



**PUGET SOUND ENERGY**

*The Energy To Do Great Things*

**Schedule 250  
Commercial/Industrial Retrofit Program 2020-2021**

**REQUEST FOR PROPOSALS**

**September 15, 2020**

**Puget Sound Energy, Inc.  
Business Energy Management  
19900 North Creek Parkway, BOTH01  
Bothell, WA 98011**

# **TABLE OF CONTENTS**

<b>1 INTRODUCTION .....</b>	<b>1</b>
<b>2 ELIGIBILITY .....</b>	<b>1</b>
<b>3 AVAILABLE FUNDING .....</b>	<b>1</b>
<b>4 PROPOSAL REQUIREMENTS .....</b>	<b>2</b>
4.1 Measures .....	2
4.2 Savings Analysis .....	2
4.3 Measure Cost.....	2
4.4 Funding Analysis.....	2
4.5 Verification Plan .....	3
4.6 Timing .....	3
<b>5 PARTICIPATION .....</b>	<b>3</b>
5.1 Project Information Form.....	3
5.2 Pre-Installation Site Inspection.....	4
5.3 Funding Approval and Grant Agreement.....	4
5.4 Verification .....	4
5.5 Payment.....	4
<b>6 EVALUATION CRITERIA.....</b>	<b>5</b>
<b>7 CUSTOMER OBLIGATIONS.....</b>	<b>5</b>
<b>8 PSE OBLIGATIONS.....</b>	<b>5</b>
<b>9 CONTACT INFORMATION AND SUBMISSION OF PROPOSALS .....</b>	<b>6</b>
<b>10 RFP SCHEDULE AND SUBSEQUENT PROGRAM DATES.....</b>	<b>6</b>
<b>11 GOVERNING TARIFF .....</b>	<b>7</b>
<b>12 EXHIBITS .....</b>	<b>7</b>

## **1 INTRODUCTION**

Puget Sound Energy (PSE) seeks to acquire cost-effective electric energy and natural gas savings from Commercial and Industrial (C/I) customers by providing incentives that support self-directed energy-efficiency projects. Incentive amounts for this offering are above the standard Custom Grant Program incentive offerings of \$.35/kWh saved and \$5/therm saved.

**Qualifying projects received during this Request for Proposal (RFP) period will be eligible for incentives up to \$.50/kWh saved and \$7.00/therm saved, not to exceed 100% of the proposed measure cost.**

PSE's Energy Efficiency Services Department is soliciting electric and natural gas energy-efficiency upgrades through a request for proposal (RFP) process. Eligible customers are provided an increased incentive level based on electric and/or natural gas savings potential. Customers are responsible for proposing cost-effective projects to qualify for this increased incentive offering. This RFP is a limited time offer that will require adherence to the timeline listed. Projects not meeting the listed milestones may still qualify for incentive funding under PSE's standard custom grant incentive levels.

## **2 ELIGIBILITY**

Customers receiving electrical service from PSE under Schedules 24, 25, 26, 31, 43 of Electric Tariff G, or their equivalent, and/or bundled natural gas service under PSE's natural gas tariff with cost-effective electric and/or gas energy-efficiency projects are eligible to respond to this RFP. Special Contract customers who are not presently contributing to energy efficiency program costs via Schedule 120 Electricity or Schedule 120 Natural Gas Conservation Service Rider are not eligible to respond.

## **3 AVAILABLE FUNDING**

Funding under this solicitation is provided through funds collected by PSE Electric and Natural Gas Conservation Service Rider Schedule 120 and will be limited to a maximum total incentive pool of \$5,000,000.

Customers receiving electric service from PSE under Schedules 40, 46, or 49 are also eligible for energy-efficiency project incentives available under PSE Schedules 250, 251, 253, and 262.

Customers receiving electric service from PSE under Schedules 448, 449, 458, 459, or special contract are not eligible to participate in this RFP, but may participate in energy-efficiency programs offered under their individual Schedule 258 allocation.

## **4 PROPOSAL REQUIREMENTS**

Eligible customers responding to this RFP must submit a proposal for each project. All proposals must satisfy the following requirements:

### **4.1 Measures**

Customers may propose measures providing electric and natural gas energy savings shown to meet PSE's cost effectiveness standard. Measure categories may include but are not limited to:

- HVAC and Refrigeration Improvements
- Controls
- Process Efficiency Improvements

- Building Thermal Improvements
- Water Heating Improvements
- Commercial/Industrial Process Improvement Programs

**Note:** Lighting and Commissioning measures and measures where a PSE rebate exists are specifically excluded from this RFP. Specific information regarding these efficiency measures and corresponding incentives can be found at:

<https://www.pse.com/rebates/business-incentives>

Customers are encouraged to propose other innovative measures with appropriate documentation and pre-approval by PSE.

#### **4.2 Savings Analysis**

Electric and natural gas energy savings are to be calculated by the customer or customer's representative using standard engineering practices. Analysis data, affected equipment nameplate information, assumptions, existing setpoints, and calculations shall be sufficiently documented to permit review of the analysis. PSE will review electric and natural gas energy savings calculations, and reserves the right to modify energy savings estimates. Actual savings may be trued up based on post-installation energy use monitoring.

#### **4.3 Measure Cost**

Customer proposals shall provide documentation of measure cost, which is the known and measurable cost of purchasing and installing an energy efficiency measure at a customer's facility, including but not limited to equipment, labor, applicable taxes, disposal of old equipment and permit fees.

#### **4.4 Funding Analysis**

PSE will fund cost-effective projects, using the current PSE Energy Efficiency Cost Effectiveness Standard to determine the value of the electricity and/or natural gas savings, such that provided incentives satisfy the Utility Cost Test.

#### **4.5 Verification Plan**

Customer proposals shall describe the procedures that will be used to verify measure installation, energy savings resulting from the measure, and strategies for maintaining energy savings for the life of the measure.

#### **4.6 Timing**

All proposed measures are to be completed by Wednesday December 1, 2021 including final verification by PSE and submittal of all required documentation for grant payment. Submittals should be emailed to: [CEMRFP@pse.com](mailto:CEMRFP@pse.com)

## **5 PARTICIPATION**

The following procedures shall be followed in responding to this RFP:

### **5.1 Project Information Form**

Customer shall submit a completed Project Information Form (Exhibit I) for each project to be considered for funding. Project Information Form shall be accompanied, at a minimum, by the following:

1. Project Description
2. Documentation of Energy Use Baseline\* (kWh/yr/therms/yr)
3. Calculated Energy Savings (kWh/yr/therms/yr) and Peak Demand (kW) Reduction
4. Measure Cost Documentation
5. Project Timeline
6. Verification Plan

A Project Information Form must be submitted for each project by December 1, 2020 at 5 PM to be eligible for funding available under this RFP. PSE reserves the right to reject any late or incomplete submissions.

## **5.2 Pre-Installation Site Verification**

For each proposal satisfying submittal requirements, a PSE Energy Management Engineer will conduct a pre-installation inspection to verify existing equipment conditions and review the proposed efficiency upgrade prior to funding approval. The pre-installation site inspection requirement will be waived for efficiency upgrades implemented in conjunction with construction of new facilities, addition of new production lines, etc. In lieu of the site inspection, the PSE Energy Management Engineer will review each project's drawings and specifications, and may request a meeting with project team members and designers.

## **5.3 Funding Approval and Grant Agreement**

Following completion of the pre-installation site verification, a final evaluation of the project will be completed by PSE and the customer will be notified of available funding.

Upon receipt of funding approval, customer shall notify PSE of intent to proceed with installation of the energy efficiency measure(s). PSE will then issue a Schedule 250 Conservation Grant Agreement that specifies terms and conditions of the incentive payment.

Customers are requested to sign the Schedule 250 Conservation Grant Agreement and return to PSE within 90 days of receipt. **Grant agreements not signed and returned to PSE within 90 days may be cancelled** and the project funding may be re-evaluated.

## **5.4 Verification**

Upon completion of installation, customer shall forward copies of final invoices to PSE as documentation of final project cost.

After receipt of project final cost documentation, a PSE Energy Management Engineer shall conduct a post-installation verification to review installed equipment and confirm implementation of the verification plan.

## **5.5 Payment**

PSE scheduling of funding payments are tied to PSE's annual program budgets (January through December) and will take into consideration:

- the order in which project proposals are received, and
- estimated project completion dates

## **6 EVALUATION CRITERIA**

All projects submitted shall be evaluated on the following criteria:

1. Clarity of project description and scope
2. Thoroughness of energy savings estimates and supporting data/calculations
3. Firmness of estimated project costs (inclusion of bids, quotes, and other supporting documentation)
4. Cost-effectiveness of project (cost vs. energy savings; measure life; load type)
5. Timeliness of installation (ability to complete project and submit all project documentation to PSE by December 1, 2021)
6. Implementation feasibility (likelihood of installation without complications)
7. Persistence of savings (ability to achieve savings for duration of measure life)
8. Non-energy benefits (O&M savings; increased productivity, etc.)
9. Level of co-funding by customer
10. Clarity of energy savings verification plan

Additional consideration will be given to multiple measure projects and projects targeted to save 25% or more of the customer's annual baseline energy consumption

## **7 CUSTOMER OBLIGATIONS**

Customer is responsible for developing project proposals, including estimates of electrical and/or natural gas energy savings and project costs. All proposal costs are responsibility of the Customer.

Customer is responsible for submitting project proposals to [CEMRFP@pse.com](mailto:CEMRFP@pse.com) prior to the submittal deadline of 5:00 PM Pacific Daylight Savings Time on Tuesday, December 1, 2020 and confirming receipt of the proposal by PSE.

Selection, use, and cost of a third party to develop, build, install or verify the project will be the customer's responsibility.

Upon funding award by PSE, the customer shall complete the project over a mutually determined timeframe, to allow for verification of the measure installation and payment of the Conservation Grant by December 31, 2021. **Projects not completed by 12/1/2021 will be incentivized using PSE's standard Custom Grant Program incentive levels.**

The customer shall agree to provide PSE access to information necessary to verify energy savings and cost-effectiveness.

## **8 PSE OBLIGATIONS**

PSE shall notify the customer of project acceptance and funding amount by January 1, 2021. PSE will issue a Schedule 250 Conservation Grant as soon as possible after that date.

PSE shall provide timely review of projects and issue grant payment within two (2) weeks of a completed project's verification.

Note: PSE reserves the right to modify or cancel this program due to regulatory or funding changes.

## **9 CONTACT INFORMATION AND SUBMISSION OF PROPOSALS**

Questions regarding the Schedule 250 Commercial/Industrial Retrofit Program and this RFP and project submittals should be sent to: [CEMRFP@pse.com](mailto:CEMRFP@pse.com)

***All proposals must be received by no later than 5:00 PM Pacific Daylight Saving Time on Tuesday, December 1, 2020.***

***It is the customer's obligation to confirm receipt of project proposal by Puget Sound Energy prior to the date noted above.***

## **10 RFP SCHEDULE AND SUBSEQUENT PROGRAM DATES**

September 15, 2020	RFP issued to customers. RFP acceptance period begins
<b>December 1, 2020</b>	<b>Project proposals due for RFP funding consideration</b>
January 1, 2021	Customer's notified of project acceptance
July 1 2021	Mid-program project status update
December 1, 2021	Project completion deadline (all measures installed and final invoicing submitted to PSE)
December 31, 2021	All payments issued; program ends

## **11 GOVERNING TARIFF**

The following schedules specifically governing the Commercial/Industrial Retrofit Program are listed below:

Schedule 83 – Electricity Conservation Service  
Schedule 183 – Natural Gas Conservation Service  
Schedule 250 - Electricity Energy Efficiency Program – Commercial and Industrial Retrofit Program  
Schedule 250 Natural Gas Schedule 250 Energy Efficiency Program – Commercial/Industrial Retrofit Program

All rate schedules are viewable online at: [www.pse.com](http://www.pse.com)

## **12 EXHIBITS**

Exhibit I Project Information Form