

# **REQUEST FOR PROPOSAL**

**for an**

**EVALUATION CONTRACTOR**

**for**

**ComEd's  
Energy Efficiency / Demand Response Plan  
(2008 – 2010)**



## Purpose and Authority

The purpose of this request is to solicit proposals from qualified energy efficiency program evaluation firms to provide evaluation services as defined below related to ComEd's 2008 – 2010 Energy Efficiency / Demand Response Plan ("the Plan") (See Attachment 1), and the portion of the Ameren Illinois Plan administered by the Department of Commerce and Economic opportunity. The objective of this request is to retain an evaluation firm that will have responsibility for the evaluation of program impacts for program years 2008, 2009 and 2010 (program years run from June through May). This evaluation will cover all programs that are projected to provide kWh or kW savings as part of "the Plan". Note that this includes programs implemented by ComEd and programs implemented by the Illinois Department of Economic Opportunity and Commerce ("DCEO" or "the Department") as part of the ComEd and Ameren Illinois Utilities plan.

The evaluation services being sought are those required by Section 12-103(f)(7) of the Public Utility Act ("PUA"). In particular, the following is called for:

"an annual independent evaluation of the performance of the cost-effectiveness of the utility's portfolio of measures and the Department's portfolio of measures, as well as a full review of the 3-year results of the broader net program impacts and, to the extent practical, for adjustments of the measures on a going-forward basis as a result of the evaluations. The resources dedicated to evaluation shall not exceed 3% of the portfolio resources in any given year."

The products of these evaluation services will be provided to the Illinois Commerce Commission ("ICC" or "Commission") as evidence of whether or not the statutory energy savings targets have been achieved. The Commission ultimately determines whether, in fact, the utilities have achieved these targets and the products of the evaluation services described here may be used by the ICC in making this determination. However, the ICC may draw upon other sources of information and other evaluation services when making this determination.

The evaluation contractor (the Contractor) selected through this solicitation will be retained contractually by ComEd. However, the independence of the evaluation contractor is essential. The winning bidder's contract will be filed as a compliance matter with the Commission, which retains the authority to approve or reject the contract. The Commission also retains the authority to (1) direct ComEd to terminate the evaluator if the Commission determines that the evaluator is unable or unwilling to provide an independent evaluation and (2) approve any action by the utility that would result in termination of the evaluator throughout the term of the contract. All evaluation protocols and program evaluation plans will be reviewed by ComEd's Stakeholder

Advisory Group<sup>1</sup> (SAG), and all specified periodic evaluation reports will be provided to ComEd, the SAG and the Commission Staff. Notwithstanding these requirements, ComEd may request specific evaluation services within the terms of the scope of work and contract including periodic evaluation reports in addition to those presented to the SAG and ICC Staff.

It should be noted that a separate evaluation consultant has been retained to provide certain functions across the entire state of Illinois. Messrs. Ralph Prah and Gil Peach have been retained in the role of evaluation consultant. It is expected that the firm that wins this bid will work with the evaluation consultants on several fronts to ensure consistency across the state. The evaluation consultant's responsibilities will include –

- Serve as lead in the development of the evaluation framework, enunciating the principles that will guide the evaluation effort, along with the nature of the evaluation process
- Review all evaluation plans submitted by the utility evaluation contractor
- Review other deliverables, such as sampling plans
- Review the evaluation reports prepared by the utility evaluation contractor
- Provide on-going technical support to the Stakeholder Advisory Group

The evaluation contractor will need to interact with a number of parties involved in the implementation and evaluation of ComEd's portfolio. These include participants and non-participants in the programs as well as the implementation contractors, ComEd staff, DCEO staff and the SAG. The SAG consists of the Illinois Attorney General, ICC staff, ratepayer advocacy groups, environmental advocacy groups and governmental agency representatives. In addition, the evaluation contractor will be required to comply with the future Illinois evaluation framework and any additional ICC requirements regarding evaluation<sup>2</sup>.

DCEO is administering a portfolio of low income and public sector programs across the ComEd and Ameren service territories. ComEd, Ameren and DCEO have decided that a single evaluation contractor should evaluate the DCEO programs across both the ComEd and Ameren service territories. The evaluation contractor for the ComEd programs will also evaluate the DCEO programs that are administered in the Ameren Illinois service territories.

Bidders should base their proposals on preparing two classes of deliverables:

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<sup>1</sup> The Stakeholder Advisory Group include the Evaluation Consultant. Ralph Prah and Gil Peach have been retained to serve this role for the SAG. Throughout this document, when the SAG is referenced, this will include the Evaluation Consultants.

<sup>2</sup> Ameren Illinois Utilities, the other major electric utility in Illinois, is in the process of selecting an evaluation contractor to evaluate their portfolio of programs similar to those covered by this contract. In order to limit duplication of effort and enhance statewide consistency, the ComEd contractor will be required to coordinate and collaborate with the Ameren contractor, in a manner to be determined as part of the statewide evaluation framework that has yet to be developed.

1. Deliverables pertaining exclusively to the programs administered directly by ComEd.
2. Deliverables pertaining to the programs administered by DCEO. With respect to this set of deliverables, the contractor will be expected to clearly distinguish between the program impacts and process findings pertaining to the portion of the DCEO-administered portfolio in the ComEd territory, and the portion in the Ameren territory, such that the results of the DCEO program evaluation can be combined with those of the respective utilities.

The evaluation contractor will provide to ComEd, DCEO and the SAG the following for review and comment<sup>3</sup>:

- Proposed evaluation budget allocations across programs
- Any recommendations regarding net-to-gross ratios, spillover, measure savings values and other inputs to Illinois' Total Resource Cost test
- Template for evaluation work plans and evaluation reports
- Draft evaluation work plans
- Draft evaluation reports before they are final
- Interim findings that indicate program performance will significant lag or exceed expectations relative to forecast
- By mutual agreement, the evaluation contractor shall coordinate with ComEd and the SAG on other activities not listed above

## Definitions

Evaluation services are defined as any and all activities associated with the preparation of evaluations of the impacts of energy efficiency programs on the consumption of electricity and on the demand for power by ComEd's customers, including process and market evaluation activities. These activities will include the development of evaluation protocols and plans, the development of deemed savings values where appropriate, conduct of impact evaluations based on approved program evaluation plans, periodic reporting, and periodic meetings with the utilities, evaluation consultants, stakeholders and ICC staff and the ICC.

Program year is defined as a year commencing June 1 of the named year and concluding on May 31<sup>st</sup> of the following year. For example, Program Year 2008 commences on June 1, 2008 and concludes on May 31, 2009.

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<sup>3</sup> In most cases, ComEd and SAG will be given 10 days for review and comment unless a mutually agreed upon shorter timeframe is desired.

## Portfolio Overview

It is important that all bidders become familiar with all aspects of the Plan, which is included as Attachment 1. The following table summarizes the net MWh impacts projected for each of the programs in ComEd's portfolio.

		2008 MWh Savings	2009 MWh Savings	2010 MWh Savings	3 Year Total MWh Savings
<b>ComEd Programs</b>					
<b>Residential</b>	Residential Lighting Program	75,809	126,349	149,322	351,480
	Appliance Recycling Program	8,159	18,358	24,477	50,994
	Residential Multi-family "All Electric" Sweep	2,369	2,369	2,369	7,107
	Residential - HVAC Diagnostics & Tune-Up	-	1,802	4,495	6,297
	Residential New HVAC w/Quality Installation	-	7,227	18,033	25,260
	Single Family Home Performance	-	1,407	2,473	3,880
	Residential Advanced Lighting Package	-	125	250	375
<b>Commercial &amp; Industrial</b>	C & I Prescriptive	43,255	86,510	167,613	297,378
	C&I Custom	18,932	74,475	95,244	188,651
	Small C&I CFL Intro Kit	16,816	-	-	16,816
	C&I Retrocommissioning	1,090	6,456	10,903	18,449
	C&I New Construction	-	596	1,908	2,504
<b>Demand Response</b>	Nature First Expansion				
<b>ComEd Total Program Impacts</b>		<b>166,430</b>	<b>325,674</b>	<b>477,087</b>	<b>969,191</b>
<b>DCEO - Public Sector</b>	Public Sector Prescriptive Program	30,406	66,016	95,153	191,575
	Public Sector Custom Program	4,443	7,375	14,773	26,591
	Public Sector New Construction	-	-	2,070	2,070
	Lighting For Learning	2,663	4,035	5,180	11,878
	Public Sector Retrocommissioning	2,251	2,242	4,491	8,984
<b>DCEO -Low Income</b>	Low-Income New Construction & Gut Rehab	-	811	1,346	2,157
	Low-Income Energy Efficient Moderate Rehab	-	-	773	773
	Low-Income Energy Efficient Single-Family Remodeling	-	206	341	547
	Low-Income Energy Efficiency Direct Install	648	969	1,294	2,911
<b>DCEO Total Program Impacts</b>		<b>40,411</b>	<b>81,654</b>	<b>125,421</b>	<b>247,486</b>
<b>Projected Annual Totals</b>		<b>206,841</b>	<b>407,328</b>	<b>602,508</b>	<b>1,216,677</b>

The following table (taken from the Ameren Energy Efficiency and Demand-Response Plan) summarizes the MWh impacts for the Ameren programs, including the DCEO-administered programs for the Ameren service territories.

Program Element	TOTAL ANNUAL MWH			Total Annual kW			ANNUAL PROGRAM COSTS			TRC
	2008	2009	2010	2008	2009	2010	2008	2009	2010	
Residential										
Home Energy Performance	995	2,513	3,351	57	143	190	\$249,968	\$631,497	\$841,996	1.76
Residential HVAC Diagnostics & Tune-Up	-	1,812	3,624	-	373	746	\$0	\$773,605	\$1,547,209	1.07
Residential Appliance Recycling	2,426	8,897	14,559	374	1,372	2,244	\$787,500	\$2,987,500	\$4,725,000	1.15
Residential Lighting & Appliances	10,086	22,923	45,845	178	406	811	\$1,164,261	\$2,646,047	\$5,292,094	1.68
Residential Multifamily	2,792	4,189	4,189	481	722	722	\$262,684	\$394,025	\$394,025	1.48
Residential New HVAC	343	1,543	3,086	89	399	798	\$125,665	\$565,491	\$1,130,982	1.14
Residential DR - Direct Load Control	264	530	804	2,936	5,884	8,938	\$637,326	\$1,274,652	\$1,911,978	1.73
<b>Residential Solutions Total</b>	<b>16,907</b>	<b>42,406</b>	<b>75,458</b>	<b>4,114</b>	<b>9,298</b>	<b>14,450</b>	<b>\$3,227,402</b>	<b>\$8,749,985</b>	<b>\$15,018,692</b>	
Business										
C&I Prescriptive	35,276	63,182	84,242	8,355	14,965	19,953	\$3,499,239	\$6,267,293	\$8,356,391	1.37
C&I Retro-commissioning	513	1,230	1,914	12	30	47	\$192,206	\$461,294	\$717,569	1.40
Commercial New Construction	-	102	458	-	33	147	\$0	\$72,000	\$324,000	1.12
Street Lighting	4,249	4,249	4,249	-	-	-	\$520,000	\$520,000	\$520,000	1.93
C&I Custom	5,817	15,012	24,395	756	1,952	3,171	\$561,784	\$1,449,765	\$2,355,869	1.90
Commercial Demand Credit	47	93	137	2,328	4,642	6,851	\$51,452	\$102,617	\$151,444	2.50
<b>Business Solutions Total</b>	<b>45,901</b>	<b>83,867</b>	<b>115,395</b>	<b>11,452</b>	<b>21,621</b>	<b>30,169</b>	<b>\$4,824,681</b>	<b>\$8,872,970</b>	<b>\$12,425,272</b>	
Portfolio-Wide Costs										
Education Program							\$260,000	\$400,000	\$500,000	
Evaluation, Measurement and Verification							\$420,000	\$840,000	\$1,260,000	
Information Program							\$260,000	\$400,000	\$500,000	
Portfolio Administration							\$975,000	\$1,400,000	\$2,100,000	
<b>Portfolio-Wide Cost Total</b>							<b>\$1,915,000</b>	<b>\$3,040,000</b>	<b>\$4,360,000</b>	
<b>Ameren Total</b>	<b>62,808</b>	<b>126,273</b>	<b>190,853</b>	<b>15,566</b>	<b>30,919</b>	<b>44,619</b>	<b>\$9,967,083</b>	<b>\$20,662,955</b>	<b>\$31,803,964</b>	
DCEO										
DCEO Public Sector Prescriptive	10,653	23,501	33,668	2,352	5,190	7,435	\$1,649,859	\$3,643,281	\$5,193,914	1.62
DCEO Public Sector Customized Program	1,587	2,625	5,227	-	-	-	\$259,458	\$463,630	\$860,900	3.04
DCEO Public Retrocommissioning	789	798	1,589	6	7	13	\$77,837	\$78,759	\$130,677	4.47
DCEO Lights for Learning	933	1,436	1,833	-	-	-	\$103,783	\$157,519	\$209,083	2.74
DCEO Low Income New Const. Gut Rehab	-	284	479	-	-	-	\$396,144	\$666,567	\$1,188,115	0.59
DCEO Low Income EE Moderate Rehab (MF)	-	-	275	-	-	-	\$0	\$404,033	\$534,727	0.50
DCEO Single Family Rehab	-	72	121	-	-	-	\$164,324	\$272,770	\$456,324	0.32
DCEO Low Income Direct Install	227	345	458	-	-	-	\$268,107	\$404,035	\$534,730	0.63
DCEO Smart Energy Design Assistance Program	-	-	-	-	-	-	\$285,404	\$472,556	\$574,978	-
DCEO Manufacturing Energy Efficiency Program	-	-	-	-	-	-	\$25,946	\$52,506	\$104,542	-
DCEO Building Industry Training & Education	-	-	-	-	-	-	\$114,985	\$166,130	\$299,231	-
DCEO Public Sector New Construction	-	-	737	-	-	-	\$0	\$262,531	\$784,062	4.52
<b>DCEO Total</b>	<b>14,159</b>	<b>29,062</b>	<b>44,387</b>	<b>2,359</b>	<b>5,196</b>	<b>7,448</b>	<b>\$3,345,647</b>	<b>\$7,044,317</b>	<b>\$10,871,281</b>	
<b>Grand Total</b>	<b>76,967</b>	<b>155,335</b>	<b>235,240</b>	<b>17,925</b>	<b>36,115</b>	<b>52,067</b>	<b>\$13,312,931</b>	<b>\$27,707,272</b>	<b>\$42,675,245</b>	<b>1.40</b>

The evaluator will be responsible for measuring the impacts of each of the programs (excluding Ameren programs not administered by DCEO). Note that programs differ in terms of timing and magnitude of MWh impact and each of these factors needs to be taken into account in the final evaluation plan.

It is important to emphasize that the total evaluation cost is subject to budget constraints. Per the PUA, evaluation costs are limited such that the costs cannot exceed 3% of the annual resources spent on the Plan. The table below shows ComEd's current estimates for the three years of evaluation costs. It also shows the estimated evaluation costs for the DCEO programs in both the ComEd and the Ameren Illinois service territories.

**NOTE – Annual portfolio funding levels and MWh impacts are required to be recalculated annually. This means that, while the 2008 evaluation expenditure from the ComEd portfolio is set at \$1.2M, the years 2009 and 2010 are subject to adjustments and the amounts listed above should be viewed as “ballpark” figures.**

Projected Evaluation Costs (\$1,000's)			
Planning Year	ComEd Programs	DCEO Programs	
		ComEd Service Territory	AMEREN Service Territory
2008	\$ 900.0	\$ 300.0	\$ 99.8
2009	\$ 1,800.0	\$ 400.0	\$ 207.8
2010	\$ 2,850.0	\$ 950.0	\$ 320.1

Since filing the Plan, ComEd has retained four implementation vendors. The four vendors are implementing the following programs –

- KEMA – C&I Prescriptive, C&I Custom and Retrocommissioning
- JACO – Appliance Recycling
- APT – Residential Lighting
- Honeywell – Residential Multi-Family “All-Electric” Sweep

The C&I Prescriptive, C&I Custom, Appliance Recycling, Residential Lighting and the Residential Multi-Family “All-Electric” Sweep Program all were launched in June 2008. The Retrocommissioning Program will launch 3<sup>rd</sup> quarter 2008. The remaining ComEd programs are still in development and RFPs for implementation contractors have not yet been released. For further information about any of the programs, please reference ComEd’s Plan.

DCEO has responsibility for administering programs for low-income, public sector and market transformation targets in the ComEd and Ameren Illinois service territories. Their initial programs launched in June, 2008. These program descriptions are included as attachment 2 to this RFP.

## Scope of Work

The work anticipated for the evaluation contractor will be guided by the following general tasks.

## Evaluation Goals and Objectives

The overall evaluation objectives are:

- Document the net energy and demand savings associated with the portfolios. Specific metrics to determine for the portfolio and each program include –
  - Annual and monthly kWh savings (gross and net)
  - Peak kW savings
  - Cost-Effectiveness indicators, including the TRC test
- Provide verification and due diligence of project savings as reported by the implementation contractors through due-diligence audits and inspections of a sample of project documentation and sites, respectively
- Improve the design and implementation of existing and future programs through process evaluation
- Support ComEd in developing a “best-in-class” evaluation infrastructure for its energy efficiency programs

The primary focus of the evaluation will be the impact evaluations of the various programs to determine the net impacts and cost-effectiveness of the programs. It will be important to determine how best to allocate the resources available for evaluation. Key components of process and market evaluation should be identified (particularly in the early phases of the new programs) and built into the evaluation plan, but these will be secondary objectives in comparison to the impact evaluation.

Below are some guiding principles in terms of evaluation.

### Impact Evaluation

Much of the long term focus of the evaluation will be on assessing program net impacts. The areas of greatest importance include, but are not limited to:

- **Understanding of “deemed savings” as it relates to ComEd’s plan and the DCEO programs.** As part of the final order, certain measures (i.e., primarily light bulbs) were considered deemed while others will require an analysis to be conducted. The evaluator must be knowledgeable about the final order

concerning evaluation and deemed savings and the evaluation proposal must reflect this information<sup>4</sup>. Because the ICC has accepted deemed gross savings values for some prescriptive measures, and because there is considerably less uncertainty regarding many of these, this independent verification of these values may take a lower priority in terms of both time and importance. However, the evaluation plan will need to address and adjust these deemed gross savings over time to improve estimates. One approach may be that the initial focus be on those measures accounting for the largest overall savings and/or those areas with greatest uncertainty. Parameters such as baseline efficiencies, load shapes and peak demand impacts may be the most uncertain and important. However, ComEd will leave this up to the discretion of the evaluation contractor.

- **Calculation of the net-to-gross ratio for programs that are likely to have freeridership and spillover and that represent significant portions of the portfolio impacts.** The areas likely to be most important in this regard are residential compact fluorescent lighting and commercial prescriptive programs. These two programs account for the majority of planned savings and need to be understood as early as possible to allow resources to be shifted, if necessary, to meet year 2 and 3 goals. Note that all net-to-gross ratio estimates must include both freerider and spillover estimates. ComEd would be interested if the bidders are aware of any pre-established NTGs, spillover or savings estimates that could be considered for use in Illinois.
- Other net-to-gross ratios are less critical, but values for all programs must be established consistent with available resources and industry best practice.
- Gross savings impacts are likely to be most uncertain for custom C&I measures and C&I new construction, where site specific analyses will be done. However, the Plan calls for a very small fraction of savings to come from these areas in the first few years. As a result, these may be a lower priority. However, in future years impact assessments should focus on the accuracy with which these savings are estimated.

## Process/Market Evaluations

Given the budget constraints on evaluation dollars and the requirement of an impact evaluation, process and market evaluations, while critical, are a secondary consideration.. ComEd believes an early year process and market evaluation that identifies the efficiency and effectiveness of the EE programs would be warranted. This evaluation could be critical to future success as it would provide timely recommendations for improvements. The process evaluation should be completed within the first 9 months of the implementation of programs. Issues to be considered should include, but are not limited to:

- Are programs being run efficiently and effectively, and consistent with the design

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<sup>4</sup> ICC Final Order – “these values should be deemed, temporarily, with the final values to be determined before the end of the plan’s three-year period and applied prospectively...During the next three-year period actual values must be developed for use prospectively, in future years.”

intent?

- Is staffing sufficient and the organization and structure of staff appropriate and conducive to long term success and ramp-up?
- Is customer service of high quality, timely and effective?
- Are marketing plans being implemented as designed, having the appropriate outcome, and how are customers and other market actors responding to them?
- Are appropriate quality assurance procedures in place and effectively being implemented?
- Are the appropriate tools developed and functioning properly and effectively to serve management and implementation needs (e.g., databases, screening tools, analysis tools)?
- Are customer intake and referral services efficient and effective?
- Are program materials effective and complete?
- Are costs being managed properly and efficiently?
- Are contractors effectively capturing the appropriate opportunities and ensuring comprehensive services?
- Are there excessive backlogs for various program elements compared to what was anticipated?
- Have any of the financial rebates / financial incentives been oversubscribed early on in the process? If so, which programs have really taken off and how much more support and resources are needed to offer this program throughout the program year?
- Which program services have not performed or been utilized by customers as much as was anticipated? Why hasn't that program(s) been well received by the customers and what corrective steps should be taken? If the nature of the implementation problem is severe should this program be terminated prior to one full year of operation? If so, please provide an explanation for doing so.

## **TASK 1 - Establish Evaluation Framework and Guidelines**

The evaluation framework describes generally how evaluations will be carried out, as well as the timing of evaluation activities and the format of evaluation reports. The Contractor will work with ComEd, DCEO, the evaluation consultant and SAG to establish the appropriate evaluation framework specific to each program. The evaluation framework may address the following:

- Reporting Requirements – Standardize Program Evaluation Reports (content and format)
- Statement of role of SAG in development and review of program evaluations

- Balancing of available resources and level of rigor (reliability)
- Deemed and un-deemed savings (re: ICC Orders)
- Measuring performance with respect to legislatively mandated goals
- Focusing resources and effort across programs and with respect to impact and process evaluation elements
- Type and depth of evaluation appropriate to each type of program
- Level of statistical precision and power for each type of program
- Standards for determining net-to-gross (NTG) ratios
- Specification of the process for determining deemed values (with SAG, Utilities, & DCEO)
- Specification of contents and format of evaluation work plans
- Requirements for measure installation verification
- Requirements for program data tracking systems
- Minimum process evaluation requirements

## **TASK 2 - Develop Evaluation Plan**

On a schedule agreed to during a project initiation meeting and consistent with the framework yet to be developed, the Contractor will submit a draft detailed evaluation plan to ComEd. The Contractor will meet with ComEd, DCEO and the Ameren evaluation team as needed throughout the development of the draft evaluation plan. The draft plan shall be presented to the evaluation consultant and the SAG for review and comment. Based on the comments provided by ComEd, DCEO, the evaluation consultant and the SAG, a final evaluation plan will be prepared. The evaluation plan will not be considered final until approved by ComEd in writing. The final plan will be presented to the SAG.

ComEd may request that the Contractor initially provide more detailed plans for higher priority evaluation tasks and less detailed plans for lower priority evaluation tasks, or the Contractor may recommend such a multi-phase approach to developing the evaluation plan.

The evaluation plan is expected to be a “living document,” and will be revised as needed throughout the project term. Any substantive change in the plan will be brought before the SAG for discussion. A substantive change is one that pertains to a change in methodology or reporting dates.

As discussed above, the evaluation plan must address the evaluation budget

constraints and how the evaluation contractor proposes to balance these constraints across the required evaluation over three years. The expectation is that the evaluation plan will include, but not be limited to, the following elements:

- A high-level summary evaluation and analytical approach presented in the Contractor's original proposal. This summary will be informed by the project initiation meeting, intervening discussions, meetings between ComEd, DCEO and the Contractor, input from the evaluation contractor and stakeholder comments
- A description of the programs to be evaluated
- A brief presentation of a program logic / theory for each program, to the extent it is known.
- A description of evaluation objectives, evaluation questions and evaluation rigor level for each program
- Descriptions of metrics (including energy and demand savings metrics) for each program and the portfolio as a whole
- Description and discussion of the use and need for deemed savings measures and how their values will be developed
- Description of how realization rates and net-to-gross ratios will be determined, including the possible use of stipulated versus researched NTG ratios
- Description of how program impact results will be combined to report portfolio impacts, addressing the need for adjustments such as accounting for program overlap or other factors
- Use of best-practice approaches appropriate to each program, with the plans informed by standard technical references such as the *International Performance Measurement and Verification Protocol* and the *National Action Plan Model Energy Efficiency Program Impact Evaluation Guide*
- Description of the tradeoffs in allocating limited budget dollars to specific tasks and programs, and why those tradeoffs were selected
- Description of the methodologies, procedures and data tracking systems to be used by the Evaluator to conduct the process and impact evaluations and project verifications for each program including data gathering, sampling and analysis methods (Note that ComEd, Ameren and DCEO require the ability to access all data and analyses used and developed by the Contractor and will ultimately retain ownership rights to such data and analyses including proprietary and in-house models as they pertain to their respective programs and/or service territories);
- Description of other activities to be conducted by the Evaluator in support of evaluation related activities, such as market baseline assessments and determining stipulated (deemed) savings values;
- A description of the data and information needed from the program

administrators with estimated dates that the data will be needed.

- A description of the expectations the Contractor has of ComEd, DCEO and the implementation contractors.
- A detailed work plan, including identification of staff resources and the management of subcontractors, project schedule and visual presentation of tasks, sub-tasks, and milestones.
- A description of Contractor's understanding of project and management milestones.
- Timeline and dates of deliverables from the evaluation effort.

ComEd's and DCEO's preliminary program designs included expected evaluation requirements for each program element. It is expected that modifications to the evaluation plans prescribed for each program element will need to be made. The evaluation contractor will work with ComEd, DCEO and the implementation contractors to incorporate the updated evaluation components into their respective final program design.

### **Task 3 - Establish Verification and Due Diligence Procedures for Implementers**

The Evaluation contractor will develop and implement appropriate quality assurance/quality control (QA/QC), inspection and due diligence procedures for each program. The procedures will include reviewing, and perhaps building on or modifying, QA/QC and M&V processes that will be developed by the implementation contractor for each program. The procedures will vary by program and are necessary to assure customer eligibility, completion of installations, and the reasonableness and accuracy of savings upon which incentives are based. The evaluation contractor will have responsibility for installation verification and estimation of savings for purposes of Implementer oversight for at least a sample of projects in each program.

### **Task 4 - Review Tracking Systems and Program Theories, and Maintain Program Communications**

The evaluation contractor will review the program tracking system to assess its ability to meet the needs of the evaluation effort. The evaluation contractor will work with the ComEd, DCEO, the tracking system contractor(s) and the implementation contractors, to assure that the system provide the necessary information and that the data fields are adequately and accurately populated and available to the evaluation contractor.

The evaluation contractor will also review the implementation contractor's program theories and logic models to identify problems or issues with the logic models with respect to their ability to move from a market theory and the key identified barriers to

end-use behavior changes that are to be influenced by the programs' efforts. The evaluation contractor will, as needed, develop program theories and logic models that will help structure the evaluation efforts to address the evaluation goals.

The evaluation contractor, while maintaining independence, will also support evaluation-related communications with the Implementer to ensure the evaluation efforts are timely and address the need for two way communications during the program implementation / evaluation efforts.

## **TASK 5 - Conduct Evaluation of Program Impacts**

This task involves the actual implementation of the evaluation plan, as amended and approved. Implementation of the evaluation may include, but not be limited to, the following subtasks and activities:

- Acquisition of data from the program administrators, implementers, or other sources
- Development of a sampling plan
- Installation of metering equipment on participant property
- Development of survey instruments
- Data analysis

While primary focus will be on the impact evaluation, ComEd believes process and market evaluations are critical to success of the overall portfolio.

## **TASK 6 – Report Evaluation Status and Results**

Under this task, the selected Contractor will be responsible for:

- Attending and occasionally facilitating meetings with ComEd, DCEO, the evaluation consultant, the implementation contractors and the SAG.
- Ensuring that project reporting is completed according to the specifications and schedule documented or referenced in the evaluation plan.

Establishment of the independence of the evaluation is critical. Although the Contractor shall report to ComEd for purposes of the contract, the Contractor shall respond to inquiries and requests received from the Commission or its Staff.

This task is composed of, but not limited to, the following sub-tasks and activities:

- *Project Initiation Meeting:* The selected Contractor will conduct a project initiation

meeting or series of meetings. The purpose of the project initiation meeting is for ComEd, its implementation contractors, DCEO, the evaluation consultants and the Contractor to discuss and cooperatively refine the project scope, schedule, management process, reporting, and priorities; reach mutual understanding on any unresolved items; and discuss the requirements of the evaluation plan. The Contractor will record meeting notes and submit the notes to the ComEd three days following the meeting.

- *Initial Stakeholder Briefing:* Subsequent to the Project Initiation Meeting, the Contractor will attend a SAG meeting at which ComEd, DCEO and the Contractor will brief SAG members (including the evaluation consultants) on the outcomes of the Project Initiation Meeting.
- *Project Meetings and Workshops:* The selected Contractor will be expected to conduct an average of two meetings per month with some combination of ComEd staff, DCEO staff, implementation contractors, the evaluation consultant and the SAG. The meetings may occur more frequently during the early and final stages of the project and less frequently during the middle of the project. From time to time the meetings will require the selected Contractor to make presentations and respond to questions in a workshop setting. Approximately one-third of the meetings will take place in person at a site in or around Chicago, and the remainder will be conducted via telephone conference call. At least once a quarter a meeting will focus on revisions and updates of the approved evaluation plan, as necessary. For budgeting purposes, bidders should assume at least one on-site meeting in Springfield.

A final project meeting will cover the following items at a minimum:

- Submission of ComEd-owned intellectual property;
  - “Surviving” Agreement provisions;
  - Final invoicing and release of retention;
  - Preparation of a schedule for completing the closeout activities for this Agreement.
- *Project Reporting:* Project Reporting is expected to include, but will not necessarily be limited to, the following items:
    1. **Monthly** – Project status reports, invoicing and administrative responsibilities. Highlighting issues with each evaluation and problems (difficulties in getting the job done, with recommended or agreed solutions).
    2. **Quarterly** – Review of major findings, observations, review of evaluation implementation and recommended updates to the evaluation plan. The Contractor is expected to provide a briefing to the SAG on the quarterly report.

3. **Ad-hoc** – To document problems, resolution and urgent issues as they arise. These reports may also need to be linked with planned evaluation efforts or changes to planned evaluation efforts that result in changes in work efforts.
  4. **Annual Verification Report** – Two annual verification reports due *December of 2009 and 2010* will serve to verify the number of measure installations from the previous program year(s).
  5. **Interim and Final Evaluation Reports** - These reports will provide interim and final estimates of the net energy impacts and program cost-effectiveness achieved for three snapshots in time as well as any other evaluation findings, observations, and recommendations regarding the programs in the contract group:
    - First Report – ***Due December 2009*** to cover the first year
    - Second Report – ***Due December 2010*** to cover the second year, plus a cumulative two year summary
    - Final Report – ***Due December 2011*** to cover the third year, plus a cumulative three year summary
  6. **Final Project Management Report** – The final project management report for this contract must summarize the work that has taken place under this agreement. The format and contents will be specified by ComEd. It is expected that this will be a 15 to 30 page report presenting an overview of the evaluation efforts and identifying the key issues that came up during the evaluation, with a summary of how they were handled. The report should also recommend how the study should be conducted in the future, identifying changes to the evaluation approach that can be expected to improve the reliability of the findings. Contractors should also recommend modifications to the evaluation protocols that can improve the reliability of the impact estimates.
- *Prepare and Submit Invoices:* Provide invoices in accordance with the Invoice Clauses in this Agreement. Invoices should be submitted with the monthly progress reports.

## **Task 7 – Program Evaluation Support**

The selected contractor will occasionally be called upon to provide general ad-hoc support for ComEd’s program evaluation efforts beyond that which is explicitly described in tasks 1-4 and the evaluation plan. This program evaluation support may include the following activities:

- Develop and design materials needed for workshops, reports, case studies, for distribution to general and technical audiences.

- Prepare analyses, findings, and recommendations in response to inquiries from ComEd, DCEO, the evaluation consultant, the SAG or the Commission or its Staff; prepare support materials as needed for each inquiry.
- Provide technical experts for hearings, workshops and other meetings, and prepare technical information for possible inclusion in meetings and reports.
- Provide support for development of a portfolio tracking system capable of providing program and project data in a form required for evaluation purposes.
- Assist in the development of baseline research and market assessment activities

Note that the costs associated with these activities do not fall under the 3% evaluation funding and will need to be tracked separately. These costs will be part of the general portfolio administration costs. At this time, the amount of resources required for these ad-hoc requests can not be estimated.

## Bidder Minimum Qualifications

Firms or teams bidding on this project must collectively possess and demonstrate extensive experience with evaluation of energy programs and the management of teams of evaluators to the extent the bidder proposes to use multiple firms to support the SOW.

## Proposal Requirements

### Time Schedule

The key dates associated with the RFP process are as follows:

<u>Event</u>	<u>Date</u>
Issuance of RFP	August 25, 2008
Bidder Conference	September 4, 2008
Notice of intent to bid (via e-mail) due	September 11, 2008
Bidder Question Period Ends	September 11, 2008
Compilation of Q&A delivered to bidders	September 12, 2008
RFP Addendums (if any) posted to CSCR	September 15, 2008
<b>Final Date for Proposal Submission</b>	<b>September 25, 2008</b>
Evaluation of Proposals Completed, Finalists Selected	October 23, 2008
Finalist Interview	Week of October 6, 2008
Notification of Winning Bids	After October 24, 2008
Contracts approved and signed by ComEd and Contractors (Approximate date)	
Contract work starts (Approximate Date)	Week of November 23, 2008

## **Bidders Conference and Q&A**

A Bidders Conference will be held on **September 4, 2008 10 AM to 11 AM CDT** via conference call. The purpose of this conference is the clarify this RFP and answer bidder questions. Interested parties who wish to participate may call 1-866-720-4365, passcode 529460. All Questions and Answers will be shared with all bidders and will be incorporated as an addendum to this RFP.

## **Bidder Instructions, Proposal Format, and Proposal Contents**

The proposal should be organized into the following sections in either Microsoft Word files or Adobe Acrobat files. The table of contents and organization of the proposal must be ordered as described below. Please include as many subdivisions as deemed necessary.

### **Bidder's Team Presentation**

The Bidder's Team Presentation must provide the requested information for all firms and individuals that are proposed for all contract groups covered in the bidder's proposal. The Bidder's Team Presentation should include:

- Section 1. Cover Letter
- Section 2. Executive Summary
- Section 3. Proposed Approach to Scope of Work
- Section 4. Proposed Schedule
- Section 5. Management Plan
- Section 6. Qualifications
- Section 7. Conflict of Interest
- Section 8. Legal Claims
- Section 9. Budget

## **Bidder's Team Presentation**

### **Section 1 – Cover Letter**

The cover letter should reference the RFP number and name, and include the bidder's name, address, telephone number and email address and names of all proposed subcontractors (if any).

### **Section 2 – Executive Summary (5 pages)**

The Executive Summary should provide a summary of the methodological and project management approach proposed. This summary must provide, but is not limited to, the following information:

- A description of recommended changes to ComEd's original evaluation approach as outlined in the Plan, if necessary.
- A description of some potential interactions between the evaluations of each program and how these might effect the ability to complete the evaluation of the entire group on schedule and within budget.
- A description of activities that may need to be prioritized and completed in a phased approach in order to accomplish the overall project requirements and provide early critical feedback to the program managers. If such detail cannot be provided given the available information, the bidder should describe a plan for how it will approach this prioritization activity.
- A description of any proposed process evaluation activities
- A description of how the evaluation would be structured to provide feedback to ComEd and DCEO program managers and implementing contractors more on a regular and frequent basis.
- A description of the evaluation team structure

### **Section 3 – Proposed Approach to Scope of Work**

The bidder must provide a suggested evaluation approach for each program directly administered by ComEd as described in ComEd's Plan. Bidder shall also provide a suggested evaluation approach for each program proposed by DCEO for the ComEd and Ameren service territories. The approach must be consistent with the assigned rigor levels within the ComEd plan (including suggestions on changes to the rigor level). The approaches need not be detailed approaches, but are meant to convey the bidder's understanding of the evaluation requirements. From this information, ComEd expects to be able to assess the bidder's suggested evaluation approach and to confirm that the bidder understands the program, the ComEd plan, and standard practices, and has offered a preliminary approach that can deliver the needed reliability.

These individual program evaluation approaches will form the basis for the development

of the evaluation plan if the bidder is awarded a contract. Each summary should provide the following information:

- A description of the methodologies and procedures expected to be employed in conducting the impact evaluation for each program, including data gathering, sampling and analysis methods; specifically address your proposed net-to-gross methodology and approach to establishing gross per measure savings values.
- A description of significant milestones, issues and problems that are likely to delay work or drive up costs.
- A description of the data and information likely to be needed from the program administrators, implementing contractors and other parties.
- A description of the sequence and duration of major project activities (no need to provide actual dates).
- A description of the process evaluation proposed for the program.

#### **Section 4 - Proposed Schedule**

Bidders should provide their best estimate of when key elements of the work scope will be completed. For purposes of the proposal, assume that the schedule for roll-out will be as described in the Plan.

#### **Section 5 - Management Plan**

For the Management Plan, please describe how the approach to the scope of work will be organized and managed, including, but not limited to, the following –

- If the bidder represents a team, each member of the team should be identified and the roles and responsibilities of all team members should be clearly described.
- The bidder's proposed project manager should be clearly identified.
- An organizational chart should be provided. The chart should identify the lead individual(s) responsible for each element of the Scope of Work, as well as the number and types of staff (marketing specialist, mechanical engineer, etc.) under each element of the Scope of Work.
- The percentage of each lead individual's time to be devoted to task management should be identified.
- The bidder should clearly describe how workflow will be managed, who will make decisions with regard to work assignments, and who will perform overall quality assurance/quality control functions.
- The management plan should also identify the individuals who will be the primary points of contact with the Company, and demonstrate that the team has the staff

and management resources necessary to successfully execute the evaluation.

- Identification and description of any systems, software, in-house proprietary spreadsheets or models that they propose to use to support project management.
- Provide locations of all offices in Illinois, and identify the principal office from which this program would be managed. Indicate which of the senior staff involved with the program that may be based in Illinois, if any.

Although this is a complex program requiring a variety of skills that could necessitate teaming, the Company prefers a straightforward, streamlined management structure with clear lines of responsibility.

### **Section 6 – Qualifications**

The ability of the bidder to manage large projects is critical, and will be a key criterion in selection. Specifically, the bidders should provide:

- A description of the prime Contractor and a summary of its strengths related to evaluation of the programs.
- At least three descriptions of projects of similar magnitude and complexity. Included should be a description of the project, its budget, duration, results achieved and client contact information. Bidders may, at their discretion provide client letters of reference.
- The name of the proposed project manager and a summary of his/her qualifications (include resume)
- Names and qualifications summaries for all key staff of the prime Contractor (include resumes)
- For all proposed subcontractors, the same information requested of the prime contractor
- A description of the resources and systems proposed for the conduct of customer surveys

A description of any specialized software systems used by the prime contractor and subcontractors, such as energy analysis software, and the terms of use (e.g. owned, leased for continual use, leased as needed)

### **Section 7 – Conflict of Interest**

Bidders shall disclose any potential perceived conflicts of interest. Firms participating in the implementation of the Company's programs (as either the prime implementation contractor or a subcontractor) are precluded from also serving as an evaluation contractor (prime or sub). The contractor ultimately selected is prohibited from having a financial interest in any enterprise receiving incentive payments or technical assistance

under the program. Any such interest must be disclosed in this proposal. Neither the Contractor nor the subcontractors are eligible to receive any program services.

### **Section 8 – Legal Claims**

Bidder must identify any pending legal or administrative action to which it is a party, and any judgments that have been rendered against it. The Company reserves the right to reject any bidder that is party to pending legal action or against which judgments have been rendered, or that has a history of claims against it if the Company believes that these affect the ability of the bidder to perform.

### **Section 9 – Budget [this section probably needs to breakout the DCEO Ameren portion – not sure how they will do that]**

Bidders should provide a time and materials budget for the tasks outlined in the Scope of Work. The following information should be provided:

- For each key staff person and by labor classification for junior staff, provide hourly rate, hours per task, and dollars per task for each program for each year of the portfolio. Staff of the prime contractor and subcontractors should be clearly identified.
- Estimated non-labor costs per task per program per year. Non-labor costs should be broken out as follows:
  - Travel (include notes describing origination-destinations and number of proposed trips)
  - Supplies (describe)
  - Other direct costs (describe)  
**Note: Costs should be reported at actual cost with no mark-up, e.g. profit, administrative or other indirect costs**
- Names, hourly rates, hours and costs per year associated with the overall management and integration of the programs (coordination across programs, tracking and reporting to the Company, subcontractor management, etc). Note that ComEd requires that the winning bidder not replace named staff with other staff without the express approval of ComEd.
- Summary table showing total labor costs and total non-labor costs per year.

## **Submission of Proposals**

- Proposals should provide straightforward and concise descriptions of the bidder's

ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements will be sufficient cause for rejection of a proposal.

- All proposals and copies on paper and copy on CD must be submitted under **sealed** cover and received by ComEd by the date and time listed on the cover page of this RFP. **Proposals received after this date and time will not be considered.**
- A minimum of three (3) copies of the proposal, along with the original, must be submitted.
- The original proposal must be marked "ORIGINAL COPY". All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the proposing firm. All additional proposal sets may contain photocopies of the original package.

Proposals not submitted as indicated will be rejected.

MAIL or deliver proposals to the following address:

Michael Brandt, EE Programs Manager  
ComEd  
3 Lincoln Centre  
Oakbrook Terrace, IL 60181

An electronic copy of the entire proposal should be sent no later than 4 PM, September 19, 2008 to **David Holmes** at: **David.Holmes@exeloncorp.com**.

- Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.
- A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. The ComEd may reject any or all proposals and may waive any immaterial deviation in a proposal. ComEd's waiver of immaterial defect shall in no way modify the RFP document or excuse the bidder from full compliance with all requirements if awarded the agreement.
- Costs for developing proposals and in anticipation of award of the agreement are entirely the responsibility of the bidder and shall not be charged to ComEd.
- An individual who is authorized to bind the proposing firm contractually shall sign Attachment 2, Proposal/Bidder Certification Sheet. The signature must indicate

the title or position that the individual holds in the firm. An unsigned proposal may be rejected.

- A bidder may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline. Proposal modifications offered in any other manner, oral or written, will not be considered.
- A bidder may withdraw its proposal by submitting a written withdrawal request to ComEd, signed by the bidder or an agent authorized in accordance with Bullet 5 above. A bidder may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to proposal submission deadline.
- ComEd may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all parties who received a proposal package.
- ComEd reserves the right to reject all proposals for reasonable cause, including perceived conflict of interest. If all proposals are priced too high, ComEd is not required to award an agreement.
- Bidders are cautioned to not rely on ComEd during the evaluation to discover and report to the bidder any defects and errors in the submitted documents. Bidders, before submitting their documents, should carefully proof them for errors and adherence to the RFP requirements.
- Where applicable, bidder should carefully examine work sites and specifications. Bidder shall investigate conditions, character, and quality of surface or subsurface materials or obstacles that might be encountered. No additions or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications.
- More than one proposal from an individual, firm, partnership, corporation or association under the same or different names, will not be considered. Reasonable grounds for believing that any bidder has submitted more than one proposal for the work contemplated herein will cause the rejection of all proposals submitted by that bidder. If there is reason for believing that collusion exists among the bidders, none of the participants in such collusion will be considered in this or future procurements.
- Bidder must complete and sign the Exelon Mutual Confidentiality and Non-Disclosure agreement as a prerequisite to submitting a proposal.

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## Proposal Evaluation Process<sup>5</sup>

Proposals will be evaluated using the following four-step process:

Step 1: Threshold Review – Do proposals contain all required elements, and has the bidder demonstrated that there are no legal claims/judgments that would make it difficult for the bidder to perform.

Step 2: Technical Review – Review and scoring of the proposed Scope of Work, Schedule, Management Plan, Qualifications, and Budget. Evaluation criteria will include:

- Qualifications of key staff, as well as firm experience and qualifications
- Approach to Scope, including understanding of the Company's objectives, soundness of approach, understanding of and approach to evaluation issues (including working with Ameren's evaluation team)
- Management Plan, including strength of the management team, and management processes and tools as described
- Budget

Step 3: Interview – Top-ranked bidders may be invited to an interview. Presentations and answers to reviewer questions are scored. Criteria will include:

- Quality of Presentation
- Interaction and cohesiveness of the team
- Responses to questions

Note that the Company reserves the right to forego this step should a single proposal be ranked in the Technical review as clearly superior to others.

## Disposition of Proposal

- Upon proposal opening, all documents submitted in response to this RFP will become the property of ComEd, and may be subject to public disclosure under applicable Illinois law.
- Proposal packages may be returned only at the bidder's expense, unless such expense is waived by ComEd.

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<sup>5</sup> Note that one or members of the SAG and/or the evaluation consultant may participate in the review.

## **Conflicts of Interest**

Any person or firm that is retained for purposes of implementing a utility energy efficiency program shall be deemed to have an apparent conflict of interest in the evaluation of such program, even where the person's or firm's role in the evaluation is to manage subcontractors which have direct responsibility for evaluating such program. Any person or firm selected to provide evaluation services shall be deemed to have a conflict of interest in the implementation of any program that is being or could be evaluated by the person or firm, either directly or indirectly.

## **Terms and Conditions**

Exelon's Consulting and Professional Services Agreement (CPSA Rev 11-20-2007) shall form part of any resultant contract. Bidder must provide statement in Proposal that they accept these terms in their entirety, or else propose any changes in their document and sending the proposed changes with their Proposal.