



Request for Proposal (RFP)

Evaluation, Measurement, and Verification (EM&V) Services

SEMCO Energy Waste Reduction Programs

RFP Issue Date: December 30, 2020
Response Due Date: February 26, 2021

This document contains confidential and proprietary information of SEMCO Energy Gas Company and is subject to any existing confidentiality agreement between your company and SEMCO Energy Gas Company.

Request for Proposal Response Check List

- Attachment A - Intent to Bid**
- Attachment B - Response Authorization**
- Attachment C - Bidder Certification Form**
- Attachment D - Statement of Work**

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I. INTRODUCTION TO SEMCO ENERGY Gas Company

SEMCO ENERGY Gas Company, headquartered in Port Huron, Michigan, is a regulated public utility that delivers natural gas to approximately 300,000 residential, commercial, and industrial customers in service territories in the southern half of the state's Lower Peninsula (including in and around the cities of Albion, Battle Creek, Holland, Niles, Port Huron, and Three Rivers) and in the central, eastern, and western parts of the state's Upper Peninsula.

SEMCO is regulated by the Michigan Public Service Commission (MPSC). The MPSC regulates the cost of gas and other rates and the terms and conditions of service to our customers. SEMCO's overall strategy is to provide excellent customer service and to grow our existing businesses.

SEMCO ENERGY Gas Company is a division of SEMCO Energy, Inc., an indirect wholly-owned subsidiary of AltaGas Ltd.

Information about SEMCO ENERGY Gas Company can be found at www.semcoenergygas.com

II. RFP PURPOSE

SEMCO Energy Gas Company files biannual Energy Waste Reduction (EWR) program plans with the Michigan Public Service Commission. The next plan will be for 2022-2023 and is to be filed in 2021.

SEMCO is soliciting proposals ("Proposal") from qualified and experienced companies (each a "Bidder") in providing independent evaluation, measurement, and verification (EM&V) services to validate the claimed energy savings for the EWR program. The EWR plan's goal is to achieve a minimum of 1% gas use reduction per year.

III. GENERAL SCOPE OF PROFESSIONAL SERVICES REQUIRED

The EM&V services will cover the following mandatory and regulatory core tasks:

1. Develop an EM&V plan covering Programs and Measures
2. Conduct Impact Evaluation of Energy Waste Reduction programs
3. Conduct Process Evaluation of Energy Waste Reduction programs
4. Provide Project Management

IV. SCOPE OF WORK

Bidders will be required to complete an individual Scope of Work for each engagement under SEMCO's General Terms and Conditions.

- A detailed description of the service/equipment/material to be provided, including a schedule of deliverables.
- The qualifications of the personnel assigned to perform the services
- The period of performance during which the services will be provided.
- The pricing applicable to the service.

The Scope of Work will not become effective until it is signed by an authorized representative of both parties. Each Scope of Work shall constitute a separate agreement incorporating all of the terms and conditions in the Master Service Agreement.

V. COMMUNICATION/QUESTIONS

All communication between Proponent and AltaGas during the RFP is to be made directly with the stated Procurement Contact via the RFP platform. The proponent is not to contact any other representative of AltaGas with respect to this RFP. SEMCO Energy Gas Company will designate a Question period, during which time Propoponents can submit questions via the RFP Platform. Restricted communication includes, but is not limited to, “thank you” letters, phone calls, emails, and any contact that results in the direct or indirect discussion of the RFP and/or submitted Proposals.

Without limiting the generality of the foregoing, the Proponent will not contact any employees, officers, consultants, or agents after Closing with the objective of trying to obtain information concerning the evaluation process or to try to influence the evaluation process. Should a Proponent breach this condition, AltaGas may, in its sole discretion, disqualify the Proponent from this or any future RFP process.

VI. ANTICIPATED TIMELINE

Below is the estimated timeline to complete this RFP. SEMCO reserves the right to alter the following timeline based upon business conditions and circumstances.

<u>Milestone</u>	<u>Date</u>
RFP Issuance	December 30, 2020
Intent to Bid	January 14, 2021
Deadline for Bidder’s Questions	January 18, 2021
Proposals Due	February 26, 2021
<u>Selection Date</u>	<u>April 30, 2021</u>
Program Planning	May – June 2021
Biennial Plan Filing	July 2021

VII. INSTRUCTIONS

1. All questions pertaining to this RFP must be submitted using the PowerAdvocate Platform to the RFP Coordinator in accordance with the Bidder Question Submission Deadline listed in the Anticipated Timeline table in Section VI. All questions received by that date will be answered in writing and will be shared with all participants in this event.
1.1 Access Link: <https://www.poweradvocate.com/pR.do?okey=111650&pubEvent=true>
2. Any comments or questions with regards to any aspects of this RFP must be directed, via email, only to the RFP Coordinator. Discussions regarding this RFP with other parties are subject to confidentiality restrictions. Any breach of this policy may, in SEMCO’s sole discretion, result in the Bidder’s disqualification from the sourcing process for this specific event as well as other events by SEMCO. Verbal agreements between SEMCO and Bidder regarding this RFP are non-binding.
3. Your response should include the following items:

- Pricing in the requested format (please submit in excel format), in U.S. dollars.
 - Detailed assumptions used to develop your pricing model, if appropriate.
 - Work references.
 - Any supporting documentation labeled with the corresponding RFP question number.
 - Bidder Profile.
4. **Bid responses (electronic) must be received by the submission date listed in the Anticipated Timeline table in Section VI.**
 5. Proposal Format. Bidder must submit electronic files that are a text-searchable PDF (portable document format, non-zipped). Scanned images and documents will be considered irregular and may be rejected.

GUIDELINES

1. SEMCO reserves the right to accept or reject any and all responses to this RFP at its complete discretion and without explanation to the Bidder(s). SEMCO reserves the right to withdraw or modify this RFP at any time.
2. Bidder must guarantee that its pricing and other terms provided in its Proposal shall remain valid for a period of 180 days following submission of its Proposal.
3. All Costs incurred by the Bidder in the development of the response to this RFP are entirely the responsibility of the bidding organization and shall not be reimbursed in any manner by SEMCO.
4. All Bidders will be notified in writing in the event that modifications, clarifications, or additions to the RFP become necessary.
5. Bidders will be asked to define their pricing and capabilities within this RFP. It is assumed that SEMCO and the selected Bidder(s) will negotiate pricing, specific program features, and, if appropriate, terms and conditions during the contract negotiation phase.
6. Prospective Bidders shall not take advantage of any apparent errors or omissions in the RFP document. In the event that any errors or omissions are discovered, Bidder shall notify SEMCO immediately.
7. SEMCO retains the right to award all, part, or none of the services outlined in this RFP. Proposals should contain the Bidder's best terms from a price and technical standpoint. Use of subBidders to perform any component of the Scope of Work included in this RFP must be approved by SEMCO in advance of providing such services.
8. By submitting a Proposal, Bidder understands and agrees that, by the Proposal due date, all local conditions and factors affecting Bidder's Proposal will have been properly investigated and accounted for in the Proposal. No financial adjustments to Bidder's Proposal shall be permitted after the Proposal due date based on the lack of prior information or its effect on the cost (fees, expenses, or otherwise) relating to the Services, Goods, and/or Software.
9. The award under this RFP does not in and of itself create a binding agreement between SEMCO ENERGY Gas Company and the successful Bidder. An agreement including all terms, conditions, exhibits, and attachments must be executed by both SEMCO ENERGY Gas Company and the successful Bidder in order to create a binding enforceable agreement between SEMCO ENERGY Gas Company and the successful Bidder.
10. The SEMCO RFP Coordinator will provide notice of any award(s) via email. The successful Bidder is expected to acknowledge receipt and acceptance of such award via return email. The RFP Coordinator will contact the unsuccessful Bidders to advise them of their status. SEMCO may provide

general information concerning the reasoning for not selecting the unsuccessful bidders if requested to do so.

VIII. CONDITIONS / SELECTION CRITERIA

In evaluating Proposals, SEMCO ENERGY Gas Company in its sole discretion will give weight and importance to the evaluation criteria listed below:

- Experience in the study of energy efficiency as it pertains to:
 - Residential:
 - Income-Qualified Programs
 - Market Rebate Programs
 - Custom Project-Based Rebates
 - Manufactured Home Programs
 - Weatherization Programs
 - Kit Programs
 - Energy Star Rebates
 - New Construction
 - Multifamily programs
 - Michigan-specific EWR Pilot and Education Programs
 - Online Stores
 - Commercial & Industrial customers, as it relates to:
 - Custom And Prescriptive Measure Rebates
 - Strategic Energy Management
 - Heating Ventilation And Air Conditioning Technologies And Controls
 - Program evaluation as it relates to evaluating:
 - Process development, implementation, delivery, and verification
 - Stakeholder / customer satisfaction
 - Experience in measurement and verification of energy savings accomplished through Michigan energy efficiency programs
 - Ability to meet project and report timelines

Bidder's Proposal shall be clearly and concisely written, neatly presented, indexed (cross-indexed as appropriate), and logically assembled as set forth in this section. All pages of each part shall be appropriately numbered and identified with the name of the Bidder, and the date of the Proposal.

Each Bidder shall submit with its Proposal the following information, organized in the following manner, for SEMCO ENERGY Gas Company's use in evaluating the Bidder's Proposal and its ability to satisfactorily perform Services. Proposals not meeting these requirements are subject to rejection.

BUSINESS PROPOSAL.

(a) Table of Contents.

A table of contents of all sections, figures, exhibits, and tables of the Proposal, all of which must be bookmarked (or tabbed) on the PDF of the submitted Proposal.

(b) Cover Sheet.

The Cover Sheet shall contain the following:

- a) The name, address, and phone number, and email address of the Bidder;
- b) The names, titles, and contact information of the person(s) authorized to make representations on Bidder's behalf with SEMCO ENERGY Gas Company.

(c) Summary.

A brief summary of the major facts or features of the Proposal, including any conclusions, assumptions, and recommendations the Bidder desires to make.

(d) Bidder/Firm Overview.

- a) Overview. The name and a brief description or history of the Bidder.
- b) Location. The location of the Bidder's headquarters and branch locations that will have individuals assigned to SEMCO ENERGY Gas Company.
- c) Local Presence. If the Bidder has offices within the SEMCO ENERGY Gas Company's customer territory, indicate the name, type (headquarters, branch, etc.), address, telephone number, number of employees, and the general nature of business undertaken at each of the relevant Bidder locations.
- d) Environmental Sustainability Practices. SEMCO ENERGY Gas Company is dedicated to environmentally conscious practices that lead to the betterment of our community. To that end, SEMCO ENERGY Gas Company prefers to purchase products and materials, where feasible, that demonstratively minimize the harmful effects to the environment from their production, transportation, use, and/or disposition. This is aligned with the belief that the focus on improving our overall environmental footprint benefits our community and our customers. Please provide information regarding Bidder's environmental sustainability practices, if any.

TECHNICAL PROPOSAL.

This section (Technical Proposal), consists of the Bidder's Proposal delineating its capabilities and how it intends to perform the requirements.

(a) Experience, Qualifications, and Project Team.

- e) Experience. A description of the Bidder's operational history which reflects that the Bidder has been actively performing the Services as listed, but not limited to, section III.B "Evaluation Factors".
- f) Key Personnel. If Bidder proposes a project team to perform Services, Bidder shall provide qualifications of the key project team anticipated to be assigned to the SEMCO ENERGY Gas Company project, including an organizational chart of the project team.
- g) References. A minimum of three (3) references from the last three (3) years from different companies which the Bidder has provided similar Services, Goods, or Software to those identified in this RFP, which shall include the company name, complete address, and contact person's name, phone number and email address for each reference submitted.

COMMENTS TO CONTRACT

(a) Existing Agreement/Terms and Conditions.

If Bidder has a current, non-expired service agreement with AltaGas, Washington Gas, or SEMCO ENERGY Gas Company, either: (1) provide a copy of the relevant Agreement. SEMCO ENERGY Gas Company reserves the right to negotiate a new Agreement other than that provided by or referenced by Bidder.

(b) Exceptions.

Unless an Agreement is provided in accordance with the above section, any and all exceptions to the scope of services, statement of work, requirements, specifications, or the terms and conditions of the proposed contract(s) must be clearly acknowledged and inserted in "tracked-changes" (red-lined) format using Microsoft Office or compatible and must accompany the Proposal. If there are no exceptions, the words, "NO EXCEPTIONS," must be stated either on the proposed contract or in the Proposal.

IX. CONFIDENTIAL INFORMATION

This RFP, including any information provided by SEMCO, is to be treated by the Bidder as SEMCO confidential and proprietary information. In addition, and notwithstanding the foregoing, as a condition to the receipt of such information, Bidder agrees that all information provided by SEMCO to Bidder in connection with this RFP shall be treated confidentially and used by Bidder for the sole purpose of preparing its Proposal. Furthermore, Bidder shall restrict the distribution of this RFP, including any related SEMCO communications, only to Bidder's employees who have a need to use it for preparing Bidder's Proposal. No access, use or disclosure of SEMCO confidential and proprietary information provided in connection with this RFP shall be made available to any other person or entity without SEMCO prior to written approval.

If Bidder is not selected to provide services in connection with this RFP, or upon request by SEMCO, Bidder will immediately destroy all SEMCO provided RFP information (or return documentation to SEMCO if requested).

All Proposals and materials submitted by Bidder in connection with this RFP become the property of SEMCO.

Unless otherwise permitted by SEMCO in writing, Bidder shall not submit its own confidential information in response to this RFP, and Bidder's marking of a Proposal as confidential, proprietary, or with other similar legend will not be honored. Any material submitted by the Bidder that is to be considered confidential must be clearly marked as such and must delineate all applicable restrictions. Failure to comply with this requirement may disqualify Bidder from further participation in the RFP.

X. MEDIA RELEASE

All media releases, public announcements, or public disclosures including, but not limited to, promotional or marketing material by the Bidder or its employees that include the name, trade name, trademark, or symbol of SEMCO or its affiliates, shall not be used without written permission by SEMCO prior to its release. Bidder shall not represent directly or indirectly that any service provided by the Bidder to SEMCO has been approved or endorsed by SEMCO or include the name, trade name, trademark, or symbol of SEMCO or its affiliates on a list of Bidder's customers without SEMCO's prior express written consent.

XI. EQUAL OPPORTUNITY/AFFIRMATIVE ACTION REQUIREMENTS

SEMCO is an equal employment opportunity employer and is a federal Bidder. The successful Bidder agrees, to the extent applicable, to comply with Executive Order 11246, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, and the implementing regulations for each found at 41 CFR Part 60, as well as Section 202 of Executive Order No. 11246 of September 24, 1965. Incorporated into this RFP, as applicable, are the Equal Opportunity clauses found at 41 CFR § 60-1.4(a), 60-250.5(a), 60-741.5(a), and 60-300.5(a), and Bidder will likewise incorporate the clauses into all applicable subcontracts as required by 41 CFR § 60-1.4(d).

Bidder will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. Bidder will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Bidder agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

The successful Bidder will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

In the event of Bidder's noncompliance with this provision, any awarded contract may be cancelled, terminated, or suspended in whole or in part and the Bidder may be declared ineligible for further Government contracts, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

XII. INVOICING REQUIREMENTS

Selected Bidder will be expected to comply with SEMCO's standard payment terms of Net 30, and provide a W-9 form. Invoices must contain the following:

- Correct mailing address.
- Shipping and handling, if appropriate.
- EFT information, if applicable.

These requirements are subject to change by SEMCO.

XIII. RFP QUESTIONS

The following information will enable SEMCO to compare potential Bidders and assess their abilities to provide the products or services outlined in this RFP. Please provide succinct responses that clearly answer each question (existing suppliers shall not assume that the company personnel is aware of their knowledge, capabilities and solutions). Where asked to describe current processes and capabilities, please answer the questions, but feel free to suggest alternative value-driven proposals. Alternative proposals should be marked as such. We encourage aggressiveness and flexibility in your ideas and pricing. Explicitly state any assumptions that are made regarding your response.

Responses should be submitted in the order they were asked (ie, Executive Summary, Bidder General Information, Conflict of Interest, etc.).

1. Executive Summary

Please include an Executive Summary that outlines the key components of your proposal and solution.

NOTE: If a Bidder is bidding as a "Joint Venture" or a "Strategic Alliance" along with another firm, legal documentation must be included with Bidder's proposal showing the legitimate collaboration with the other firm. If it is determined that the association is lawful, either company may take responsibility for securing bonds. Both parties must be jointly and severally responsible and sign the bid proposal documents, and both parties must sign the final contract agreement. The Joint Venture must assign one main point of contact.

2. Qualifications and Experience

Please provide specific examples related to your organization's experience in providing services similar to those specified in this RFP, preferably within the state of Michigan (existing suppliers shall not assume that the company personnel are aware of their knowledge, capabilities and solutions). Please refer to section VIII for more details on selection criteria.

XIV. ATTACHMENT A – INTENT TO BID FORM

RFP: SEMCO ENERGY Gas Company Evaluation, Measurement, and Verification (EM&V) Services
Energy Waste Reduction Programs

Please Print:

Company	
Address	
City, State, Zip	
Contact Name	
Contact Title	
Phone #	
Email Contact	

The Company named above intends to submit a proposal in response to SEMCO ENERGY Gas Company’s request for proposal. Deadline for submitting this “Intent to Bid” form is the close of business of date listed in the RFP schedule – January 14, 2021:

Signature: _____
(Authorized Representative)

Print Name: _____

Title: _____

Date: _____

XV. ATTACHMENT B - RESPONSE AUTHORIZATION

This page must be signed and returned with completed RFP.

I, _____, an authorized representative of _____, the Bidder, submitting a quote in response to this RFP, have read and fully understand the instructions and policies of this Request for Proposal, and acknowledge and agree that an agreement may be entered into with SEMCO that shall contain, at a minimum, the rates and pricing as set forth herein. I further understand that the issuance of this RFP and subsequent receipt of the response to this RFP does not obligate SEMCO to purchase any goods or services from Bidder.

Signed:

Name (Print)

Signature

Title

Company

Phone

Date

We decline to participate in the Request for Information (RFP).

We intend to participate in the Request for Information (RFP).

XVI. ATTACHMENT C – BIDDER CERTIFICATION FORM

Contact Information

Company Name: Website (URL):
 Address: City: State: Zip:
 Contact Name: Title: Email:
 Phone Number: Fax Number: D&B Number:
 Number of Employees: NAICS Codes: Annual Sales:

Business Type

Business Size

Small Large

Business Type (check all that apply):

Foreign Owned Nonprofit Severely Handicapped
 8 (a) Certified Veteran-Owned Business Disabled-Owned Business Small Disadvantaged
 HUBZone Disabled-Veteran

Diverse Bidder Information

Indicate appropriate category, if over 51% owned and operated by U.S. Citizen:

Minority-Owned Business

Business Ownership Ethnicity:

Black American Hispanic American
 Asian Pacific American Subcontinent Asian American
 Native American

Woman-Owned Business

A COPY OF YOUR CURRENT CERTIFICATION MUST BE INCLUDED (check all that apply):

National Minority Supplier Development Council (NMSDC)
 Regional Minority Supplier Development Council (MSDC)
 Women's Business Enterprise National Council (WBENC)
 Local Government (List City or Country)
 State Government (List State)

Expiration Date of Certificate(s):

This will certify the company classification(s) I have selected above are true and correct. I will advise Washington Gas, if our classification status should change.

 Signature of Company Officer Title Date

DEFINITIONS:

Small business concern means a concern, including its affiliates that are independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and qualified as a small business under the criteria and size standards in 13 CFR part 121 (see FAR 19,102). Such a concern is not dominant in this field of operation when it does not exercise a controlling or major influence on a national basis in a kind of business activity in which a number of business concerns are primarily engaged.

Handicapped individual means a person who has a physical, mental, or emotional impairment, defect, ailment, disease, or disability of a permanent nature which in any way limits the selection of any type of employment for which the person would otherwise be qualified or able to be qualified.

Historically Underutilized Business Zone (HUBZone) - Established by the federal government to provide federal contracting opportunities for certain qualified small business concerns located in distressed communities in an effort to promote private sector investment and employment opportunities in these communities. A concern may be determined to be a "qualified HUBZone small business concern" if: (1) its principal office is located in a "historically underutilized business zone" (2) it is owned and controlled by one or more U.S. Citizens, Community Development Corporation or Indian Tribe, and (3) at least 35% of its employees reside in a HUBZone.

Public or private organization for the handicapped means one which (a) is organized under the laws of the United States or any State, operated in the interest of handicapped individuals, the net income of which does not inure in whole or in part to the benefit of any shareholder or other individual; (b) complies with any applicable occupational health and safety standard prescribed by the Secretary of Labor, and (c) employs in the production of commodities and in the provision of services, handicapped individuals for not less than 75% of the direct labor required for production or provision of the commodities or services.

Small disadvantaged business concerns means a small business concern that is at least 51% unconditionally owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business that has at least 51 percent of its stock unconditionally owned by one or more socially and economically disadvantaged individuals and that has its management and daily business controlled by one or more such individuals. This term also means a small business concern that is at least 51 percent unconditionally owned by an economically disadvantaged Indian tribe or Native Hawaiian Organization, or a publicly owned business that has at least 51 percent of its stock unconditionally owned by one of these entities, that has its management and daily business controlled by members of an economically disadvantaged Indian tribe or Native Hawaiian Organization, and that meet the requirements of 13 CFR part 124.

Small Business Concern Owned and Controlled by Service-Disabled Veterans is one: (a) not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and (b) the management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with a permanent and severe disability, the spouse or permanent caregiver of such veteran; and (c) that is defined as small by 13 CFR part 125.11.

Minority Owned Business - A business that is at least 51% owned, controlled, and operated by a U.S citizen or citizen alien and minority group* member(s) of one of the following ethnicities:

- **Subcontinent Asian American** – Origins are from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands or Nepal.
- **Asian Pacific American** - Origins are from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China (including Hong Kong), Taiwan, Laos, Cambodia (Kampuchea), Vietnam, Korea, The Philippines, U.S. Trust Territory of the Pacific Islands (Republic of Palau), Republic of the Marshall Islands, Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, Guam, Samoa, Macao, Fiji, Tonga, Kiribati, Tuvalu, or Nauru.
- **Black American** - Origins in any of the Black racial groups of Africa.
- **Hispanic American** - All persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.
- **Native American** - Person who is an American Indian, Eskimo, Aleut, or Native Hawaiian.

Women Owned Business - A business which is at least 51% owned, controlled, and operated by a woman or women

XVII. ATTACHMENT D – STATEMENT OF WORK – Energy Waste Reduction (EWR) EM&V Services

This Statement of Work (“SOW”) is made effective “DATE” (“Effective Date”) by and between SEMCO ENERGY, Inc. d/b/a SEMCO Energy Gas Company (“SEMCO”) and (“Contractor”) for the work effort, milestones and schedule described in the scope of work. Bidder shall provide the services set forth below to SEMCO in accordance with the terms and conditions entered into between the parties on “DATE”, as amended from time to time (the “Agreement”).

The objective of this SOW is to outline the requirements and deliverables for the Independent Evaluation (“Evaluation”) governing the Michigan Public Service Commission (“MPSC”) approved SEMCO Energy Waste Reduction Plan (“EWR Plan”) in Case No. U-20883 (“SEMCO’s Order”), for the 2022-2023 EWR Plan year.

1) Understanding the Requirements

This SOW engages the EM&V Contractor in an independent expert evaluation of the SEMCO EWR Plan. The evaluation will be performed by an independent third- party Evaluation, Measurement, and Verification (“EM&V”) firm. Such firm shall evaluate energy savings claimed, and the effectiveness of the measures installed by customers.

SEMCO has the right to review and approve any material, proposals, methods, or arrangements used in the evaluation of SEMCO’s EWR Plan.

2) Statement of Work

The Parties will work collaboratively to deliver the following as part of this effort:

a) Program Process Evaluation

The Parties will work collaboratively to closely monitor the performance of all measures and programs once they have been launched. The third-party EM&V firm will provide regular updates, to which the frequency will be specified in Section 3, Meetings, intended to provide SEMCO with timely recommendations on all program operations, effectiveness, and ability to maximize the program’s participation to capture new savings, and participant satisfaction so that mid-course corrections may be considered.

SEMCO and program implementers will provide requested customer data to the third-party EM&V contractor, by the date requested. All data will be transmitted through a secure, encrypted portal. SEMCO customer data is the property of SEMCO and is considered Confidential Information as defined in the Agreement. Any special data requests will be provided to SEMCO within 15 days of the receipt of a written request

Contractor agrees to provide the following Services (“Services”) and shall deliver each of the following (the “Deliverables”) within the phase or time frame stated below:

- (1) EWR Program Review. The contractor shall perform a comprehensive analysis of SEMCO Energy Gas Company’s overall EWR program: A list of programs to be evaluated will be provided prior to the evaluation period for each program year.
 - (a) Measure customer and stakeholder satisfaction.
 - (i) Utilize customer surveys, interviews, and other mechanisms
 - (ii) Work collaboratively with SEMCO and other stakeholders to ensure accurate knowledge of the programs and to design survey mechanisms.

- (iii) Gather and report insights: customer characteristics and demographics, program awareness, and brand recognition.
 - (b) Gather non-participant data and insights.
 - (i) Customer characteristics and demographics, program barriers, awareness of offerings.
 - (c) Provide recommendations and feedback based on the results
 - (d) Identify programs that worked well and lessons learned.
 - (i) Review of high/low performing programs.
 - (ii) Lessons learned from programs.
 - (iii) Untapped and growth markets.
 - (iv) Rebate levels relative to comparable utilities.
- (2) Program Impact. Contractor shall perform a comprehensive review of commercial, industrial and residential energy efficiency, and income-qualified programs. The review must specifically address the verification rates, a process/program evaluation, and an evaluation and recommendations for Gross Savings Adjustment factors.
 - (a) *Site Visits and Participant Interviews*. Where appropriate, the Respondent will verify the installation of energy efficiency measures and associated energy impacts, by conducting site visits to program participant locations. Respondent should recommend and propose the appropriate number of site visits based on their experience and expertise with similar evaluations. It is necessary that the Respondent coordinate efforts with SEMCO regarding customer contact and conduct research in such a manner as to minimize the time impact on SEMCO customers participating in this evaluation. Information provided by program participants will be considered confidential in terms of attribution and shall not be share with any other party.
 - (b) *Impact Analysis*. The Respondent will analyze the data collected from previous tasks to develop estimates of energy impacts at the measure level. The Respondent will provide these estimates by comparing deemed values to the source, data collected from site visits, desk reviews, customer interviews and “best practice” engineering methods. The Respondent will provide an estimation of realization rates to assist in determining gross energy savings.
- (3) Verification of Savings:
 - (a) Gross Savings – the savings claimed by the program based on the Michigan Energy Measures Database (MEMD) or custom calculations.
 - (b) Gross Savings Adjustment Factor – the ratio of evaluation verified savings to gross savings. The factor adjusts savings for measure installation, for data entry errors and, in the case of custom measures, for engineering calculations and assumptions.
 - (c) Verified Annual Gross Savings – these are the evaluation’s best estimate of the actual gross annual savings resulting from the program. They are calculated as the gross savings times the gross savings adjustment factor, with the exception of Pilots and Education Programs which are not adjusted.

- (d) Net Annual Savings– these are the savings that count toward annual goals. They are calculated as the product of gross savings, the gross savings adjustment factor, and the net-to-gross ratio.
 - (e) Verified Lifetime Savings - these are the evaluation’s best estimate of the actual gross lifetime savings resulting from the program. They are calculated as the product of gross savings, the gross savings adjustment factor, and the Estimated Useful Life (EUL), with the exception of Pilots and Education Programs which are not adjusted.
 - (f) Net Lifetime Savings I – these savings are the savings that count toward lifetime goals. They are calculated as the product of gross savings, the gross savings adjustment factor, the net-to-gross ratio, and the estimated useful life (EUL).
- (4) The Contractor will verify the incremental gross energy savings for each of SEMCO's EWR Plan programs, as mandated by PA 295 and PA 342.
- (a) The Contractor will provide any reporting required by Michigan Legislature and the MPSC, which must be specific to the evaluation of SEMCO's EWR Plan programs.
 - (b) The Contractor will use one or more of the following approaches to determine program-specific energy savings:
 - Deemed savings
 - Deemed savings calculations
 - Measurement and verification
 - Large-scale data analysis with or without the use of control or comparison

3) Accountability:

- i) Sufficiency of annual and quarterly reports for establishing energy savings and funds expended.
- ii) Accountability procedures and their adequacy for tracking EWR program.
- iii) If any time-sensitive issues arise, EM&V Contractor will promptly notify SEMCO. Depending on the severity of the problem, it may be communicated in an email, or if more critical, by phone. In each case, the EM&V Contractor project manager will identify the immediate problem, discuss briefly what actions were taken as needed to isolate or stop the problem, and offer an initial set of recommendations on fixing the problem or pursuing a different path.
- iv) Contractor will provide a means of secure file transfer throughout the evaluation process.

4) Meetings

A kick-off meeting will be convened among SEMCO and other stakeholders. The kick-off meeting allows all parties to discuss, clarify, adjust, and affirm details for each EWR Plan program Evaluation. Specifically, the kickoff meeting objectives are as follows:

- Refine the research objectives and requirements.
- Discuss the proposed approach, including the advantages and disadvantages of alternative methodologies.
- Clarify current data availability and quality, and review any additional data acquisition requirements and methods.
- Discuss issues surrounding the execution and reporting of the results of the study.

- Review and discuss the proposed work plan, budget, and schedule.

In addition, the Contractor will schedule monthly and weekly meetings that typically cover the following:

- Review activities and progress-to-date.
- Discuss key issues for current tasks underway at that time.
- Review any initial findings, as appropriate

5) Schedule

The services contemplated herein shall commence upon DATE. Unless terminated earlier in accordance with the Contract.

Table 1 defines the 2022 schedule for the EM&V deliverables. The 2023 schedule will follow the same general cadence.

Table 1

Report	Draft Report Date	Final Delivery Date
Verification Rate Report	September 15, 2022	October 15, 2022
Process Evaluation Report	November 1, 2022	November 30, 2022
Verified Savings Report Template	December 1, 2022	December 15, 2022
Savings Data Provided to Contractor		January 15, 2023
Draft Savings Values from Contractor		February 15, 2023
Savings Data Questions Resolved		March 15, 2023
Final Savings Values from Contractor		March 31, 2023
Verified Savings Report		April 7, 2023

Section II: Contractor’s Responsibilities

All work shall be performed as per applicable current federal, state, and local regulations including OSHA regulations and recommendations, industry standards, per current Company codes, standards and specifications, and to the satisfaction of SEMCO.

Section IV: Price and Payment

The pricing shall not exceed XXXX.00. Bidder shall be paid in accordance with the rates and under the conditions set forth in the Agreement. For any additional work that deviates from scope, the Contractor shall adhere to SEMCO’s Change Order process and, prior to the commencement of said additional work, Contractor must receive a written Change Order from SEMCO’s representative, which document shall include the mutually agreed upon fee.

Section VI: Term

The work performed in this SOW shall commence on the Effective Date and remain in effect until the work is completed, with an anticipated completion date of DATE or until it is otherwise terminated as provided in the Agreement.

IN WITNESS WHEREOF, The parties represent and warrant that they have full corporate power and authority to execute and deliver this SOW and to perform their obligations hereunder, and that the person whose signature appears below is duly authorized to enter into this SOW on behalf of the party of whom they represent, as of the date and year first above written.