delivery techniques and service options such as tablet-based energy audits, segment-specific engagement strategies, and collaboration with agencies and community partners to increase access to multiple incentive and funding streams for energy efficiency projects.

8. Service Attachments

Please find the attachments for this section — “2024-25 Program RFP_SBDI_Attachment 1” and “PSE_RFP_2024-25_SBDI_Attachment 2” — at this link: [PSE | Acquiring New Energy Sources](#).

M. Retail Field Services

PSE Retail Field Services provide customers with account representatives and services to promote PSE's rebates and initiatives through participating retailers across PSE's electric, gas, and combined service territory. The current retail service consists of field services for PSE rebated products in approximately 208 participating stores.

In specific retail stores, there will be a requirement to train the retail staff and place point-of-purchase (POP) signage for PSE's cross-bore information initiative. In addition to the participating stores, field services will include training and provide cross-utility appliance mail-in rebate applications (no merchandising).

1. Service Budgets and Targets

In order for PSE energy efficiency services to achieve the desired economies of scale, they need to reach a large quantity of customers during the 2024-25 biennium. The goal is that roughly 3 percent of PSE's customers will participate in at least one energy-efficient measure via retail, meaning that at least 39,000 households will participate in one or more measures.

Bidders shall use Exhibit D, Proposal Cost Summary Document, to provide estimated budgets. Proposed budgets should include a pricing schedule with all labor, overhead, travel, other direct and indirect costs, and costs associated with the proposal. Bidders should also include all general and administrative costs in hourly labor rates and direct expenses. All sub-contractor costs must also comply with these terms.

2. High-Level Success Factors and Proposal Evaluation Criteria

The selected vendor is required to provide the field support for PSE's Retail Program in the 2024-25 service years, and they will recommend and provide trained and qualified field support to fully execute the scope of work. The vendor will also work in partnership with PSE program management to maintain, enhance, and build PSE's relationship with all of the service's retail partners.

The selected vendor's field support management will be responsible for directing and effectively managing field resources, and the field manager will act as PSE's single point of contact. Expectations include: regular communications with PSE and effectively relaying those communications to the field; regular and ad hoc reporting; QA; route establishment and optimization; etc. Field management will be a collaborative effort with PSE program management staff, and both parties will need to work effectively together as partners.

The field manager is also expected to be the point of contact in developing relationships and addressing merchandising, product rebate compliance, and promotional support as it relates to in-store execution with retail store and regional managers.

There are approximately 208 retail stores.

- In the Implementation Plan (III. Proposal Details, Section B: Proposal Requirements, Subsection III), provide a regional breakout of how field support will be implemented in the

most efficient, cost-effective manner. Include the approximate number of stores to each field representative and a store visitation proposal.

PSE's markdown services with its retailers and manufacturers are handled by a mutually agreed upon Memorandum of Understanding (MOU). For PSE's purposes, this is a legal and binding contractual agreement. The selected vendor will be responsible for implementing and administering the MOU process. This includes, but is not limited to, maintaining a list of qualifying products, funding, and adherence to service guidelines. Currently, the service will have approximately three active MOU agreements. In addition, approximately one amendment per active MOU agreement is performed per year.

- In the Implementation Plan (III. Proposal Details, Section B: Proposal Requirements, Subsection III), provide acknowledgement and understanding of your responsibility in administering the MOU process. If there are exceptions or variations, please indicate how you would improve on this process.

The primary expectations and responsibilities of field representatives fall into six major segments: promotion creation, merchandising (MOU compliance), training, data collection, outreach events, and relationship building.

Promotion Creation

The vendor is requested to support the design and creation of promotional materials for use at retailers.

- In the Implementation Plan (III. Proposal Details, Section B: Proposal Requirements, Subsection III), provide a summary of the promotional materials you propose and your ability to design and create them.

Merchandising

Field representatives ensure that all promotional products are placed on the sales floor according to the MOU promotion start date, at the right stores with the correct price, and with prominent placement and POP signage. They will also audit retail locations for MOU compliance. This includes working with each participating retailer to make corrections as needed and to making necessary revisions to MOU documents. Field representatives work closely with each participating retailer to maximize the exposure of efficient products and continually refresh the display materials at each location.

- In the Customer Acquisition Strategy (III. Proposal Details, Section B: Proposal Requirements, Subsection III), please answer the following questions: Do you have expertise in retail merchandising and any experience or training in customer shopping behavior? What data or insights have you used that lends itself to expertise in merchandising? Meaning, how does your organization know that its efforts have yielded the intended results?

PSE expects field representatives to place POP signage per PSE's and retailer's standards. Situations in which the POP signage is provided to retail staff are expected to be rare and would only be done with PSE approval on a case-by-case basis.

- In the Customer Acquisition Strategy (III. Proposal Details, Section B: Proposal Requirements, Subsection III), provide detail on whether or not service will utilize retail sales associates to place POP signage. If so, in a paragraph, state what frequency or percentage will it be used in your field services?

Training of Retail Staff

In order to enhance relationships, the field representatives will need to interface with and educate stores sales personnel, store management, cashiers, etc. The selected vendor is expected to support the development of PSE-approved messaging that field representatives will use.

Store employees represent a key component of the marketing of PSE's retail services to the ultimate end-user. The representatives must therefore take every opportunity during store visits to deliver the designated messaging to these store employees.

- In the Implementation Plan (III. Proposal Details, Section B: Proposal Requirements, Subsection III), state your retail staff training plan and tactics and tools used to implement it, including formal and informal trainings, and targeted staff trainings, if any (cashiers, sales, new hire, etc.). Include an estimate of the potential number of formal trainings and tactics specific to addressing high retail staff turnover.

Outreach Events

Field Representatives are expected to identify outreach events that would be beneficial for them to participate in on behalf of PSE. PSE will approve events based on a variety of criteria such as the number of consumers reached, the opportunity for driving sales of PSE promoted products, etc.

- In the Implementation Plan (III. Proposal Details, Section B: Proposal Requirements, Subsection III), provide a number and summary description of outreach events you propose that each field representative conduct. Please include how you would serve Named Communities in PSE service territory (Please see the above-mentioned section for the definition of Named Communities).

Relationship-Building and Store Conflict Resolution Process

The field representatives are building store relationships on behalf of PSE. In essence, the stores are clients.

- In the Implementation Plan (III. Proposal Details, Section B: Proposal Requirements, Subsection III), provide a description of how field representatives will build store relationships and how store conflict resolution will be managed.

Delivery of Special Marketing Promotions

PSE will communicate field service assistance needs in delivering a special marketing campaign and/or additional measures. PSE expects the selected vendor to revise and plan field service need execution and to fully communicate the strategy to PSE.

Field Services Training

The field manager and representatives will be required to attend a PSE energy efficiency training seminar and participate in continuing education seminars. They are also required to be well-versed in all PSE programs and energy efficiency offerings.

PSE expects field representatives to also be well-versed in the technology and applications of the energy-efficient products they will be promoting in stores.

- In the Implementation Plan (III. Proposal Details, Section B: Proposal Requirements, Subsection III), state the vendor trainings that will be provided to the field representatives, including their frequency.

Performance Resolution Process

- In the Customer Acquisition Strategy (III. Proposal Details, Section B: Proposal Requirements, Subsection III), note if you have a QA plan on evaluating and maintaining the field quality and staff. Please summarize this plan that includes formats/tools used, turnaround time on corrections, and the frequency of evaluations.

Vendors will also be evaluated based on their ability to provide a proposal that aligns with the information provided in this service description while also meeting PSE's key priorities outlined in section B of the RFP Introduction.

3. Measure Mix and Customer Incentives

a. Required Products in Retail Stores

The following products are expected to be rebated retail products for 2024-25.

- Expected retail in-store markdown and mail-in programs:
 - ENERGY STAR front loading clothes washers
 - ENERGY STAR electric clothes dryers
 - ENERGY STAR smart thermostats
 - line voltage connected thermostats
 - Electric hybrid heat pump water heaters (HPWHs)
 - HPWHs will meet NEEA Advanced Water Heating Specification Version 8.0 Tier 3 or 4 and above
- Other PSE Initiatives:
 - **Cross-Bore Education**

The vendor will assist in the planning and implementation of a program to educate contractors and homeowners in retail and commercial locations on the danger of cross-boring through gas lines in sewers throughout PSE's electric and gas service territories.

Field representatives will be responsible for trainings that provide information to retail staff on sewer cross-bore safety. Additionally, field representatives will check in with store staff on education and in-store materials during store visits.

For servicing all sewer cross-bore stores inside PSE gas and electric territory, the vendor should send PSE representatives into the field to stores they already visit at no cost and utilize members of the field team to visit the remainder of stores that are not normally serviced as part of residential field services.

- **Manufactured Home Rebates**

In support of the Manufactured Homes program, the vendor will:

- Provide field services staffing to the vendors on the program.
- Purchase and provide gift cards to sales staff at Manufactured Homes partner locations as payment of PSE's sales incentive.
- Track the gift card ID and quantity to data provided by PSE's rebate processor.
- Manage annual tax documents for sales incentives paid out via gift cards.
- Report sales and savings by retailers each month.

b. Additional Products

The following list of products may be rebated and should be quoted as add-on services.

- ENERGY STAR Air Purifiers
- ENERGY STAR Dehumidifiers

4. How Customers Can Participate

This work supports a variety of programs. Customer eligibility and participation details vary, but they include PSE residential electric and gas customers and multiple rebate delivery mechanisms (upstream, downstream, and instant-validation through another vendor's platform).

The selected vendor will be responsible for designing, creating, and posting PSE marketing in retail store locations.

5. Key Partnerships

Field services will require involvement, collaboration, and support from multiple PSE teams including: CEM, Corporate Communications, Outreach Support, Digital Experience, Customer

Engagement, and the DEI Product Manager and EAs. All marketing pieces must be approved by PSE corporate communications. The selected vendor will be given one main point of contact within PSE who will help prioritize any competing requests from within PSE.

The vendor will be responsible for maintaining positive working relationships with store retail staff and company representatives, as well as identifying and pursuing new rebate promotion opportunities either in store or online.

In addition, the vendor will be required to coordinate with the program implementer for the regional Retail Heat Pump Water Heater Coupon Program — a regional partnership between PSE and other utilities. The program implementer, Colehour+Cohen (C+C), manages the regional stakeholder needs, coupon application platform, and distribution of the coupons to customers.

Any jurisdictional requirements to deliver any of the proposed work will be the responsibility of the vendor.

6. Measurement and Verification

Field representatives are responsible for recording pertinent information from every site visit, such as whom they met, what was accomplished, collateral materials placed, etc.

- In the Evaluation and Savings Verification Plan (Section III, Heading B: Proposal Requirements, Subsection III):
 - Provide an example of a field report. What is the turnaround time, access to reports, and frequency of share-outs with stakeholders?
 - Describe how you will use collected data for continuous improvement.
 - Explain how you will collect data to measure the impact of in-store interventions.

Store sales personnel are excellent market research resources and can provide valuable feedback about how PSE's energy efficiency services are ultimately viewed by the consumer. Field services will gather such feedback and report it back to PSE's Program Management Team. Field representatives may be requested to conduct research; collect store data that includes sales information and store inventory; and make recommendations to optimize the service.

The selected vendor will work cooperatively with PSE program staff to develop effective reporting that meets service needs. PSE and the vendor will have weekly check-in meetings.

7. Vendor Performance Requirements

Vendor KPIs include, but are not limited to;

- project cost variance
- desired number of customers that are reached
- desired quantity of energy efficient measures that are adopted
- desired quantity of service participation by Named Communities.

- the percentage of participating customers who claim a positive customer experience
- Direct Benefit to Customer to Administrative budget ratio of 80/20.
 - DBTC is defined as costs related to customer service and engagement activities. DBTC expenses include, but are not limited to, in-store signage, staffing retail store events, and energy efficient measures used for customer engagement.

8. Vendor Performance Management Expectations

Vendor is required to manage all day-to-day service activities. As mutually agreed upon, the following will be managed by the vendor to include, but is not limited to;

- service start-up and implementation plan
- marketing implementation including printing and distribution of collateral
- service rebate form development
- customer and retailer/distributor recruitment
- QC and assurance
- customer service
- monthly tracking and reporting including, but not limited to: expenditures, materials, and customer data
- annual reporting including, but not limited to: cumulative retail store visit data, secret shopper results, etc.
- weekly service status meetings with PSE

9. Other Considerations

PSE is committed to serving its customers in all ways that are necessary in order to continue providing safe, low-cost, and reliable energy. This includes serving Named Communities more equitably through cross-programmatic efforts.

In the Implementation Plan (Section III, Heading B: Proposal Requirements, Subsection III), please describe how you plan to help PSE equitably meet its customers, with particular attention to Named Communities. This may include tactics related to field services such as, but not limited to, promotion creation, merchandising (MOU compliance), training, data collection, outreach events and relationship-building.

N. Virtual Engagement and Commissioning

This is a new service iteration that will leverage PSE’s installation of commercial AMI meters in its service territory. PSE began installing AMI meters in 2018, and it anticipates being finished by the end of 2023. The goal of this service is to use commercial AMI interval data to identify customers with high gas and electric savings potential and provide custom, no-cost efficiency recommendations to reduce consumption. Any identified upgrades that have an associated capital cost will be referred to the appropriate PSE program.

Eligible customers for this service will be PSE commercial gas and electric customers. Customers will need to have an AMI meter installed for at least six months prior to participating in the service.

Eligible products and services will utilize existing PSE AMI data to identify high savings potential customers, craft individualized recommendations, and track associated savings.

1. Service Budgets and Targets

For the 2024-25 biennium, PSE would like to target at least 4 million kWh and at least 50,000 therms in annualized energy savings with this service. Bidders should provide a breakdown of the proposed costs per customer and/or costs per kWh or therm saved. Please include all O&M costs in this metric.

The selected vendor shall provide estimated budgets. Budgets provided by the vendor should include a pricing schedule with all labor, overhead, travel, other direct and indirect costs, and costs associated with the proposal. Vendor should include all general and administrative costs in hourly labor rates and direct expenses. All sub-contractor costs must also comply with these terms.

2. High-Level Success Factors and Proposal Evaluation Criteria

This service is designed to meet a number of key priorities including, but not limited to:

- Energy Savings: The service will be expected to bring in cost-effective electric and gas savings that meet PSE’s M&V standards.
- Improved Customer Experience and Satisfaction: The service will allow PSE to increase customer satisfaction, help customers save energy, and provide means of communicating with customers and improving the customer experience.
- Integration with other PSE Programs: As a product of virtual engagement, referrals to PSE programs for capital projects will be generated to increase overall PSE service participation.
- Service Innovation: PSE believes that software and behavioral optimization strategies allow utility energy efficiency services to find new avenues for savings in a market where traditional energy efficiency potential is shrinking.

3. Measure Mix and Customer Incentives

The service will include a vendor-created software tool to identify potential high-savings customers, identify the low-cost/no-cost opportunities, and communicate those opportunities.

The service will evaluate the magnitude and persistence of energy savings associated with the implemented measures.

While demand response is not a key component of this service, PSE is interested in bidders' demand response capabilities and ability to use the proposed product to modify demand. This will help to inform PSE's future demand response strategies.

PSE has not made a determination on customer incentives at this time as PSE is not sure it would be suitable for a service of this nature. PSE would be interested in seeing bidders' research and opinion on the applicability of incentive payments and how bidders would structure such payments if they were to be recommended.

4. How Customers Can Participate

PSE does not see this as an enrollment-style service. Instead, direct outreach to identified customers will be the main method of participation. There is the potential for an opt-in option for additional deeper engagement, which should be addressed by the selected vendor.

PSE's marketing teams will coordinate with the selected vendor on co-branding and messaging in order to ensure materials meet PSE messaging standards, corporate goals, and the needs of the vendor.

5. Key Partnerships

- PSE Energy Advisors
- PSE Digital Experience Team
- PSE marketing and outreach
- PSE M&V
- PSE product marketing

6. Measurement and Verification

Due to the nature of the service, it is expected that bidders will be able to provide PSE with detailed savings data in order to provide sufficient data for the regulatory approval of a full service. The exact nature of the data, timing of reporting and true-ups, and the details provided will require a detailed discussion between PSE's M&V Team and the selected vendor(s). Bidders shall provide a willingness to share data and make clear in their proposals the level at which it can be shared.

7. Vendor Performance Requirements

KPIs that will be analyzed as part of the service include, but are not limited to:

- total customers participating
- final acquisition cost

- customer satisfaction
- predicted vs. validated energy savings
- total energy savings
- referrals generated for other PSE programs

8. Vendor Service Management Expectations

The selected vendor will be expected to provide PSE with comprehensive participation data on a monthly basis. The vendor will also be responsible for providing PSE with savings forecasts, ongoing savings data validation for sites that have been engaged, and notifying PSE of any sites that have issues or where savings are not persisting.

The vendor will be expected to have a plan for how ex-ante savings will be trued-up at some specified and agreed-upon interval to minimize risk to PSE.

The vendor will be expected to coordinate participation messaging with PSE's Marketing and Outreach Team in order to tailor this message to best suit PSE's specific customer base.

Bidders should provide an overview of the strategy that will be used to meet these expectations and any historical experience they have with implementing optimization strategies in this fashion.

9. Other Considerations

Due to the digital integration aspects of this service, please answer the following questions (to the best of the bidders' abilities) within the Service Participation Data Reporting section of the proposal:

- Does vendor provide a hosted platform, API, or other implementation? What are the options?
- Does the product support content management and administration by PSE business owners?
- What is the process for making changes to the product regarding messaging, customer experience, etc.?
- What customer communication options does this product provide or support: on-screen confirmation messaging; email message; SMS?
- What customer data is stored? Where and how? Is it accessible to PSE?
- What technical customer support is provided? Is there a separate call center?
- What is the upgrade path for the product? How may PSE participate in upgrade design?

O. Web-Based Incentive Calculation Tool

PSE is seeking proposals for a web-based tool/software that allows users to input and modify energy efficiency projects for multiple services. The ideal tool/software should calculate energy savings, incentives, cost effectiveness, and code compliance based on user inputs. The intent of the tool/software will be to replace existing PSE Incentive Excel Workbooks and PDF applications.

1. Service Budgets and Targets

The selected vendor shall provide estimated budgets. Budgets provided by the vendor should include a pricing schedule with all labor, overhead, travel, other direct and indirect costs, and costs associated with the proposal. Vendor should include all general and administrative costs in hourly labor rates and direct expenses. All sub-contractor costs must also comply with these terms.

2. High-Level Success Factors and Proposal Evaluation Criteria

a. Current State

PSE currently leverages various Excel workbooks to calculate savings and incentives for energy efficiency projects. Workbooks range from simplistic to more complicated calculations. There are different workbooks for different project types including business lighting, horticultural lighting, and other programs. In addition, the workbook requires frequent updates, which are difficult to manage due to limited resources and version-control issues.

b. Desired State

The ideal solution will be a web-based product that saves projects on a cloud. There should be different access levels for PSE and external partners (e.g., customers, contractors, etc.). It should work across multiple platforms (e.g., Microsoft Windows, Apple, etc.) The software will have the ability to handle all existing functions of the current incentive workbooks. Ideally, the software will be mobile- and tablet-friendly and provide the ability to update automatically when reconnected online. The ideal solution will allow PSE to edit equations for calculations without requesting changes from the software provider. The ideal tool will also capture customer signatures and validate customer information.

3. Technical Requirements

The ideal tool/software must have the following basic requirements:

- Provide the functionality and calculation capabilities of the existing PSE Excel incentive calculation workbooks and PDF applications.
 - As an example, [the current lighting workbook](#) can be found here. The functionality includes application input, fixture libraries, interaction effects with HVAC, etc.
- Provide default lighting libraries of common lighting and fixture types with pre-filled wattage. PSE should have the ability to edit and update the libraries.

- Provide the ability to enter custom equipment and wattages.
- Provide revision control tracking, as projects are updated between the customer/contractor and PSE EME.
- Cross-platform capable (Microsoft Windows, Apple, Internet Explorer, Chrome, Firefox, etc.)
- Cloud-based software that allows customer/contractor to enter and edit all active projects
- The ideal tool/software could include, but is not limited to, the following optional abilities:
 - The ability for PSE to build multiple web-based tools internally using the software provider's offerings.
 - The ability for software provider to do the initial tool build-out if requested by PSE.
 - The ability for PSE to edit background equations for the tool's calculations without requesting edits from the software provider.
 - The ability to capture customer signatures.
 - The ability to attach files to projects (invoices, submittals, pictures, etc.).
 - The ability and tablet device applications or possibility for future mobile or tablet applications, for iOS, Android, and Windows platforms.
 - The integration/communication with PSE's DSM management system to share calculated savings, cost, and customer information.
 - The ability to validate customer data.

4. Cost Structure

In the proposal the vendor should fully explain the cost structure for the software including licensing and maintenance fees.

5. How Customers Can Participate

Customers will have the option to participate via the PSE webpage for the participating programs to be determined at a later date based on proposed options.

6. Key Partnerships

- PSE Energy Advisors
- PSE Digital Experience Team

7. Other Considerations

Due to the digital integration aspects of this service, please answer the following questions (to the best of the bidders' abilities) within the Service Participation Data Reporting section of the proposal:

- Does the vendor provide a hosted platform, API, or other implementation? What are the options?
- Does the product support content management and administration by PSE business owners?
- What customer data is stored? Where and how? Is it accessible to PSE?
- What is the process for making changes to the product regarding messaging, customer experience, etc.?
- What technical customer support is provided? Is there a separate call center?
- What is the upgrade path for the product? How may PSE participate in upgrading the design?

III. PROPOSAL DETAILS

Every two years PSE, a privately owned gas and electric utility located in Bellevue, Washington, releases a major RFP for energy efficiency services associated with its efforts to reduce energy usage for its residential and commercial customers.

This “umbrella” RFP covers multiple energy efficiency service categories (further detail found in the RFP). Firms may submit proposals for one or more of these categories.

To be considered, it is mandatory that each proposal submitted include a Letter of Intent (see section A. Required Action Items) and be a stand-alone RFP response conforming to format identified within the attached proposal. Individual service sectors may require responses to items not included in this section, as noted within the specific service descriptions within the Potential Services section (Section II). Different PSE subject matter experts/evaluators will be reviewing each of the service categories separately.

The purpose of this RFP is to consider bids for *each* of the RFP sections. The completeness/thoroughness of the response will help PSE determine which of the services PSE elects to move forward.

These services generally have a minimum of a two-year contract term with a start date of January 1, 2024, and an end date February 28, 2026 (with implementation activities ending on December 31, 2025). Contract negotiations should be completed on or before October 31, 2023.

A. Required Action Items

1. Intent to Bid Form

- Submit “Intent to Bid” by end of day May 19, 2023, via email at CEMRFP@pse.com.
- The Intent to Bid form is included as Exhibit A.
- Clearly label the email subject line: Letter of Intent: Service Name/Company Name
 - *Example:* Letter of Intent: Multifamily Retrofit Service/MzT Energy Reducers
- The purpose of the Intent to Bid document is to:
 - determine a list of potential bidders;
 - verify bidder contact information; and
 - ensure that only bidders participating in a specific service RFP receive updates, amendments, question responses, and any other documents provided after the initial RFP release.
- In order for a proposal to be considered, bidders must submit an Intent to Bid form identifying *each selected service category* within the required timeline.
 - If the same business unit will respond to multiple services, please mark the attached list for those services for which bidders will submit a response, and submit only one Intent to Bid form.

- If different business units (with different designated contacts) from a firm will submit for different potential PSE services, each business unit must submit an Intent to Bid form.

2. Bidder Questions

- Bidders must submit questions by 5 p.m. Pacific Time on May 26, 2023, via email at CEMRFP@pse.com. Questions and responses to all questions will be provided in writing to all bidders who have submitted an Intent to Bid form on the related service by 5 p.m. PT June 9, 2023.
- The release of the RFP begins a quiet period for bidders participating in this solicitation.
 - Bidders shall not call PSE employees to discuss potential services or ask questions.
 - PSE employees shall not directly answer bidder questions outside of this bidder question process.
 - This is the only opportunity for bidders to ask questions during the proposal development phase.
- Clearly label the email subject line: RFP Questions: Service Name/Company Name
 - *Example:* RFP Questions: Multifamily Retrofit Service/MzT Energy Reducers
- Bidders must submit a separate list of questions for each selected service category.
- Questions and PSE responses will be provided to all bidders who selected the associated service category on the Intent to Bid form.
- In order for questions to be answered, bidders must have notified PSE of the Intent to Bid *for each selected service category* within the required timeline.

3. Submit Proposal(s)

- Proposals are to be submitted electronically only to CEMRFP@pse.com. PSE will confirm receipt via email reply within 24 hours. If receipt is not confirmed, it is the bidder's responsibility to follow up with PSE to confirm receipt within 48 hours of proposal deadline.
- **Electronic proposals must be received by** no later than 5 p.m. Pacific Time, June 19, 2023.
- Clearly label the email subject line: Proposal: Service Name/Company Name
 - *Example:* Proposal: Multifamily Retrofit Service/MzT Energy Reducers

4. Additional Notes Regarding Letter of Intent, Bidder Questions & Proposal(s):

- Bidders are responsible for all costs to participate in this RFP.
- PSE reserves the right to decline to answer any bidder questions that are determined not to be applicable to the proposal development phase.
- Inability to meet any of the stated requirements shall result in the disqualification of a proposal for this solicitation.

B. Proposal Requirements

Unless an exception is specifically noted in the service overview under Service Details, proposals must include and/or address each of the below Sections, must be submitted in the order outlined below, and must adhere to page limitations. Page limitations designate maximum length, however, bidder responses may be shorter. Proposals that do not follow this format are at risk of being disqualified. If a template is provided as an Exhibit, the same format must be used for the related section. Please place company name and the page number on each page.

1. Section I. Summary Information

- Proposal Cover Letter – See Exhibit B (1 page)
- Proposal Summary – See Exhibit C (1 page)
- Proposal Cost Summary – See Exhibit D (1 page)
- Executive Summary (1 page)
- IT Security Preliminary Questionnaire – See Exhibit F (1 page)

2. Section II — Company Overview

- **Company Profile** – See Exhibit E (1 page)
- **History & Overview of Company Products and Services** (1 page)
- **Company Qualifications** (1 page)
 - Include a general description of the organization, background, and experience in services similar to the proposal.
 - Include a biography of the bidder's program manager and others being proposed for the service team (as applicable). Adhere to a one-paragraph maximum per individual. Resumes may be included as an attachment to the proposal.
 - If the company or key management team members have worked with any similar organizations that provided similar services to those listed in the proposal, provide a list of prior organizations, with a focus on local organizations. Specifically note any services provided to PSE or its predecessors.
 - Describe top distinctions between the company and others providing a similar function to the market.
- **References** (1 page)
 - Provide three references from current clients for whom the company has provided similar services in the last three years. (*References will be contacted for short-listed bidders only.*)
 - References may also include customers for whom the respondent has provided services similar to those included in the proposal.
 - Reference should include:
 - name of reference company
 - city/state

- type of business
- description of relationship to the bidder
- contact name/title
- contact phone & email
- one- to two-sentence description of programs/services provided
- **Financial Qualification & Full Disclosure (1 page)**
 - Provide a form of business classification (i.e., sole proprietorship, partnership, or corporation) and DUNS number, if assigned.
 - Provide a quick ratio (current assets - current liabilities).
 - Provide a corporate website address (including annual report if available).
 - Identify pending litigation and the final resolution or present status of such matters.
 - Conflict of interest: All bidders shall disclose in their proposal any and all relationships between themselves, the service, and/or members of their service team and PSE, its employees, or its customers.

3. Section III — Proposed Service Details

Proposal(s) will include the following items:

- **Implementation Plan (3 pages)**

The Implementation Plan should consider the details provided in the Potential Services section.

Section should include:

 - Implementation Team
 - Identify all subcontractors and their role(s), and licensing (if applicable).
 - Identify any professional relationship with PSE customers.
 - If applicable, list and describe who is to install the measure (including any installation subcontractors).
 - If applicable, list and describe who is responsible for commissioning and verification of installation and/or QA inspection, as it relates to the proposal requirements.
 - Schedule (High-Level Project Plan)
 - Include key tasks, milestones, and benchmarks for the proposed service from the point a contract is awarded through completion.
 - Indicate actions to be taken to ensure the schedule will be met.
 - Top Three Barriers to Implementation
 - a. What are the top three concerns or barriers to implementing the service and/or related services, and how will these concerns be addressed?

- **Evaluation and Savings Verification Plan (2 pages)**

Evaluation and savings verification will be required. For all awarded contracts, final evaluation plans will be defined with, and approved by, the PSE Service Evaluation Group. Evaluation and savings verification requirements differ between services with calculated savings and prescriptive savings. If a service includes both types of savings, all requirements shall be met.

- For services with calculated savings, vendors may be required to provide M&V activities as outlined in the program description. As it relates to this information, proposed evaluation plans must include:
 - a. A suggested methodology for estimating energy savings at the program and project level. Provide savings estimates and/or assumptions by showing all engineering calculations based upon PSE's service area. This can be either a separate Excel file with formulas intact (no hard-entered numbers) or a narrative that shows how bidders determine savings estimates and/or assumptions specific to PSE's service area. All saving sources must be reference cited.
 - b. A data collection and reporting plan to support evaluation, measurement, and verification methodology
 - c. Data needs (e.g., energy use data — monthly, daily, interval) for the M&V plan
 - d. A description of how bidders will resolve project-level issues related to install measures.
 - e. A description of how bidders will use M&V for continuous improvement.
- For programs with prescriptive savings, bidders may be required to provide M&V activities as outlined in the program description. As it relates to this information, proposed evaluation plans must include:
 - a. A description of how bidders will resolve project-level issues related to install measures/data submissions.
 - b. A description of how bidders will use M&V for continuous improvement.
 - c. QA/QC processes to support specific functions of a program and measures.

- **Customer Acquisition Strategy (2 pages)**

This section should include specific customer acquisition strategies bidders will implement to target and recruit customers for participation in the program. The section should include:

- Market potential and participant expectations from this type of service; cite all sources in determining these. All market potential and participant expectations should be based upon PSE's service area.
- Eligibility recommendations and information on how customers will be contacted and selected/rejected for participation.
- Specific recruitment strategies that the bidder has successfully utilized and proposes to employ in this program design.
- Marketing assistance that the respondent expects PSE to provide. This may include customer lists, customer billing records, letters of introduction, or support by PSE's customer service representatives.

PSE reserves the right to implement and/or coordinate all marketing activities. Specific and final marketing plans will be defined with PSE during contract negotiations. All marketing plans, materials, messaging and deliverables must be reviewed and vetted through the service's designated PSE marketing program manager prior to implementation. The use of any third-party contractors or vendors must be reviewed and approved by the PSE marketing team. Bidders may include specific marketing activities, labor, and third-party vendor costs within budget and response, but all costs are subject to review and approval during the negotiation period.

- **Customer Obligations and Interaction Plan** (2 pages)

This section will include:

- The details of all PSE customer obligations necessary for participation. Include any customer share of the cost of the installed measure, and other fees or costs for participation, estimates of customer's time involvement, use of customer premises, etc.
- An overview of customer interaction points and expectations of the customer and PSE. Selected bidders must agree to the Customer Interaction Requirements found in Exhibit G. Explicitly state any exceptions that may be required for the proposal.
- Any and all written or implied warranties that will be provided to customers regarding quality of materials and installation.
- The process used to track and report customer information to PSE.

- **Environmental Stewardship** (1 page)

- This section should be specific to the activities performed through this service and/or services provided. This section should include:
 - a. Details of the disposal of waste to be removed from customer facilities as part of energy efficiency projects, including the disposal of toxic and contaminated waste.
 - b. Descriptions of any recycling strategies to be incorporated into disposing of removed materials from the project as applicable to measure delivery.
 - c. Details of specific environmental aspects of the service, including any planned utilization of recycled materials in equipment supplied to the service.
 - d. Other actions the organization is taking to be a good environmental steward as it relates to this proposal.

- **Supplier Commitment to Diversity** (2-3 pages)

- *Key Terms and Definitions*

PSE values DEI in all areas of practice, including procurement and service implementation. Although each of these terms has a variety of definitions and their uses are evolving, please see the definitions below for the sake of this RFP.

- **Diversity** refers to differences in identity and perspectives among groups and people. It aims to increase the representation of those who experience inequity

or under-representation, including: Black, Indigenous, People of Color (BIPOC), the LGBTQIA+ community, women, immigrants, and refugees. Diversity is having intersectional representation in the room.

- **Equity** refers to justice and fair access to opportunity or resources. A key element of equity is recognizing the lasting impacts of historical discrimination, injustice, and current cultural and systemic inequities. In an equitable state, the distribution of benefits and burdens would not be predicated on identity, socio-economic status, or geography. Equity is being given fair access to all the resources to meet your energy needs and goals.
- **Inclusion** refers to an environment where all feel welcome and are valued as contributors. Inclusion is knowing we all have a voice and that we all belong in the room as active contributors to key issues and solutions.
- **Intersectionality** refers to the reality that different types of inequities often operate together and exacerbate each other, changing how one gains access to resources and opportunities. An intersectional approach recognizes that a person can experience a complexity of inequities based on their identity, including: race, gender, class, sexuality, linguistic barriers, or immigration status.
- **Named Communities** refers to the overlaying combination of a) Highly Impacted Communities and b) Vulnerable Populations.
- **Highly Impacted Communities (HICs)** are defined as follows: “A community designated by the Department of Health based on the cumulative analysis required by RCW 19.405.140 or a community located in Census tracts that are fully or partially on ‘Indian country’ as defined in 18 USC Sec, 1151.”

HICs measure:

- pollution burden and environmental effects
- impacts to the human body and communities of people
- **Vulnerable Populations (VPs)** are communities that experience a disproportionate cumulative risk from environmental burdens due to adverse socioeconomic factors (e.g., unemployment, high housing and transportation costs relative to income, access to food and healthcare, linguistic isolation) and other sensitivity factors such as low birth weight and higher rates of hospitalization.

VPs measure:

- adverse economic conditions
- impacts of negative social conditions: racism, classism, ableism
- environmental and human health conditions

To ensure fair and equitable access of services, PSE will use the above metrics to identify and track disparity in service distribution.

- *Requirements Related to DEI Commitments:*

PSE's Supplier Diversity process is designed to: achieve best value in contracting; provide fair and equitable opportunity to contract with PSE; and strengthen our diverse communities by leveraging local businesses. PSE strongly encourages small businesses, minority business enterprises (MBEs), women business enterprises (WBEs), women-owned small businesses (WOSB), socially and economically disadvantaged businesses, and veteran-owned businesses to submit proposals or to participate in this work as sub-consultants.

- What certifications or designations does your company have with diverse/minority/women/veteran certification agencies (i.e., Women's Business Enterprise national Council [WBENC], WOSB, MBE)?
- What percentage and dollar value do you commit to spending with small businesses, MBEs, WBEs, socially and economically disadvantaged businesses, and veteran-owned businesses to support PSE's overall commitment to empower our communities?
- Describe how your company prioritizes DEI within your business and hiring practices. Please include concrete policies and procedures, along with any aspirational goals your company has defined.
- How does your company measure success of its DEI business and hiring practices? For example: the percentage of the workforce identifying as BIPOC, LGBTQIA+, women, and/or immigrant/refugee.
- Describe how your company prioritizes DEI when working with subcontractors and providers, including but not limited to, product design, outreach, and contracting practices.
- What percentage of your leadership identifies as BIPOC, LGBTQIA+, women, and/or immigrant/refugee? Include senior leadership as well as governing bodies and/or boards.
- What percentage of your workforce is fluent in a language other than English? Include a list of languages spoken.
- When you interact with PSE customers with limited English proficiency, describe how you will accommodate the needs of these customers.
- When you interact with PSE customers with limited English proficiency, describe your experience or approach to efficiently create and provide collateral materials, documents, forms or presentations in non-English languages.
- When you interact with PSE customers with limited English proficiency who wish to provide input or feedback to improve their customer journey, describe how you are prepared to collect and share such valuable information with PSE.

- **IT Security Requirements and Service Participation Data Reporting (2 pages)**

The timeliness, accuracy, and reliability of data generated by PSE's energy efficiency services are critical to each service's success. PSE claims energy savings that help PSE to reach its energy savings targets that are set each year with the Washington Utility and Transportation Commission (WUTC). PSE has developed a set of guidelines below to help ensure that this data meets these needs.

Section should include:

- IT Security Preliminary Questionnaire completion – See Exhibit F (1 page).
- The data bidders will require of PSE in order for proposed service to be successful.
- Details regarding how data will be accessed and managed.
- Additional data security questions may be required for short-listed bidders.

4. **Section IV — Doing Business with Puget Sound Energy (Exhibit G)**

Please review and take action if required on the documents in Exhibit G; these will be the governing documents in any contracts issued as a result of this RFP.

- **Mutual Nondisclosure Agreement (MNDA) (Action Required)**

- *Successful Bidders* must sign the Confidentiality Agreement and provide two signed originals to PSE. PSE will countersign the MNDA and return one fully executed agreement to the respondent.

- **Co-Branding Guidelines (Information Only)**

- *Successful Bidders* will outline how they plan to co-brand with PSE. PSE will review and approve all co-branding activities identified by vendors. PSE may require additional co-branding activities beyond what the vendor has identified in the RFP. Each service is unique and co-branding activities will be based specifically on how each vendor interacts with PSE customers. Please see Section 4 of Exhibit G for more detail on PSE's Co-Branding Requirements.

C. Bid Evaluation

PSE will evaluate each proposal based upon the understanding of how the proposal meets the objective and satisfies the service requirements. Criteria include:

- I. How Well Does the Proposal Diversify, Support, Complement, and/or Improve the PSE Portfolio
- II. Value to Customer
 - a. Energy savings
 - b. Cost
 - c. Public and/or Non-Energy Benefits
 - d. Commitment to Quality Assurance
- III. Cost
- IV. Reliability, Quality, and/or Persistence of Energy Savings
- V. Supplier
 1. Industry Experience and Reputation
 2. Service Qualifications
 3. Financial Strength
 4. Local Presence and/or Capabilities
- VI. Innovation of Service

PSE has the right to accept or reject any proposal for any reason.

PSE may continue the evaluation analysis and additional due diligence throughout the evaluation and negotiation period based on multiple factors including, but not limited to, clarification of bid submission, current market or financial information, direction from regulatory proceedings, or other guidance.

At the completion of the evaluation, including any updated analyses, PSE will move forward with selected finalists for further discussions and, potentially, negotiations of terms and conditions of a contract. Contracts are subject to regulatory consent.

D. Post Proposal: Negotiations, Conditions and Awarding of Contract(s)

- It is PSE's intent to negotiate both price and non-price factors during any post-proposal negotiations with a respondent whose proposal is selected to a short list.
- It is also PSE's intent to include in ongoing analysis of a proposal any additional factors that may impact the total cost of a service until such time as PSE and respondent might execute a contract.
- A contract, if any, would be based on the outcome of these continuing negotiations. PSE has no obligation to enter into a contract with any respondent to this RFP and may terminate or modify this RFP at any time without liability or obligation to any respondent.
- This RFP shall not be construed as preventing PSE from entering into any agreement that it deems appropriate at any time before, during, or after this RFP process is complete. PSE reserves the right to negotiate only with those bidders and other parties who propose transactions that PSE believes, in its sole opinion, to have a reasonable likelihood of being executed substantially as proposed.
- PSE, with the mutual consent of the respondent, may elect to implement a proposal earlier than January 1, 2024.
- PSE reserves the right to issue subsequent RFPs for energy efficiency resources, including RFPs for specific, targeted energy efficiency services.
- PSE may make summary information regarding proposals available to the Conservation Resources Advisory Group (CRAG), as necessary to enable this group to carry out its planning and review responsibilities. CRAG members will be required to agree to keep proposal information confidential in order to have access to individual proposal information.
- PSE may retain all information pertinent to this RFP process for a period of seven years or until PSE concludes its next general electric and/or gas rate case, whichever is later.

E. Supplemental Information

1. Washington Utility and Transportation Commission

- Funding for proposals under this RFP shall be provided by the Company's electric and gas ratepayers, through the *Electric Conservation Service Rider* (Electric Schedule 120) and *Gas Conservation Service Rider* (Gas Schedule 120) approved by the WUTC. Limited additional funding for residential electric efficiency services is provided as part of the Conservation and Renewable Discount pursuant to power purchase arrangements with the Bonneville Power Administration.

2. Current CEM Conservation Programs

- PSE currently provides a variety of energy efficiency programs to its retail electric and natural gas customers. These programs provide energy efficiency resources as part of PSE's resource portfolio, and they are consistent and complimentary to PSE's IRPs that projects PSE's 20-year gas and electric needs and includes conservation as a key resource element.
- PSE is committed to ensuring that all customers have access to programs by offering a mix of programs that make energy efficiency services available to all customer classes and that address most major end uses.

3. Conservation Resource Advisory Group (CRAG)

- Key to the development of PSE's overall energy efficiency targets is the participation of PSE in the CRAG. The CRAG's specific purpose is to work with PSE in the development of conservation plans, targets, and budgets and includes ratepayer representatives as well as representatives of select energy efficiency policy organizations.
- PSE may consult with the CRAG as part of its process for analyzing proposals submitted in response to this RFP, although the Company retains the full responsibility for decision-making and selection of any successful proposals.

IV. Exhibits

| | |
|---------------------------|--|
| Exhibit A | Intent to Bid Form |
| Exhibit B | Proposal Cover Letter |
| Exhibit C | Proposal Summary Document |
| Exhibit D | Proposal Cost Summary Document |
| Exhibit E | Company Profile |
| Exhibit F | IT Security Preliminary Questionnaire |
| Exhibit G | Doing Business with PSE Reference Documents <ul style="list-style-type: none">• PSE Contractor Safety Data Sheet• IT Security Addendum• Mutual Nondisclosure Agreement (MNDA)• Co-Branding Guidelines• Service Participation Data Reporting Requirements• Customer Interaction Requirements |

A. Intent to Bid Form



INTENT TO BID FORM

Request for Proposal (RFP) PSE Energy Efficiency Existing Services 2024-25

Select from the related list the service(s) for which your business will submit RFP response(s).

1. If the same business unit will respond to multiple services, please mark the attached list for those services for which you will submit a response, and submit only one Intent to Bid form
2. If different business units (with different designated contact) from your firm will submit for different potential PSE services, each business unit must submit Intent to Bid form.

INTENT TO BID:

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

_____ **Yes:** My Company intends to submit a response to this Request for Proposal

_____ **Yes/No:** My Company is a registered small business, minority business enterprise (MBE), women business enterprise (WBE), socially and/or economically disadvantaged business, and/or veteran-owned business. If yes, identify category (proof of current registration will be required):

COMPANY INFORMATION:

Company Name: _____

Company Address: _____

Designated Contact for this RFP

Name and Title: _____

Email: _____

Phone: _____

AUTHORIZATION:

Intent to Bid must be signed by an individual who is legally authorized to commit company as requested above:

Signature

Printed Name and Title

Please submit completed form by May 19, 2023, via email to: CEMRFP@pse.com. PSE will confirm receipt within 24 hours.

Indicate services for which your business will submit RFP responses:

- Commercial Audit Services*
- Commercial New Construction Whole-Building Energy Model Reviews*
- Digital Marketing Services*
- Efficiency-as-a-Service*
- Engineering Services and Sub-Metering Service
- Healthcare Strategic Energy Management*
- Home Energy Reports
- PSE Online Marketplace
- Large Power User Self-Direction Energy Efficiency Service*
- Midstream Rebate Delivery
- Single-Family New Construction
- Small Business Direct Install
- Retail Field Services
- Virtual Engagement and Commissioning
- Web-Based Incentive Calculation Tool*

* indicates new or substantially modified service

B. Proposal Cover Letter

Cover letter must include the following items:

1. Name
2. Address of the bidder
3. RFP contact name, phone, and email
4. Signature of a duly authorized officer or agent of the respondent submitting the proposal
5. The bidder's authorized officer or agent shall certify in writing that:
 1. The proposal is genuine; not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation; and is not submitted in conformity with any anti-competitive agreement or rules.
 2. The respondent has not directly or indirectly induced or solicited any other respondent to submit a false or sham proposal.
 3. The respondent has not solicited or induced any other person, firm, or corporation to refrain from proposing, or has not sought by collusion to obtain for himself/herself any advantage over any other respondent.
 4. No reassignment of proposals will occur during the evaluation or negotiation stage unless authorized by PSE and that in the event the respondent and PSE negotiate and execute a contract based on the respondent's proposal, the contract and obligations therein shall not be sold, transferred or assigned or pledged as security or collateral for any obligation without the prior written permission of PSE which permission shall not be unreasonably withheld. Any project lender who takes an assignment of the contract for security and exercises any rights under such agreements will be bound to perform such agreements to the same extent.
 5. Conflict of Interest: All bidders shall disclose in their proposal any and all relationships between themselves, the project, and/or members of their project team and PSE, its employees, its customers, or members of PSE's CRAG.
 6. Validity, Deadlines, and Regulatory Consent: All proposals shall specify the date through which the proposal is valid. Bidders should note that contracts might not be executed or obtained until near the end of 2023. PSE will seek regulatory consent to revisions of its energy efficiency tariffs consistent with the results of this RFP process, such consent to be in form and substance satisfactory to PSE in its sole discretion. It is preferred that bidders provide proposals that remain valid for a period that allows for negotiation of a contract.

C. Proposal Summary Document

| | |
|------------------------|--|
| Service Name: | |
| Bidder Organization: | |
| Primary Contact Name: | |
| Contact Phone: | |
| Contact Email Address: | |

General Bidder Questions

- What is the location of your office nearest to PSE service area?
 - If there is no office in PSE's service area, are you willing to establish a locally based representative?
- How many years have you been in business providing the proposed service/product?
- Is your product currently available to the market?
 - If yes, how long has the product been available?
- Have you provided this service or product to other utilities?
 - If yes, what other utilities?
- Do you have experience with M&V of utility energy savings?

Service Information

| | | | |
|---|-------------------------------|---------------------|------------------|
| Target Customer Segment(s) | | | |
| | Residential | | Retrofit |
| | Commercial | | New Construction |
| | | | |
| Service End Use(s) – Select one or more | | | |
| | Heating | | |
| | Air Conditioning | | |
| | Water Heating | | |
| | Appliances | | |
| | Lighting | | |
| | Year Round Process (describe) | | |
| | Seasonal Process (describe) | | |
| | Other (describe) | | |
| | | | |
| Measure & Service Details | | | |
| Type of Energy Efficiency measures to be installed (check all that apply) | | Deemed/Prescriptive | |
| | | Calculated | |
| Total Participating Customers | | | |

Total annualized Energy Savings for all installed Measures

kWh

Therms _____

Total proposal dollars per Energy Savings

\$/kWh Saved

\$/Therm Saved _____

D. Proposal Cost Summary Document

| Respondent Direct Costs | Rate (\$/Unit) | Unit (Hours, etc.) | Proposal Total |
|--|-----------------------|-------------------------------|-----------------------|
| PSE Costs | | | |
| Proposed Measure Installation Costs | | | |
| Measure/Equipment Costs | | | |
| Labor | | | |
| Other Material | | | |
| Travel, Vehicles | | | |
| Service Management Labor | | | |
| Support Staff Labor | | | |
| Travel | | | |
| Other (please specify) | | | |
| | | | |
| | | | |
| Service Implementation Costs | | | |
| Incentives \$ (grants, rebates) | | | |
| Marketing/Advertising | | | |
| Customer Service & Complaint Resolution | | | |
| Tracking & Reporting | | | |
| Measurement and Verification (Evaluation) | | | |
| Other (please specify) | | | |
| | | | |
| | | | |
| TOTAL RESPONDENT COSTS | | | |

Notes:

E. Company Profile

| | |
|---|--|
| Company Name: | |
| Headquarters (City/State): | |
| Branches (City/State): | |
| Does your firm have a local presence to the Puget Sound area (Western Washington) or in the Northwest? If no, provide closest location. | |
| Number of continuous years in business? | |
| Total Number of Employees (note Full Time, Part Time or Other) | |
| Is your firm certified as a diverse organization (i.e., women-, minority-, or veteran-owned)? If yes, identify category. | |
| Dun & Bradstreet Number | |
| Yearly Revenue/Sales Figures (2020, 2021, 2022 estimated, and 2023 projected) | |
| Do you have experience working with regulated entities (e.g., phone companies, gas, or electric utilities, etc.) and their customers? | |
| Has your company declared bankruptcy in the past 36 months? If yes, explain. | |

F. IT Security Preliminary Questionnaire

Please fill out these preliminary IT security questions. Successful bidders may be required to fill out an additional, more detailed list of IT security and architecture questions.

| | |
|---|--|
| <p>1. Describe the process for collecting, storing, and maintaining all customer data, both public and private.</p> | |
| <p>2. Describe the process for recording customer consent for collecting data.</p> | |
| <p>3. Describe the process for customers to revoke their consent for collecting data.</p> | |
| <p>4. Describe the process and timing of notification for any and all data breaches.</p> | |
| <p>5. Describe your disaster recovery plan.</p> | |
| <p>6. If this is a hosted solution, are you able to provide a SOC 2 Type 2 audit report if required?</p> | |

G. Doing Business with PSE Reference Documents

- [PSE Contractor Safety Data Sheet](#)
- [IT Security Addendum](#)
- [Mutual Nondisclosure Agreement \(MNDA\)](#)
- [Co-Branding Guidelines](#)
- [Service Participation Data Reporting Requirements](#)
- [Customer Interaction Requirements](#)

1. PSE Contractor Safety Data Sheet

Please view the PSE Contractor Safety Data Sheet as an attachment at this link: [PSE | Acquiring New Energy Sources](#).

2. IT Security Addendum

Successful Bidders must also sign a Services Agreement for Information Security Requirements. Please find attached a copy of the consulting agreement. Bidders hosting data should review the supplier hosted addendum.

Please find the attachments for this section — “Supplier Consulting” and “Supplier Hosting” — at this link: [PSE | Acquiring New Energy Sources](#).

3. **Mutual Nondisclosure Agreement (MNDA)**

Successful bidders must sign the Confidentiality Agreement and provide two signed originals to PSE. PSE will countersign the MNDA and return one fully executed agreement to the respondent. Please find attached a copy of the current agreement.

Please find the attachment for this section, “Mutual Nondisclosure Agreement,” at this link: [PSE | Acquiring New Energy Sources](#).

4. Co-Branding Guidelines

Policy Statement:

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

All materials developed — for external or internal use — must follow PSE's brand standards. The use of vendor-managed creative teams (including, but not limited to, designers, videographers, photographers, and developers) must be pre-approved by PSE's brand and marketing teams via the service's designated marketing manager. Vendors approved to produce materials on PSE's behalf will receive a copy of PSE's brand guidelines and assets and must attend a one-hour brand training. All work must be reviewed and approved by PSE's Brand and Marketing teams prior to production.

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

Vendor Identification:

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

Business Cards:

Vendor business cards must meet PSE vendor corporate standards.

Clothing:

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

Vehicles:

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

Stationery:

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

Customer Displays/Events:

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

Customer Notifications and Digital Properties:

Customer-facing notifications including digital communications (e.g., email, SMS), websites, and printed materials should use PSE-branded templates and approved PSE design elements. All written communication to PSE customers shall have PSE logos or other identifiers.

5. Service Participation Data Reporting Requirements

Introduction

The timeliness, accuracy, and reliability of data generated by PSE's energy efficiency services are critical to each service's success. For each efficiency measure that PSE helps deliver to its customers, PSE claims energy savings that help PSE to reach its energy savings targets that are set with each year with the WUTC. The data behind PSE energy efficiency services becomes the foundation of PSE's savings claims and is subject to audit on an annual basis. PSE has developed a set of guidelines to help ensure that this data meets these needs.

At the point of contract PSE and Vendor will develop a reporting addendum which shall specify the following terms and conditions:

Reporting Deadline

PSE must receive Measure data no later than the **second business day each month**. Measure data will be uploaded by PSE into the PSE energy efficiency system, Resource Innovations's iEnergy platform Demand Side Management central (DSMc). Once received, PSE service staff will review the data for completeness and alignment with submitted invoices. Vendors may be required to resubmit data in the event that it is incomplete or does not align with submitted invoices.

Reporting Content (Data File)

Data Format

Each data set (fields that will be determined by PSE) shall be contained in a specified file. A 'data set' is defined as all (or specified number of) records delivered or reflective of a specified frequency (e.g., date range). Each file shall be delivered in one of the following file types: text file (.txt); comma-separated values (.csv); Microsoft Office Excel spreadsheet (.xls); other, to be determined at point of contract.

Delivery Method

Data files shall be uploaded to the PSE DSMc via the provided vendor portal. Unique login access will be granted to the selected firm. The upload process will examine the file to make sure that each record contains the required data fields. If the file contains data records without the required field information, the upload process will generate error messages to the Vendor to correct and re-upload the data.

Data Contents

PSE and Vendor shall develop a list of data fields that will be communicated via PSE DSMc on a monthly basis as part of this reporting requirement. The data field list will specify fields which are required for every record of data and those where null values will be accepted. In general, this data will indicate the identity of the PSE customer receiving the incentive, the location and date of installation, the product or measure installed, and the incentive received by the customer.

Note: A customer receiving multiple measures shall have one record for each type of measure and incentive received. Multiple measures will not be reported within the same record in the dataset.

A sample list of data fields for a service is listed below:

Customer

First Name

Last Name

Location (where equipment was installed)

Street Address

City

State

Zip Code

Account

PSE Account # (12 digit)

Measure

Measure ID

Measure Name

Measure Quantity

Measure Cost

Installation

Installation Date

Contractor Name

Incentive

Incentive amount

Incentive payment date

In addition to these general data fields, each service will provide a specific list of data fields that vendors will be required to collect and provide to PSE as part of its Monthly Service Participation Reporting requirement.

Point of Contact

Vendor shall provide a point of contact who shall act as a resource for PSE specific to reporting requirements and specifications (Name, Phone Number, Email Address). This contact should be well-versed with the data and its delivery and should be available to respond issues and questions should they arise.

Data Quality

Service Participation data is subject to audit by PSE and its internal and external stakeholders. Service participation data collected by the Vendor and reported to PSE should be complete to the extent that data is provided in each field where data is required. Vendor is responsible that the data reported to PSE is as accurate as possible and delivered in a timely manner each month.

6. Customer Interaction Requirements

Collateral, Messaging, and Execution Logistics

Customer experience is at the center of PSE ethos. As such, the vendor will work with PSE to define the customer journey, as well as the most efficient and effective processes to successfully communicate, schedule and execute assessments. These processes will be the foundation for an excellent customer experience.

Having the right collateral and messaging will ensure we are starting on the right foot with customers and can clearly communicate the goals of the service and the benefits of the relationship to the customer.

In all communities we serve, especially ones that are considered highly impacted or part of a vulnerable population, the vendor will work with PSE to understand customer's barriers and build marketing and outreach communications that are relevant, culturally competent, removes barriers and make service participation more accessible.

To ensure this, the PSE team will:

- Review and approve all training, marketing, outreach and communications materials including digital and non-digital materials.

Cross-Cultural and Multilingual Customer Experience

Customer-facing materials and communications in languages other than English should be transcreated (not simply translated), to authentically represent the voices and experience of the customers PSE serves. Transcreation reinforces PSE's principles on providing equitable service access for all customers, in a manner that reflects the diverse communities in PSE's service area. Depending on the service, multiple languages may be represented as dominant, and this should be represented in service communications.

Current Standard PSE Contractor Language: Customer Services

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

- (i) will respond to Customers within one (1) working day of an initial request and will keep appointments or contact Customers not less than twenty-four (24) hours in advance of an appointment to reschedule;
- (ii) will provide all estimates to Customers free of cost; provide however, that if due to special circumstances vendor will charge a site visit, proposal or other fee, such cost must be fully disclosed to Customers upon scheduling the initial visit with Customer;
- (iii) will clean up the work area to the same or better conditions after any installation or service, and will follow all state and local requirements to ensure proper recycling and/or disposal of debris or waste materials;
- (iv) will provide same day customer contact to respond to Customers relating to (as applicable) (i) the quality of any equipment sold, (ii) the quality of the installation service, (iii) the Customer's satisfaction with the services or with the equipment provided or (iv) scheduling repairs to the equipment installed by vendor that does not comply with the warranty set forth in Section 1(f). With respect to such repairs, vendor will use its best

efforts to perform all repair work at the earliest opportunity during its normal work schedule (but in any event, no later than ten (10) calendar days after contacted by Customer) and at no additional charge to the Customer; provided, however, that if a repair is necessary to provide Customer with hot water, heat, or if Customer's health or safety is impaired, vendor will perform the repair within twenty-four (24) hours.

(v) will immediately take all necessary safety precautions and appropriate actions to remedy any unsafe condition related to the equipment or worksite;

(vi) will not mislead Customers or engage in any unfair or deceptive trade practice.

Additions for Team Consideration (not all clauses are applicable for every respondent):

Marketing Development and Implementation Plan

Vendor will provide customer outreach assistance to PSE to acquire eligible customers and promote general service awareness. A mutually agreed upon scope will be developed

Outbound Calling

Vendor will provide outbound call assistance to PSE to acquire eligible customers and promote general service awareness. A mutually agreed upon scope and script will be developed.

PSE Service Marketing

Vendor will provide PSE customers marketing materials about other PSE services that will give participating customers information about other services PSE offers, including scheduling instructions. Actual scheduling and sales will be handled by PSE and registered vendors for those other services. PSE will provide vendor with marketing materials to distribute to PSE customers or will approve all vendor-created materials.

Call Center

Vendor has an established customer call center that will be responsible for participant scheduling and confirmation of service, instructing customers on preparing their home for service appointment, service questions and the timely resolution of customer service issues. PSE will develop an approved script with vendor.

Call Answering

Vendor will provide a toll-free number dedicated to customer information and enrollment. Calls for service will be directed into vendor's call center and go into a queue to be taken by the next available representative. A recording will play after regular business hours informing customers to leave a message for a return call during business hours.

Metrics

Vendor will answer all calls coming into the call center at a minimum rate of 80 percent within 30 seconds. The call abandonment rate should be 5 percent or less. These metrics will be required for both English and non-English calls, refer to Cross-cultural and Multilingual Customer Experience.

Hours

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

Automation Capabilities

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

Call Monitoring

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

Correspondence

Vendor will handle customer correspondence related to the service whether it is email or hard copy, with prior consent and approval from PSE.

Emergency Plan

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

Confirmation Call

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

Resolving Conflicts

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

Training

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

Responsibilities

Vendor's call center agents are responsible for providing customers with accurate service information, verifying customer eligibility, scheduling appointments, completing outbound calls to gather or relay information, and performing all duties in a courteous, accurate, and timely manner.

Meetings

PSE will communicate and collaborate on a regular basis to review service performance and address day-to-day challenges. Vendor will hold weekly meetings with PSE to ensure all issues are identified and resolved quickly and effectively. Performance, marketing, compliments, complaints, and progress to goal will be discussed in this meeting, in addition to other topics as needed.

Website:

Vendor operates a website. Note that customers can choose to utilize the website in either English or non-English languages most pertinent to the customer base, refer to Cross-cultural and Multilingual Customer Experience. Vendor will provide PSE ability to review and perform customization of the web enrollment pages established for PSE.

Any digital communications involving email or a website will need to conform to PSE brand and digital standards. The Vendor online implementation proposal should provide for integration with PSE's web platform, as follows.

Customers should experience online engagement with PSE seamlessly from their device of choice. Account information, supporting content, task status, and the way interactions look and feel should be consistent as the customer moves between transactions, devices, or channels.

Secure transactions should be managed with a single sign-on (SSO) through PSE's myPSE Account login. Customer navigation between PSE.com and the vendor platform should provide a seamless user experience.

Vendor should answer the following questions:

- Does the vendor provide a hosted platform, API, or other implementation? What are the options?
- Does the product support content management and administration by PSE business owners?
 - What is the process for making changes to the product regarding messaging, customer experience, etc.?
- What customer communication options does this product provide or support: on-screen confirmation messaging; email message; SMS?
- What customer data is stored; where and how? Is it accessible to PSE?
- How will the solution integrate with PSE's CIS?
- What technical customer support is provided? Is there a separate call center?
- What is the upgrade path for the product? How may PSE participate in upgrade designs?

Field Performance:

All field personnel will carry cell phones and will be dressed to convey a professional image that is branded as required by PSE's Co-Branding Guidelines (Exhibit G, Section 4).

Customers will be called by vendor call center staff members either one (1) or two (2) days ahead to confirm appointments.

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

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