

# SEMCO ENERGY Gas Company



## **Request for Proposal (RFP)**

### **Residential & Commercial Energy Waste Reduction Implementation Contractor(s) in Support of**

### **SEMCO Energy Gas Company's Program Year 2022 – 2023 Energy Waste Reduction Portfolio**

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## Request for Proposal Response Check List

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- ☐ **Attachment A - Response Authorization**
- ☐ **Attachment B - Bidder Certification Form**
- ☐ **Attachment C - Statement of Work**
- ☐ **Attachment D - Program Measure Workbook**

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## 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.

### I. RFP PURPOSE

SEMCO Energy Gas Company (SEMCO or COMPANY) is issuing this Request for Proposal (RFP) to identify and select a qualified firm(s) (CONTRACTOR or Bidder) to implement COMPANY's portfolio of Energy Waste Reduction (EWR) programs. Qualified firms are organizations that can cost-effectively implement COMPANY's current list of EWR programs for the purposes of meeting COMPANY's EWR Plan objectives as determined through a forthcoming case filed with the Michigan Public Service Commission (MPSC or Commission).

#### 1. Background & Context

SEMCO Energy Gas Company (SEMCO or COMPANY) is headquartered in Port Huron, Michigan, and is a regulated public utility that delivers natural gas to more than 300,000 residential, commercial, and industrial customers in service territories located in the southern half of Michigan's Lower Peninsula and in the central, eastern, and western parts of the state's Upper Peninsula. The unique location of COMPANY's service territory in the state's Upper Peninsula poses a range of unique logistical

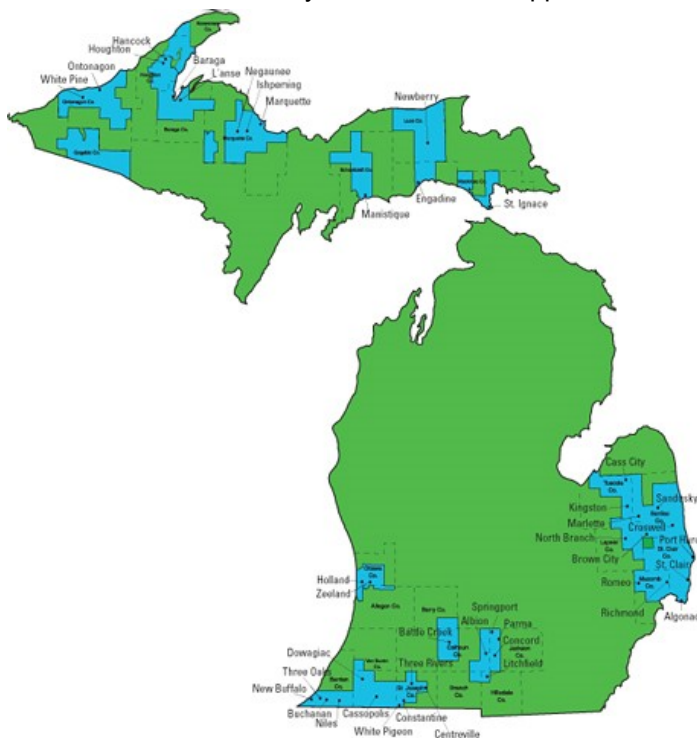


Figure 2-1: SEMCO Energy Service Territory (shown in blue)

challenges to EWR program implementation. Additionally, a portion of COMPANY's customer base does not use, or have reliable access to, the internet, which may necessitate a different set of targeted marketing and outreach approaches than implementation contractors are familiar with traditionally. Finally, the strategy of offering a high volume of low-savings energy efficiency measures tends to be less effective for gas only utilities, as there are fewer low-cost measure options that offer sufficient savings to offset their cost. As a result, COMPANY's EWR programs are more specialized and targeted than those traditionally offered by larger electric and gas utilities. Additionally, with no dual fuel customers, there are fewer opportunities to leverage economies of scale related to implementation so remaining cost-effective can be more challenging.

**Table II-1: COMPANY Customer Counts and Annual Energy Usage, 2019 (Therms)**

Customer Class	Count Customers, 2019	Energy Usage Annual, 2019
Residential	256,695	287,940,380
Income Qualified <sup>1</sup>	23,705	
Commercial & Industrial	26,525	430,030,669

COMPANY is regulated by the MPSC. After initially opting into the state-administered EWR program in 2009, COMPANY has implemented its own portfolio of programs since 2014. Every two years, COMPANY is required to file a plan with the MPSC detailing how COMPANY will achieve a 1.0% reduction in gas use per customer rate class within its service territory each year for the covered period. The next version of this plan for 2022-2023 will be filed in June 2021.

Since the passage of PA 2952 in 2008, all regulated utilities in the state of Michigan have been required to achieve a certain percentage of the previous three year's average energy consumption as savings each year. In 2016, PA 342 was passed to amend, and further extend, the requirements set forth in PA 295. This new legislation eliminated spending caps for EWR programs, increased energy savings targets, and added an increased financial incentive cap. Utility gas service providers are now required to deliver a minimum annual energy savings of 0.75% of the prior three year's average annual retail sales<sup>3</sup>. Energy savings are measured in several ways, including as deemed in the Michigan Energy Measures Database (MEMD)<sup>4</sup>, custom engineering analysis, or billing data analysis. Energy savings for pilot and education programs are deemed stipulated.

COMPANY has continually exceeded this target, achieving more than 1.0% in energy savings in order to meet the top-tier target and receive the maximum financial incentive, all while collaborating with peer utilities and working to minimize the financial impact on customers.

## 2. EWR Portfolio Mission

COMPANY defines the mission of its EWR efforts as follows:

*"To reduce energy waste by incentivizing customers to invest in energy saving measures and become educated in energy conservation."*

<sup>1</sup> Income-qualified customer base is estimated. Actual average or potential may be higher

<sup>2</sup> Additional information on PA 295 can be found on the Michigan Legislature website:

[http://www.legislature.mi.gov/\(S\(0e1gg0zdieixetu31x2d31b\)\)/mileg.aspx?page=getobject&objectName=mcl-Act-295-of-2008](http://www.legislature.mi.gov/(S(0e1gg0zdieixetu31x2d31b))/mileg.aspx?page=getobject&objectName=mcl-Act-295-of-2008)

<sup>3</sup> As noted above, COMPANY aims to exceed the minimum required savings and achieve a reduction in consumption of approximately 1.0% in both the 2022 and 2023 program years.

<sup>4</sup> The Michigan Energy Measures Database (MEMD) can be found on the State of Michigan's Licensing and Regulatory Affairs (LARA) website: [https://www.michigan.gov/mpsc/0,9535,7-395-93309\\_94801\\_94808\\_94811---,00.html](https://www.michigan.gov/mpsc/0,9535,7-395-93309_94801_94808_94811---,00.html)

To achieve this mission, COMPANY strives to provide cost-effective energy savings and reduce the cost of energy for its geographically and demographically-diverse ratepayers, and deliver a world-class customer experience, all while supporting local and Michigan-based businesses.

### 3. Historic Portfolio Performance

Table II-2 details 2019 historic performance of each program group for the purposes of providing bidders with a general idea of savings achieved by each program in previous years. COMPANY requests that bidders present a strategy to achieve at least the minimum savings targets at a sector-level (as outlined in Section II Subsection 4).

**Table II-2: Historic Portfolio Savings, 2019**

Sector	Participants	Savings (Therms)	
		First-Year	Lifetime
Residential	19,081	1,819,110	24,180,791
Income Qualified	862	144,680	2,146,196
Commercial & Industrial	182	3,887,966	52,091,695
<b>Total</b>	<b>20,125</b>	<b>5,851,756</b>	<b>78,418,682</b>

### 4. EWR Portfolio Goals

Bidders should detail plans to achieve the savings, spend, and cost-effectiveness targets outlined in Section II Subsections 4.2 through 4.4 with the following exceptions:

- Bidders should not submit plans to achieve savings and spend targets associated with the Home Energy Reports, Think! Energy, or the Community Action Agency Weatherization programs.

#### 4.2 Annual & Lifetime Savings

COMPANY is requesting bidders present a strategy to achieve the savings targets identified in Table II-4 and Table II-4. Bidders are expected to submit proposals that optimize program-level savings, such that all sector- and portfolio-level targets are still achieved.

**Table II-3: FORECASTED Annual & Lifetime Savings Targets by Sector (2022)**

Program	Savings Targets (Therms)	
	Annual	Lifetime
Residential and Income-Qualified	2,253,157	29,400,000
Commercial & Industrial	3,111,502	40,600,000
<b>Total</b>	<b>5,364,659</b>	<b>70,000,000</b>

**Table II-4: FORECASTED Annual & Lifetime Savings Targets by Sector (2023)**

Program	Savings Targets (Therms)	
	Annual	Lifetime
Residential and Income-Qualified	2,243,265	29,400,000
Commercial & Industrial	3,097,841	40,600,000
<b>Total</b>	<b>5,341,106</b>	<b>70,000,000</b>

**4.3 Annual Spend Targets**

COMPANY plans to file its 2022 and 2023 EWR plan with annual budgets of \$15.0M and \$15.1M, respectively. Budgets are subject to Commission approval and are only estimates. Utilizing the annual budget is a metric that is included in monitoring program performance.

Bidders should present a strategy to ensure program- and sector-level spend targets are achieved, as outlined in Table II-5. Bidders are expected to submit proposals that optimize program-level spend such that all sector- and portfolio-level spend targets are still achieved each year<sup>5</sup>. When reviewing the spend targets, bidders should note that sector- and portfolio-level targets do not include spend on programs or initiatives not covered in this RFP.

**Table II-5: Annual Spend Targets by Sector (\$1,000)**

FORECASTED Budget Allocations SEMCO EWR Portfolio		
	2022 Available for Bid	2023 Available for Bid
<b>Budget Allocations:</b>		
Income-Qualified Budget (10% minimum, target 15%)	\$1,900,000.00	\$1,915,000.00
Total Pilot(s) Budget (up to 5%)	\$750,000.00	\$755,000.00
Total Education Budget (up to 3%)	\$250,000.00	\$253,000.00
<b>Residential Core Program</b>	\$6,038,950.00	\$6,101,962.50
Residential Pilots	\$487,500.00	\$490,750.00
Residential Education	\$92,500.00	\$94,450.00
Residential Total	\$6,618,950.00	\$6,687,162.50
<b>Commercial &amp; Industrial Core Program</b>	\$3,566,500.00	\$3,574,200.00
C&I Pilots	\$262,500.00	\$264,250.00
C&I Education	\$157,500.00	\$158,550.00
Commercial and Industrial Total	\$3,986,500.00	\$3,997,000.00
<b>Total Budget Available</b>	<u>\$12,505,450.00</u>	<u>\$12,599,162.50</u>

<sup>5</sup> Bidders should be aware that the deemed stipulated savings in pilots and education are affected by spend and capped at 5 and 3% respectively.



#### 4.4 Cost-Effectiveness

COMPANY is required to deliver cost-effective programs, as determined by the Utility System Resource Test (USRCT) and outlined in PA 342. Bidders should be aware of this requirement, and present bids that outline plans to deliver programs that achieve a USRCT score of 1.0 or higher<sup>6</sup>. In cases where a specific program or initiative is expected to achieve a USRCT score of less than 1.0, bidders should outline strategies for how to mitigate this impact on the overall portfolio.

#### 5. List of Programs

COMPANY currently offers a wide range of unique EWR initiatives aimed at different customer groups. These initiatives are split into three different categories: Residential, Income Qualified, and Commercial & Industrial (C&I). All active commercialized (non-Pilot) initiatives are described in greater detail in Section II Subsections 5.2 through 5.4. COMPANY is currently seeking bids for implementation services for all programs listed in either Bundle 1 or Bundle 2 in Table II-6. The list of programs presented below represents all currently-active programs, however COMPANY is willing to review proposals offering different approaches to serving Residential and Income Qualified (Bundle 1) and/or Commercial & Industrial customers (Bundle 2), provided they are inclusive of all customer and housing types. Bids that propose to split bundles, implement only certain programs within a given Bundle, or target only certain customer or housing types covered within a bundle, will not be considered.

**Table II-6: Program Bundle Assignments**

Sub-Category	Program	Bundle
<b><i>Residential</i></b>		
Residential Core Programs	Rebates (Standard + Energy Star)	Bundle 1
	Home Energy Assessments	Bundle 1
	Manufactured Homes Initiative	Bundle 1
	New Home Construction	Bundle 1
	Multifamily	Bundle 1
	Online Store	Bundle 1
Behavior	Home Energy Report	Not included
Education	Education Support	Bundle 1
	Think! Energy	Not included
Pilots	Project-Specific	Bundle 1 or can be proposed on a per-project basis
<b><i>Income Qualified</i></b>		
Income Qualified Program	Rebates and Service Programs	Bundle 1
	Home Energy Assessments	Bundle 1
	Manufactured Homes Initiative	Bundle 1

<sup>6</sup> Income Qualified programs are not required to achieve specific cost-effectiveness targets, and are excluded from portfolio-level cost-effectiveness calculations.

Sub-Category	Program	Bundle
	Appliance Assistance	Bundle 1
	CAA Weatherization Rebates	Not included
<b><i>Commercial &amp; Industrial</i></b>		
Main	Prescriptive	Bundle 2
	Custom	Bundle 2
Education	Education Support	Bundle 2
Pilots	Project-Specific	Bundle 2 or can be proposed on a per-project basis.

In the 2022 – 2023 program years, COMPANY is hoping to deepen its understanding of the customer's journey through each EWR program, and across the portfolio as a whole, as a way of increasing customer satisfaction and engagement with COMPANY more broadly. In addition, COMPANY is looking to expand the way it engages with customers digitally, through online rebate application processing, digital marketing, and social media outreach.

## 5.2 Residential

COMPANY's residential EWR programs focus on providing a range of benefits and energy saving opportunities to a diverse array of customers. COMPANY's approach centers around providing rebates to supplement the cost difference between purchasing an inefficient vs. efficient energy measure, and providing rebates for shell improvements to promote total home efficiency.

The residential portfolio is split into three sub-categories to allow for targeted marketing and strategic program implementation. The sub-categories include (1) Residential Core Programs, (2) Residential Education, and (3) Residential Pilots. Each sub-category employs a host of strategies to overcome the two principal barriers to customer engagement with the EWR portfolio: program awareness and ease of participation.

### 5.2.1 Residential Core Programs

The Residential program sub-category covers a variety of individual programs and initiatives. These activities include individual measure rebates, the New Home Construction program, the Manufactured Homes Initiative ("MHI"), and the Home Energy Assessment ("HEA") program. The Residential group of offerings has been successful in past years thanks to continued training and interaction with the Residential contracting network, or trade allies. This approach has also been accomplished through intelligent marketing efforts, such as targeted mail with recommendations, use of promotional codes to track participation based on direct mailings, and the creation of brochures, flyers, and event materials aimed at specific demographic segments.

- **Measure Rebates (Standard + Energy Star):** COMPANY's residential EWR programs have focused on providing rebates to supplement the cost difference between purchasing an inefficient vs. efficient energy measure. Additionally, COMPANY provides rebates for shell improvements to promote total home efficiency. In recent program years, qualifying measures have included home heating systems, home heating add-on upgrades, ENERGY STAR® appliances, water heaters, insulation, air & duct sealing, and windows & doors.
- **Home Energy Assessment:** The HEA program aims to focus homeowners on the benefits of multi-year, multi-measure planning of their home energy efficiency upgrades. A rebate is

currently offered to customers who take affirmative steps towards addressing recommendations made during their HEA.

- **Manufactured Homes Initiative:** The MHI is a direct install program targeting both Residential and Income Qualified customers. The program offers air and duct sealing, and the direct installation of high-efficiency showerheads, faucet aerators, water heater pipe insulation, mechanical ventilation (where necessary), and carbon monoxide detectors for customers residing in manufactured homes. The program also offered a heating system tune-up bundle with combustion analysis and two carbon monoxide detectors, a valuable step that is often overlooked by many HVAC contractors in Michigan. The program is offered to qualifying customers at no cost.
- **New Home Construction:** COMPANY's New Home Construction Program was introduced as part of the core rebate program in 2019, as a result of this growing market opportunity. The program offers a fixed rebate for each new home having a Home Energy Rating System (HERS) Index Score of 56 or less. Program participation is primarily driven through HERS raters. By intelligently selecting and placing the latest high-efficiency equipment through modeled simulations, HERS rated homebuilders can optimize occupant comfort while closely estimating a home's energy usage profile. HERS rated homes built with these unique design features are a preferred investment compared to non-high-performing homes because they are safer, perform better, last longer, and are less expensive to operate. While all new construction homes are held to the same building code standards, HERS rated homes are built to a much higher standard.
- **Multifamily:** While COMPANY offers multifamily properties in its service territory the same EWR benefits as other customers. All residential and commercial program offerings are available to multifamily projects, and assigned savings on a project-by-project basis and in accordance with MEMD guidelines.
- **Online Store:** COMPANY offers an e-commerce program that offers discounts on qualifying energy-efficient items to customers in COMPANY's service territory. This program is still relatively new, and currently only offers the ability to purchase smart thermostats.
- **Heating System Tune-Up:** Combustion analysis testing is a critical diagnostic and safety procedure that should be performed whenever a heating system tune-up is performed. Unfortunately, this valuable step is often overlooked by many HVAC contractors in Michigan. In its 2019 EWR program, COMPANY allocated funds to promote the importance of combustion analysis. With this program, customers received a full tune-up with combustion analysis, which not only gives the efficiency of the system, but will also detect if the system is putting out high carbon monoxide levels. The customer also received two carbon monoxide detectors at no cost, as COMPANY continues to demonstrate the importance of the health and safety of their customers.

In the 2022 – 2023 program years, COMPANY is hoping to continue to strengthen its marketing and outreach efforts, especially in the digital space. COMPANY is also interested in continuing to identify new and innovative program delivery mechanisms.

## **5.2.2 Residential Behavior**

New in 2020, COMPANY began offering a Home Energy Report Program to approximately 150,000 residential customers in COMPANY's service territory. Customers will receive quarterly print reports, and regular emails from the program. The program also will offer a web portal to customers to gain additional energy insights, complete an online audit, and get energy savings tips. There will be an opportunity to cross promote rebates available within these mediums.

All bidders should be advised that this RFP does not cover implementation of the Home Energy Report Program. COMPANY will not review any elements of a bid that offer implementation services for this program.

### 5.2.3 Residential Education

COMPANY's education initiatives are designed to empower customers to make more informed choices about their energy use. The Michigan Public Service Commission has defined these programs as:

*Energy [Waste Reduction] education program costs include all media types that are designed to communicate to and educate customers on the benefits of energy efficiency, conservation and load management. These budget funds will be deemed to generate a proportional amount up to three percent of the required energy savings for the program year during which the money is spent. Energy optimization education program costs do not include promotion of any specific energy optimization program or any efforts designed to educate low income residential customers.<sup>7</sup>*

All bidders should be advised that this RFP does not cover implementation of the Think! Energy program. COMPANY will not review any elements of a bid that offer implementation services for this program.

### 5.2.4 Residential Pilots

The Residential Pilots effort is aimed at identifying and testing new technologies, delivery channels, or programs to determine viability in the commercialized EWR portfolio and compatibility with COMPANY's overall EWR strategy. The outcome of each pilot determines if, and how, the results of the pilot should be incorporated into the portfolio in subsequent plan years. Two recent pilot efforts are described below to provide additional context to potential bidders, however bidders are encouraged to review past versions of Annual Report filings to understand what Pilots COMPANY has run in past years:

- *Heat Loss Pilot:* MyHEAT offers a service that obtains thermal imagery and data at the individual building level that can visually identify energy/heat loss. It has been used to identify opportunities and help generate savings delivered through a customer portal, a rating system, and imagery designed to improve engagement with the customer. The goal of the pilot is to evaluate the effectiveness of utilizing home-specific MyHEAT data to motivate homeowners to schedule HEAs and perform recommended upgrades. For the pilot, two contiguous residential areas were defined in Port Huron, Michigan. One area was designated a "test" group and the other a "control" group. Residents in the test group have received a series of marketing pieces and access to their homes' MyHEAT thermal imagery and a relative "efficiency" score. Residents in the control group have also received a series of marketing pieces on the opportunity and benefits of HEAs, without any MyHEAT imagery or data.
- *Multifamily Properties Pilot:* In 2019, the Multifamily Pilot Program installed 64 EcoFurns in multifamily properties. Properties receiving EcoFurns also received a furnace tune-up and pre- and post-installation combustion analysis. In 2020, the program performed a billing analysis to determine the reduction in natural gas usage. This pilot was also extended to manufactured homes in 2020. An analysis on this pilot will be completed in 2021.

Bidders on Bundle 1 should include a description of process used to identify, design, and implement potential Pilot projects. This should include descriptions of any ideation processes, design philosophies, and/or management strategies used to ensure projects will be applicable and successful in the context of COMPANY's EWR portfolio. The COMPANY individually evaluates each pilot based on their merits and their alignment with COMPANY's overall EWR strategy. In the 2022 – 2023 program years,

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<sup>7</sup> The As defined by the Michigan Public Service Commission in order U-15800: <https://mi-psc.force.com/s/case/500t0000008efN6AAI/in-the-matter-on-the-commissions-own-motion-to-implement-2008-pa-295-through-issuance-of-a-temporary-order-as-required-by-mcl-4601191>

COMPANY is hoping to maintain a focus on gas saving technologies and explore collaboration opportunities with other Michigan-based utilities.

Any organization with an innovative or novel Pilot opportunity may submit a proposal, even if they are not bidding on either program implementation bundle covered within this RFP. Proposals for individual Pilot projects need only include the details specifically laid out in Section VIII Subsection 6, however all are expected to adhere to the timing milestones and submission guidelines laid out in Sections V and VI below.

### 5.3 Income Qualified

Company's Income Qualified (IQ) sub-category of programs is designed to specifically target low-income customers who have the added barrier of affordability to make envelope, heating, and water heating improvements to their homes<sup>8</sup>. The goal of these offerings is to make energy-efficient measures available to qualifying customers at little to no cost to overcome this participation barrier. Several residential programs are also available to IQ customers, including the Home Energy Assessment, MHI, and measure rebates programs. COMPANY also coordinates with regional organizations such as housing commissions, tribal groups, non-profit housing agencies, and multifamily management companies to provide financial assistance on natural gas EWR upgrades. Finally, COMPANY offers several initiatives geared directly towards customers at the lower end of the income spectrum:

- Appliance Assistance Program: The Appliance Assistance initiative was first launched in 2019, and is directed at IQ homes located in rural areas where natural gas has recently become accessible. Previously these homes relied on deliverable fuels that see tremendous price fluctuations during the heating season. The program assists new, IQ customers by providing energy efficient natural gas appliances, after they have converted to natural gas. By assisting these customers with the installation of highly-efficient natural gas space and water heating equipment, the program was able to considerably reduce the energy burden on participating families.
- Community Action Agency Weatherization Program: The Community Action Agency (CAA) Weatherization Program engages with the Statewide Community Action Agency Network to submit rebates for air sealing, insulation, furnace replacement, and boiler replacement measures for IQ customers. In addition, COMPANY's EWR program offers participating CAAs access to the emergency furnace replacement program. The program allows for COMPANY customers to bypass the waiting period for weatherization services if they experience a furnace failure during the heating season.

In the 2022 – 2023 program years, COMPANY is hoping to maintain and expand existing partnerships with local organizations serving the Income Qualified community. In addition, COMPANY is interested in expanding its holistic program offerings to Income Qualified customers. Not only is customer acquisition difficult for this customer segment, but remediation is often required before energy waste reduction projects can be completed. COMPANY wants to ensure every Income Qualified customer receives the full benefit of COMPANY's EWR offerings, regardless of circumstance, which may require additional coordination of contractors and trade allies.

All bidders should be advised that this RFP does not cover implementation of the Community Action Agency Weatherization Rebate Program, nor should CAAs be counted on as a resource to achieve Income Qualified savings targets. COMPANY will not review any elements of a bid that offer services for the CAAs.

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<sup>8</sup> *Income Qualified is defined as customers whose annual household income is at or below 200% of the Federal Poverty Level. This definition is subject to change based on orders from the MPSC.*

## 5.4 Commercial & Industrial

COMPANY's C&I program is aimed at making businesses and industry within COMPANY's service territory operate more efficiently, in an effort to reduce energy usage and demand. Much like the Residential program, the C&I program is further divided into three sub-categories, ensuring comprehensive coverage across a variety of business types and needs. These sub-categories include: (1) Prescriptive and Custom, (2) C&I Pilot, and (3) C&I Education. Each sub-program is specifically designed to increase program participation by addressing specific participation barriers.

### 5.4.1 C&I Prescriptive and Custom

The Commercial & Industrial (C&I) Prescriptive and Custom Program provides incentives for high-efficiency equipment upgrades in businesses within COMPANY's service territory. This sub-category includes three main initiatives that target different delivery channels or savings determination methodologies. The C&I Prescriptive and Custom program utilizes an energy advisor outreach model, which provides direct contact with end-use customers and trade allies. This model has been effective while simultaneously creating new customer relationships and hundreds of project leads each year.

- **C&I Prescriptive:** The Prescriptive program offers pre-determined rebates often associated with one-for-one retrofits, and claims savings through established MEMD measures. Participating businesses or contractors are required to submit a rebate application identifying all qualifying equipment that was installed as part of the project, along with all relevant supporting documentation, before being issued a corresponding rebate.
- **C&I Custom:** The Custom offering allows customers to take a more unique and innovative look at energy efficiency and customize it to their specific needs. Custom savings are determined on a per-project basis based on the nature of work performed, equipment usage characteristics, and custom engineering calculations performed by COMPANY's third-party evaluator. Participating businesses or contractors are required to submit project documentation prior to project initiation that is used to determine energy savings and rebate amount.

In the 2022 – 2023 program years, COMPANY is hoping to further define and expand participation from small- and medium-sized businesses. In addition, COMPANY is interested in defining the business customer journey through COMPANY's EWR program landscape, with a focus on ease of participation.

### 5.4.2 C&I Education

The COMPANY's current C&I Education sub-program consists of two main efforts: the education of C&I customers and trade allies, and the Request for Proposals program. Both efforts are aimed at collecting and/or sharing information with potential commercial customers. The Michigan Public Service Commission has defined education programs as:

*Energy [Waste Reduction] education program costs include all media types that are designed to communicate to and educate customers on the benefits of energy efficiency, conservation and load management. These budget funds will be deemed to generate a proportional amount up to three percent of the required energy savings for the program year during which the money is spent. Energy optimization education program costs do not include promotion of any specific energy optimization program or any efforts designed to educate low income residential customers.<sup>9</sup>*

- **Request for Proposals Program:** The Request for Proposals (RFP) Program assists customers in identifying specific energy savings opportunities that they were interested in pursuing and submit a proposal for financial incentives to cover a portion of any qualifying work performed.

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<sup>9</sup> The As defined by the Michigan Public Service Commission in order U-15800: <https://mi-psc.force.com/s/case/500t00000008efN6AAI/in-the-matter-on-the-commissions-own-motion-to-implement-2008-pa-295-through-issuance-of-a-temporary-order-as-required-by-mcl-4601191>

The Program used a typical RFP process to select proposals from customers that represent significant and cost-effective opportunities for savings.

In the 2022 – 2023 program years, COMPANY is hoping to identify and implement new strategies to educate C&I customers about the benefits of energy waste reduction by leveraging new and innovative digital tools and awareness channels. This includes providing additional resources to customers and trade allies aimed at increasing C&I customer engagement with the EWR portfolio more broadly.

### **5.4.3 C&I Pilot**

Similar to the Residential Pilots effort, the C&I Pilots effort is aimed at identifying and testing new technologies, delivery channels, or programs to determine viability in the commercialized EWR portfolio and compatibility with COMPANY's overall EWR strategy. The outcome of each pilot determines if, and how, the results of the pilot should be incorporated into the portfolio in subsequent plan years. One recent pilot effort is described below to provide additional context to potential bidders, however bidders are encouraged to review past versions of Annual Report filings to understand what Pilots COMPANY has run in past years:

- **C&I SEM for Communities:** By applying the Strategic Energy Management Cohort methodology to municipalities, mid-sized private employers, school districts, and universities or community colleges, civic centers will build a community-focused cohort. The shared community experience of SEM would bring these different sectors together around efficiency. Added benefits include the promotion of core programs as part of the SEM engagement and opportunities for high school or college energy interns to learn and work, adding workforce development options to the community.

Bidders on Bundle 2 should include a description of process used to identify, design, and implement potential Pilot projects. This should include descriptions of any ideation processes, design philosophies, and/or management strategies used to ensure projects will be applicable and successful in the context of COMPANY's EWR portfolio. The COMPANY individually evaluates each pilot based on their merits and their alignment with COMPANY's overall EWR strategy. In the 2022 – 2023 program years, COMPANY is hoping to maintain a focus on gas saving technologies and explore collaboration opportunities with other Michigan-based utilities.

Any organization with an innovative or novel Pilot opportunity may submit a proposal, even if they are not bidding on either program implementation bundle covered within this RFP. Proposals for individual Pilot projects need only include the details specifically laid out in Section VIII Subsection 6, however all are expected to adhere to the timing milestones and submission guidelines laid out in Sections V and VI below.

## **II. GENERAL SCOPE OF PROFESSIONAL SERVICES REQUIRED**

COMPANY is seeking competitive bids from qualified organizations able to serve as the Implementation Contractor(s) for its Residential, Income Qualified, and Commercial & Industrial Energy Waste Reduction (EWR) programs. COMPANY is issuing this RFP for program delivery in both the 2022 and 2023 program years, as outlined in COMPANY's forthcoming 2022-2023 EWR Plan filing.

All bidders must be able to implement COMPANY's EWR programs so that these meet or exceed all required cost-effectiveness targets, as determined by the Utility System Resource Cost Test (USRCT), and meet all other requirements contained in PA 342 and the Commission's temporary orders including in Case

No U-15800<sup>10,11</sup>. Additional detail on EWR goals, targets, and requirements can be found in Section II Subsection 4. Bidders should be advised that future regulatory orders and/or outcomes may result in changes to the energy savings and spending targets outlined herein. As such, bidders should note that targets, strategies, and approaches specified in their responses may require adjustment or renegotiation.

### 1. Guidance for Solicitation

This RFP consists of two program bundles that COMPANY is issuing concurrently. Bundle 1 includes all Residential and Income Qualified programs, while Bundle 2 includes all Commercial & Industrial programs. Additional detail on COMPANY's current EWR programs, and which programs are covered in each bundle, can be found in Section II Subsection 5.

Bidders who choose to respond to this RFP may respond to a single, or both, RFP bundles. **Bidders must discuss their implementation strategy, including plans to meet all savings and spend targets, separately for each program within a Bundle. In cases where a bid covers both program Bundles, the bidder is encouraged to indicate whether it would accept a contract covering either of the individual Bundles. Bids that propose to split bundles or implement only certain programs within a given Bundle will not be considered. If exceptions to the RFP requirements and terms/conditions included herein are not stated in the original bid, COMPANY will assume that all are accepted and will not be negotiable at a later date.** All bidders must be willing to comply with all COMPANY guidelines and codes of conduct.

In addition, COMPANY is open to proposals to implement individual pilot projects designed to fill specific gaps or yield significant savings within COMPANY's existing EWR portfolio. Any organization with an innovative or novel Pilot opportunity may submit a proposal, even if they are not bidding on either program implementation bundle covered within this RFP. Proposals for individual Pilot projects need only include the details specifically laid out in Section VIII Subsection 6, however all are expected to adhere to the timing milestones and submission guidelines laid out in Sections V and VI below.

Bidders on the Bundles should include a description of process used to identify, design, and implement potential Pilot projects. This should include descriptions of any ideation processes, design philosophies, and/or management strategies used to ensure projects will be applicable and successful in the context of COMPANY's EWR portfolio.

## III. 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.

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<sup>10</sup> Additional information on PA 342 can be found on the Michigan Legislature website: <https://www.legislature.mi.gov/documents/2015-2016/publicact/htm/2016-PA-0342.htm>.

<sup>11</sup> The As defined by the Michigan Public Service Commission in order U-15800: <https://mi-psc.force.com/s/case/500t0000008efN6AAI/in-the-matter-on-the-commissions-own-motion-to-implement-2008-pa-295-through-issuance-of-a-temporary-order-as-required-by-mcl-4601191>



#### IV. 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.** 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 Proponents 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, 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.

Revisions to this RFP, responses to bidder’s questions, and other solicitation documents will be available on COMPANY’s PowerAdvocate portal. COMPANY may post schedule changes, document updates, and other important information from time to time. It is the bidder’s sole responsibility to regularly check for posted updates.

All bidder questions should be submitted through COMPANY’s PowerAdvocate portal, and should be submitted before the RFP question period ends, as outlined in Table VI-1. Bidders should not contact COMPANY employees about topics related to this RFP throughout the entirety of the RFP process. Any unauthorized contact may result in immediate disqualification. COMPANY reserves the right to contact bidders at any time for additional information or clarifications.

#### V. ANTICIPATED TIMELINE

The RFP will be open to proposals until February 19, 2021. Once proposals have been submitted, COMPANY may contact Bidders with follow-up questions on or before March 19, 2021. Final candidates will be contacted no later than March 19, 2021, and invited to present their implementation strategy directly to the COMPANY. Table VI-1 includes all critical dates in the RFP schedule, however COMPANY may adjust dates shown here as necessary. Any changes to the schedule will be posted COMPANY’s PowerAdvocate portal.

**Table VI-1: RFP Schedule**

Milestone	Date
RFP Released	December 18, 2020
Intent to Bid Due	January 14, 2021
Bidder Questions Due	January 18, 2021
Proposals Due	February 26, 2021
Final Interviews	March 19, 2021
Selection	April 30, 2021

## VI. INSTRUCTIONS

Section VI details solicitation instructions for bidders submitting proposals under this RFP. Bidders are requested to indicate their "intent to bid" by registering on COMPANY's PowerAdvocate portal by January 14, 2021. **Access link:** <https://www.poweradvocate.com/pR.do?okey=111651&pubEvent=true>

- All questions pertaining to this RFP must be submitted using the PowerAdvocate Platform to the RFP Coordinator in accordance to 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.
- 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 ENERGY'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.
- 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.
- Bid responses (electronic) must be received by the submission date listed in the Anticipated Timeline table in Section VI.
- Proposal Format. Respondent 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.

### 1. Guidelines

- 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.
- 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.
- 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.
- All Bidders will be notified in writing in the event that modifications, clarifications or additions to the RFP become necessary.
- 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.

- 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.
- SEMCO retains the right to award all, part, or none of the services outlined in this RFP. Proposals should contain the Respondent's best terms from a price and technical standpoint. Use of subcontractors to perform any component of the Scope of Work included in this RFP must be approved by SEMCO in advance of providing such services.
- By submitting a Proposal, Respondent understands and agrees that, by the Proposal due date, all local conditions and factors affecting Respondent's Proposal will have been properly investigated and accounted for in the Proposal. No financial adjustments to Respondent'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.
- The award under this RFP does not in and of itself create a binding agreement between SEMCO ENERGY Gas Company and the successful Respondent. An agreement including all terms, conditions, exhibits, and attachments must be executed by both SEMCO ENERGY Gas Company and the successful Respondent in order to create a binding enforceable agreement between SEMCO ENERGY Gas Company and the successful Respondent.
- The SEMCO RFP Coordinator will provide notice of any award(s) via the 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.
- All proposals should include, at a minimum, the sections outlined in Table VII-212. Proposals should not exceed the indicated page limit for each section. Proposals may include additional sections, but should not exceed a maximum length shown in Table VII-3 based on the bundles covered in the proposal. COMPANY requests only pertinent information be included in the body of each submitted proposal.

**Table VII-2: Proposal Sections**

Section	Maximum Length Pages
Project Team	4
Transition Plans	3
Program Implementation Plan (Program delivery, program design, management, pilots)	50 (Bundle 1) 20 (Bundle 2)
Program Management Plan	4
Implementation Support Plan (Rebate processing, marketing, call center)	6
Pilot Support (if applicable)	1
Regulatory Support	2

<sup>12</sup> Proposals for individual Pilot projects need not adhere to the section and page limit guidance presented in Section VII Subsection 1

Safety, Security, & Quality Control	6
References	3
Program Measure Workbook	No limit
Rebate Processing System (examples or demonstration files)	No limit
Supporting Documentation (including resumes)	No limit

**Table VII-3: Proposal Page Limits**

Bundles Included in Proposal	Max. Length Pages
Bundle 1 Only	85
Bundle 2 Only	50
Bundles 1 & 2 Combined	100

## **VII. CONDITIONS / SELECTION CRITERIA**

Section VII details the major task categories for each of the programs included in this RFP. Bidders must discuss their strategy, by task, for implementing each individual program covered in the bid, as outlined in Table II-6. Should a bidder wish to bid on implementation services for the programs included exclusively in Bundle 1 or Bundle 2, it must also include details as to how it plans to interface and coordinate with other COMPANY-retained implementation contractor(s). Finally, bidders are required to provide their strategy for ensuring COMPANY achieves all stated goals related to EWR program management, implementation, and marketing of each program.

Bidders are encouraged to include detail on relevant experience wherever appropriate. This can include, but is not limited to, experience performing similar tasks or processes, experience implementing programs in similar jurisdictions, and experience engaging with similar groups of stakeholders. In addition, bidders are encouraged to submit any supporting documentation they believe provides valuable context to their submitted bid.

### **1. Transition Plans**

In their proposals, bidders should clearly articulate Start-Up and Hand-Off Transition Plans designed to minimize (if not fully eliminate) the impact of any transition of implementation responsibilities on customers participating in COMPANY's EWR programs. These two plans should clearly articulate how the overall approach, and the steps therein, will mitigate any risk associated with transitioning between implementation contractors. Additional information on what each plan should cover and include is provided below.

#### **1.2 Start-Up Transition Plan**

The Start-Up Transition Plan should cover the bidder's plan to ensure a smooth assumption of program implementation responsibilities that prevents service disruptions. At a minimum, the Plan should include:

- A description of key tasks that will need to be accomplished in order to ensure a smooth transition or continuation of each program. This list should cover all task areas where the bidder will assume any and/or all responsibilities, including program management and marketing, rebate processing, scheduling, call center, modeling, etc.

- A detailed plan to engage with the outgoing contractor, and to ensure all relevant information, data, and files are collected.
- A program transition timeline that lists out the key deadlines and milestones that, when met, will ensure a seamless program transition. This timeline should cover critical timelines for all involved stakeholders, including the bidder, COMPANY, outgoing contractor, and others.
- A comprehensive overview of the bidder's data collection, tracking, and sharing infrastructure. This overview should include a description of how bidder's systems will integrate with any COMPANY platforms and/or requirements.
- A plan detailing the bidder's strategy for engaging with program stakeholders. This includes, but is not limited to, trade allies, retailers & distributors, non-profits, and any other market actors that support program implementation. This plan should also outline the bidder's approach to communicating with stakeholders, and for ongoing management of these relationships.

### **1.3 Hand-Off Transition Plan**

The Hand-Off Transition Plan should cover the bidder's plan to ensure a seamless hand-off of programs should responsibilities need to be transferred to a different implementation contractor in the future. At a minimum, the Plan should include:

- A detailed plan to engage with incoming contractor, and to provide the support necessary to ensure a seamless transition of implementation responsibilities.
- A strategy to collect, store, and transfer key information and documentation on program implementation. This should include detailed instructions on how programs are currently implemented, along with any insights into program operations, challenges, opportunities, and best practices collected over the implementation period.

## **2. Program Implementation**

In their proposals, bidders should address the following areas for each program within the bundles covered in the bid.

### **2.2 Program Delivery**

Bidders should clearly articulate plans to implement COMPANY's EWR portfolio in both the 2022 and 2023 program years. Implementation plans need only address programs covered in the bundles addressed in the bid.

#### **2.2.1 Implementation Plan**

Bidders may choose to submit a single implementation plan that addresses each program covered in the bid, or to submit individual implementation plans for each program, along with a separate, implementation plan that addresses portfolio-level cross-cutting activities and milestones. At a minimum, all bids should include the following:

- Clearly articulated implementation plan(s) for the 2022 and 2023 program cycles. This plan should detail all start-up, ongoing, and any close-out tasks for each program in each year. Each plan should indicate the most important milestones and operational goals by program, and clearly demonstrate how each will be met.

- First year and lifetime energy savings each program will achieve in each of the 2022 and 2023 program cycles. Bidders should clearly describe how the proposed implementation plan will ensure these targets are met or exceeded.
- Proposed implementation budget, including the proposed budget for each program. At a minimum, program-level budgets should split out administrative, labor, equipment, marketing, incentives, expenses, contingency, profit, and any other expected costs. Bids should also describe, in detail, bidders planned strategies to closely monitor and communicate budget status. COMPANY also recommends that bids include a description of how bidders will ensure an average of 70% of program budget is spent on direct incentives to customers.
- Detailed list of measures bidder will plan to promote, including anticipated quantities, efficiency levels, savings and incentives, to be specified in the workbook included in Attachment D. Savings and cost estimates must be sourced from the 2021 MEMD, where applicable. For measures not included in the MEMD, bidders should provide calculations and sources for assumed savings values.
- Description of how the bidder will focus implementation efforts to best serve the unique needs of COMPANY's customers. Bids should identify any specific steps that will be taken to address COMPANY'S geographically- and demographically-diverse customer base. In addition, bids should outline any proposed efforts to study the customer journey across COMPANY's portfolio of EWR offerings, and incorporate any findings into future implementation efforts. Finally, bids should outline any plans to monitor customer satisfaction with COMPANY's EWR programs, and strategies to ensure satisfaction remains high.
- Plans to collaborate with utilities whose electric service territory overlaps with COMPANY's. Any proposed collaboration efforts should identify the programs where collaboration will occur, present a framework for how costs and savings will be tracked and allocated, and detail how relationships between key utility staff will be established and maintained.
- Strategies to ensure cycle time of rebate payments remains at or below 5 weeks for all valid applications. Cycle time is defined as the period between when a rebate application is submitted and deemed complete, and when the payment is received by the customer.
- Description of philosophy and approach around early identification of problems and ability to dynamically adjust program implementation strategies as necessary.

### 2.2.2 Timelines

Bidders should share how they plan to ensure portfolio- and program-specific timelines are met each year. Each proposal should include a detailed timeline for meeting the program and portfolio milestones in Tables VIII-1 and VIII-2, where bolded items represent regulatory deadlines.

**Table VIII-1: Annual EWR Milestones (Typical Program Year)**

Activity	Year 1												Year 2			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Kick off of the program year	Jan 01															
Program Implementation	Jan 1 - Dec 31															
Reconcile Spend & Savings				Apr 1			Jul 1			Oct 1			Jan 1			
Annual Report Kick-Off										Oct 1						
Year 2 Updates											Nov 1 – Dec 30					

Activity	Year 1												Year 2			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Invoice Cut-Off												Dec 15				
Program Year Ends												Dec 31				
Program Data to Evaluator													Jan 15			
Prepare Reconciliation Filing															Mar 1 – Apr 30	
Finalize Annual Report															Mar 31	
File Reconciliation Case																Apr 30

**Table VIII-2: Bi-Annual Milestones (2021, 2023, 2025)**

Activity	Year 2											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Model Biennial Plan				Apr 1 – Jun 30								
File Biennial Plan						Jun 30						

At a minimum, all submitted bids should address the following:

- A detailed portfolio-level timeline that incorporates the milestones in Tables VIII-1 and VIII-2, and ensures each is met for all implemented program. Bidders may propose slight deviations from the above timelines, and in cases where this occurs, should plan to provide sufficient explanatory detail as to why these changes are being proposed. Bidders should list tasks and milestones beyond those listed above that will be required to meet all portfolio-level deadlines.
- A detailed timeline for meeting all program-level milestones outlined in Tables VIII-1 and VIII-2 for each program covered in the bid. Bidders may propose slight deviations from the timeline listed above, and in cases where this occurs, should plan to provide sufficient explanatory detail as to why these changes are being proposed. The timeline should include tasks and milestones beyond those listed above that will be required to meet all program-level deadlines.

### 2.2.3 Implementation Partners

All bids should identify anticipated program implementation partners, including trade allies, distributors, retailers, non-profits, and others market actors, and detail plans for ongoing engagement and oversight to minimize risk to the overall EWR portfolio. At a minimum, all bids should include the following:

- Identification of all implementation partners, their roles and responsibilities, and the reason for their inclusion on the bid.
- Description of bidder's approach to working with existing implementation partners, along with a detailed management, quality control, and oversight plan to ensure existing relationships are maintained and strengthened.
- Description of approach to managing relationships with implementation partners. This description should specifically address how the bidder will ensure high levels of program satisfaction amongst implementation partners (where applicable).

- Description of strategy to ensure customer satisfaction with work performed by implementation partners remains high, including protocols for addressing customer complaints related to implementation partner performance (where applicable).
- Summary of approach to recruiting and training new implementation partners, including trade allies, distributors, retailers, non-profits and other market actors who will assist with program delivery (where applicable).

#### **2.2.4 Program Design**

In addition to implementing COMPANY's portfolio of EWR programs, the selected Contractor(s) will be required to identify opportunities to expand, improve, and evolve existing program offerings. At a minimum, bids should include:

- Description of approach to annually revisit and revise implementation plans, track key program metrics and operational milestones, identify and establish new performance metrics and milestones as needed, and track saving and spend for each program.
- Plans to introduce any new and innovative ideas, as well as any process improvement approaches based on past implementation experience.
- Description of program design strategies to minimize free-ridership and maximize quantifiable program spillover for existing and new program offerings.

#### **2.2.5 Pilot Support**

At a minimum, bids should include:

- Description of process used to identify, design, and implement potential Pilot projects. This should include descriptions of any ideation processes, design philosophies, and/or management strategies used to ensure projects will be applicable and successful in the context of COMPANY's EWR portfolio.

For additional information on the requirements for individual Pilot project proposals, see Section VIII Subsection 6 below.

#### **2.2.6 Program Management Plan**

All bidders should describe their proposed approach for project management designed to ensure all program- and portfolio-level goals and objectives are achieved. This should be shared in the form of a detailed Project Management Plan that describes, among other things, the bidder's proposed approach for task tracking, financial management, communication, reporting, and any other activities necessary to ensure successful program implementation.

Bidders are expected to provide bi-weekly updates on program progress as directed by COMPANY. This might include updates on program and sub-program spend and savings, along with total complaints received. In addition, bidders will be required to provide a monthly report in a format requested by COMPANY that summarizes implementation progress along key performance metrics defined by COMPANY. Bidders will provide data to stakeholders (e.g., COMPANY, evaluators, regulators) when needed and respond promptly to data issues brought up by stakeholders. At a minimum, all submitted bids should include the following:

- Summary of the systems and strategies that will be used to track EWR program implementation status and performance. Bidders are encouraged to share specific details about what key metrics will be tracked, how these will be tracked, and how these will be used to effectively manage implementation of the EWR programs.



- Summary of how the status of implementation efforts will be shared with COMPANY on an ongoing basis. This includes the format, structure, and cadence of information communication, and any examples bidders may feel are appropriate to share.
- Summary of plan to communicate and engage with COMPANY's EWR staff and other COMPANY stakeholders. This should include details on proposed cadence, format, and points-of-contact. Bidders should also include proposed metrics for response timeliness as appropriate.
- Summary of plan to ensure implementation costs and budgets are tracked accurately, and allocated appropriately between different efforts and/or end-uses. This should include details on how the allocation of funds between implementation, incentive, administrative, marketing costs will be tracked and monitored. Finally, bidders should outline a plan to provide bi-weekly budget, invoicing, and forecast updates to COMPANY, and on an ad hoc basis as requested.
- Summary of approach to engaging with, and working alongside, COMPANY's third-party evaluation contractor, and any stakeholders in the EWR process whose services are retained by COMPANY. This includes identifying and listing of any relevant points of contact.
- Statement of ability to prepare monthly, annual, and ad hoc reports detailing program results to date, completed and upcoming activities, accomplishments, challenges, opportunities, and any necessary risk mitigation strategies. This includes a description of relevant experience, and the submission of any relevant example program progress and/or status reports.

### **3. IMPLEMENTATION SUPPORT**

In their proposal, bidders should outline the customer-facing support services they are expected to provide beyond direct implementation of COMPANY's EWR programs. These services include rebate processing, program marketing, and call center support.

#### **3.2 Rebate Processing**

Bidders will be expected to maintain records of all program transactions and effectively manage data access and security. Additionally, bidders will need to provide an internal communication, information sharing, and reporting system to ensure all rebate applications and payments are logged, tracked, invoiced, and paid in a timely manner. At a minimum, all submitted bids should include the following:

- Description of rebate request review process to ensure all incentive payments are disbursed to customers who meet program eligibility requirements.
- Description of the platform that will be used for online rebate processing, all relevant capabilities, and examples of different, common use cases. Bidders are encouraged to go beyond a description and demonstrate the capabilities of the proposed rebate processing system as part of their proposal.
- Bidders are encouraged to submit a process map detailing the proposed rebate processing, data tracking, and rebate payment workflows.

#### **3.3 Program Marketing**

Bidders should submit a detailed Marketing Plan that lays out a comprehensive outreach and communications approach for each program. At a minimum, the Marketing Plan should include the following:

- Outline of proposed marketing strategy, by program, including key milestones, outreach channels, and timeline. Successful strategies will outline how the bidder's understanding of COMPANY's service territory and past successful marketing efforts inform the proposed approach.

- Overview of experience designing, fabricating, and implementing marketing collateral and messages aimed at driving EWR program participation.
- List of key marketing metrics to track and monitor marketing and outreach performance, how these metrics will be tracked, and how the proposed metrics will be used to adjust marketing and outreach efforts should COMPANY need to increase or decrease the pace of savings acquisition.
- Identification of key customer sectors and sub-sectors, and how different marketing and outreach strategies will be leveraged to ensure maximum message penetration for each group. This includes, as relevant, marketing strategies aimed at engaging with, and able to be leveraged by, implementation partners.
- Detailed summary of acquisition cost per marketing strategy within each customer group.
- Plan to coordinate with COMPANY EWR and marketing staff to ensure all customer-facing marketing, outreach, and customer engagement efforts are aligned with COMPANY standards and goals.
- Any differences in quality assurance and quality control processes compared to those outlined in Section VIII Subsection 5.3.

### **3.4 Call Center**

Bidders are expected to maintain a call center capable of fielding incoming requests about COMPANY's EWR programs. At a minimum, all bids should include the following:

- Description of call center organizational structure, including geographic location, number of call center representatives dedicated to COMPANY programs (total and per-program), and average level of customer service representative experience.
- Expected location of call center staff, including state and country where applicable.
- Description of call center capabilities, including call volume capacity and strategy for handling backup or overflow calls, should the need arise.
- Summary of process for escalating issues to COMPANY as necessary. This should be included at the call center representative level, and provide a mechanism to directly notify the program team of any issues that may arise.
- Any quality assurance and quality control processes (in addition to those outlined in Section VIII Subsection 5.3). All call center locations are expected to have the same quality assurance and quality control processes in place.

## **4. REGULATORY SUPPORT**

This section covers regulatory engagement and case filing assistance bidders will be expected to provide in support of COMPANY's engagement with the Michigan Public Service Commission (MPSC). In their proposal, bidders should address their experience, capabilities, and approaches to engagement with regulators, energy savings forecasting, tracking relevant regulatory or legislative initiatives, and case development as outlined below.

### **4.2 Modeling & Case Support**

COMPANY currently uses a proprietary model to forecast savings. Bidders will be expected to either maintain and update the existing model, or work with COMPANY to establish a new modeling approach. In

addition, bidders will be required to support COMPANY in case development, case support, and resource planning efforts as necessary. At a minimum, all submitted bids should include the following:

- Summary of approach to supporting all EWR regulatory and filing requirements as identified in Tables VIII-1 and VIII-2. This includes developing an annual report that will be filed with COMPANY's reconciliation case each year summarizing program-, sector-, and portfolio-level achievements and impacts. In addition, bidders should describe the necessary tasks and subtasks that will need to be completed, and the interplay between each, to ensure all regulatory deadlines are met.
- Summary of approach to create a new portfolio model. This should include a detailed plan that details, at a minimum, a summary of the proposed model's capabilities, a description of how this model will be developed and what platform the model will exist in, and a list of the information sources that will be used as inputs. The proposed approach should also detail the benefits of the proposed approach compared to maintaining any existing modeling tools.

Or...

- Summary of approach to "owning" the existing portfolio model. This should include any steps necessary to become familiar with the existing model, approach to ensuring the existing model remains up-to-date, and the strategy for ensuring results are accurate.

#### **4.3 EWR Collaborative & Stakeholder Group Engagement**

COMPANY currently participates in the state-run EWR Collaborative working group, as well as the associated Technical Subcommittee. Additional information on the collaborative can be found on the MPSC website<sup>13</sup>. The selected Contractor(s) will be expected to engage with (and support) these and other stakeholder groups, as necessary to support COMPANY EWR portfolio implementation efforts. At a minimum, all submitted bids should include the following:

- Summary of plan to participate in and engage with EWR Collaborative and Technical Subcommittee groups, and to share relevant findings with COMPANY.
- Summary of approach to supporting annual Michigan Energy Measures Database (MEMD) updates, as well as review of any new or modified measure submissions as requested. In addition, bidders should outline a strategy, schedule, and process for identifying and submitting new MEMD measures or measure revisions.
- Summary of plan to participate in, and engage with, any other relevant outside stakeholder or interest groups. This should include a list organizations or groups, purpose of engagement with each, a summary of expected engagement activities, an expected schedule of engagement, and a plan to communicate updates and other relevant information to COMPANY.

#### **5. SAFETY, SECURITY, & QUALITY CONTROL**

Bidders are expected to put in place any other necessary policies and procedures that ensure implementation activities are conducted in a way that appropriately minimized any safety risks to staff, customers, stakeholders, and property. At a minimum, all bids should include the following:

- Summary of approach to ensuring all work conducted will be done such that any safety risks are effectively minimized. Bidders are encouraged to share additional context as appropriate, including how prior implementation experience has informed the proposed approach.

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<sup>13</sup> The Michigan Energy Measures Database (MEMD) can be found on the State of Michigan's Licensing and Regulatory Affairs (LARA) website: [https://www.michigan.gov/mpsc/0,9535,7-395-93309\\_94801\\_94808\\_94811---,00.html](https://www.michigan.gov/mpsc/0,9535,7-395-93309_94801_94808_94811---,00.html)

- List of any actions, steps, policies, and procedures, including any beyond those listed out in COMPANY's safety protocols, the bidder plans to implement to ensure work is conducted without any safety incidents. COMPANY also encourages bidders to submit any safety manuals, plans, and/or policies as applicable.

## **5.2 Data Security & Management**

Bidders are expected to maintain detailed program tracking records and transfer that data to COMPANY through an agreed upon process determined after the contract is awarded. All bidders must adhere to the data storage, security, and management requirements to ensure programs run smoothly, adequate information is collected to facilitate effective program management and evaluation, and private customer information remains secure. At a minimum, all bids should include the following:

- Plan to set up and maintain a program data tracking system that tracks all aspects of activity for each program. While not required, COMPANY strongly encourages bidders to use existing and well-tested systems, capable of providing essential information to COMPANY in real time and as requested. Bidders should provide a list of the data fields they propose to capture for each completed project, and are encouraged to provide illustrative diagrams or examples of data architecture and reports.
- Description of data security protocols, certifications, and safeguards undertaken by bidder to ensure all information is securely stored and remains confidential. This includes any internal policies and procedures employed to minimize external or internal data-related risk. Bidders should describe plans to ensure compliance with COMPANY's data security requirements.
- Description of process by which bidder proposes to transfer data to COMPANY and its third-party evaluator. This should include a summary of the processes used for the regular exchange of project-level implementation data and those used to fulfill any ad hoc data requests. In addition, bidders should document any differences in approach used when exchanging data sources containing Personally Identifiable Information (PII) and those that do not.
- Description of processes and procedures employed to ensure all collected, tracked, and transferred data is accurate, clean, and complete. This includes a summary of steps taken to minimize data-related issues before they arise, and steps that will be taken to correct any issues that may be identified.
- Description of data security and management training and education steps offered to company and Implementation Partner staff to ensure all outlined procedures and protocols are adhered to.

## **5.3 Quality Assurance & Quality Control**

Bidders are expected to establish quality assurance and quality control procedures for all activities undertaken on behalf on COMPANY. At a minimum, all bids should include the following:

- Staffing plan for quality assurance and quality control activities. At a minimum, COMPANY expects bidders to dedicate at least one FTE to quality assurance for every three programs implemented. The list of staff provided should include any relevant experience identified staff have with EWR program quality assurance and control.
- Detailed explanation of quality assurance processes and procedures, including any relevant leading indicators or metrics. Bidder's quality assurance procedures should be designed to ensure program execution maintains high levels of customer satisfaction with minimal error, disruption in customer delivery, and risk to COMPANY's EWR objectives and goals.

- Detailed explanation of all quality control processes and procedures, including relevant lagging indicators or metrics. Bidder's quality control procedures should be designed to ensure issues that arise during program implementation are quickly identified and addressed to eliminate risk to COMPANY's EWR objectives and goals, and in a way that minimizes disruption for customers.
- Description of internal and external fraud prevention approach, including a list of steps and/or actions taken continuously to prevent, detect, and resolve any misconduct.

## 6. INDIVIDUAL PILOT PROJECTS

In addition to bids for implementation of its EWR Portfolio, COMPANY is accepting proposals to implement individual Pilot projects designed to fill specific gaps or yield significant savings within the context of COMPANY's existing EWR offerings. Any organization with an innovative or novel Pilot opportunity may submit a proposal, even if they are not bidding on either program implementation bundle covered within this RFP. Proposals for individual Pilot projects need only include the details specifically laid out below, however all are expected to adhere to the timing milestones and submission guidelines laid out in **Error! Reference source not found.** All Pilot proposals should include, at a minimum, the following:

- Detailed description of proposed Pilot goals, objectives, and expected outcomes, including the gaps or need within COMPANY's existing portfolio the proposed Pilot is designed to address.
- Expected list of tasks that will be accomplished over the duration of the Pilot, along with a description of any associated deliverables.
- Proposed timeline to achieve the Pilot's outlined objectives, including expected start and end dates for each proposed activity.
- Budget needed to complete proposed activities and achieve all outlined pilot objectives (within the Pilot budget totals identified in Section.

## VIII. 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.

## **IX. 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, trade mark, 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.

## **X. EQUAL OPPORTUNITY/AFFIRMATIVE ACTION REQUIREMENTS**

SEMCO is an equal employment opportunity employer and is a federal contractor. 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.

## **XI. CONTRACTOR REQUIREMENTS**

COMPANY consistently strives to provide customers with the best possible experience in every interaction. To that end, COMPANY will retain 10% of the selected Contractor's labor charges pending achievement of all identified performance metrics as laid out in Section XII Subsections 1 through 3.

The performance metrics below reflect the COMPANY's current implementation performance and bidders are expected to continue to deliver, at minimum, the existing level of performance. All bidders should describe their company's ability in meeting these expectations, and provide examples where relevant.

## 1. ENERGY SAVINGS TARGETS

The selected Contractor(s) will be expected to achieve, at a minimum, the first year and lifetime savings values shown in Section II, Subsection 4 for each program in bundles included in the bid. Bidders should submit a populated copy of the Program Measure Workbook (Attachment D) that lays out, at a measure-level, the proposed savings target for each program. Where applicable, bidders should base measure-level savings off the values included in the most up-to-date version of the MEMD<sup>14</sup>. Where custom calculations are used, bidders should submit supporting documentation.

## 2. REBATE CYCLE TIME

The selected Contractor(s) will be expected to disburse incentive and rebate payments in accordance with the targets outlined in Section XII Subsection 2. Different cycle time targets exist depending on whether or not the application is flawed, and the customer's sector. For each project, cycle time is defined as the time between receipt of a submitted rebate application and receipt of the rebate by the customer. COMPANY has established targets and metrics for rebate cycle time, as outlined below:

- Target: rebate cycle time target set forth by COMPANY. The target shown here is the maximum number of days the selected Contractor(s) can take to deliver a rebate to a customer and be considered compliant with this performance metric. Any program rebates that take longer to deliver than the target are considered non-compliant.
- Average: arithmetic mean of cycle time values (in days) for all fulfilled program rebate applications.
- Percent Compliance: percentage of rebates delivered to customers within the target cycle time window.

The selected Contractor(s) will be expected to ensure that average cycle time for each sector and application type remains at or below the target number of business days listed in Table XII-1. In addition, the selected Contractor(s) will be expected to ensure 95% or more applications are processed in at, or fewer, business days than the listed target.

**Table XII-1: Rebate Cycle Time Targets**

Sector	Application Status	
	Flawed <sup>15</sup>	Non-Flawed
Residential	30 Business Days	25 Business Days
Commercial	35 Business Days	25 Business Days

## 3. OTHER PERFORMANCE INDICATORS

In addition to the key performance metrics outlined above, COMPANY expects the selected Contractor(s) to adhere to any additional performance metrics as outlined in Section Subsections 3.2 through 9.8 below.

### 3.2 Program Satisfaction

The selected Contractor(s) will be expected to maintain high satisfaction amongst program participants. This will be measured as the average program satisfaction score, on a scale from 1 to 10, as measured

<sup>14</sup> The Michigan Energy Measures Database (MEMD) can be found on the State of Michigan's Licensing and Regulatory Affairs (LARA) website: [https://www.michigan.gov/mpsc/0,9535,7-395-93309\\_94801\\_94808\\_94811---,00.html](https://www.michigan.gov/mpsc/0,9535,7-395-93309_94801_94808_94811---,00.html)

<sup>15</sup> Time spent by customers rectifying discrepancies in flawed applications is not included when computing rebate cycle time

and determined by COMPANY's third-party evaluator. COMPANY will work with the selected Contractor(s) to define appropriate targets for each program during the annual planning process.

### 3.3 Monthly Forecasting

The selected Contractor(s) will be expected to submit accurate energy savings and program spend forecasts on a regular schedule. Upon contract execution, COMPANY and selected Contractor(s) will determine an appropriate cadence to share forecast updates. Submitted forecasts are expected to be accurate within +/- 10%, or will be considered non-compliant.

### 3.4 Invoicing Timing

The selected Contractor(s) will be expected to submit timely invoices to COMPANY minimally every two weeks. Invoices submitted should cover work performed, incentives disbursed, and rebates paid for the preceding two week period.

### 3.5 Scheduling Cycle Time

The selected Contractor(s) will be expected to minimize the amount of time between when a customer is engaged to set up an appointment and when said appointment is scheduled to occur. COMPANY will work with selected Contractor(s) to establish appropriate schedule cycle time targets.

### 3.6 Timeliness & Quality

The selected Contractor(s) will be expected to deliver all necessary inputs, data, reports, and work product such that all regulatory deadlines are met. In addition, the selected Contractor(s) will be expected to deliver all work product without error and minimal need for rework. COMPANY will work with selected Contractor(s) to establish a detailed schedule at the start of each program year that specifies the critical milestones and required inputs from each party. In addition, COMPANY will work with selected Contractor(s) to determine maximum thresholds for error and rework rates.

### 3.7 Safety

The selected Contractor(s) will be expected to maintain strict safety standards for all work performed on behalf of COMPANY. The selected Contractor(s) will be required to track and share the number of OSHA recordable incidents that occur, and report this value to COMPANY each month.

### 3.8 Utility Coordination

The selected Contractor(s) will be expected to identify opportunities to coordinate with other utilities with overlapping service territory, develop a framework for savings- and cost-sharing, and operationalize a utility coordination initiative. COMPANY will work with selected Contractor(s) to establish appropriate metrics and targets around utility coordination.

## 4. RETAINAGE DISBURSEMENT

Based on the selected Contractor's performance, they may receive all or a portion of retained payments, as outlined in Table XII-2. Performance relative to the metrics defined above, and the subsequent release of any retained payments, will be determined after the close of the program year once all program activity has been completed.

**Table XII-2: Retained Payment Distribution Schedule**

Performance Metric	% Payment Released
Targeted savings achieved	40%
Target spend achieved	40%
All rebate cycle time metrics in compliance	10%



Timeliness & quality metrics met or exceeded	10%
<b>Total</b>	<b>100%</b>

## XII. RFP QUESTIONS

The following information will enable SEMCO to compare potential Bidders and assess 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** (i.e., Executive Summary, Bidder General Information, Conflict of Interest, etc.).

### 2. 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.

### 3. Qualifications and Experience

As part of the bid package, bidders are requested to provide examples of similar work that they have completed for other utilities of similar size, customer demographics, and geographic region. In addition, bidders are requested to identify key staff that will be assigned to the project, along with their location, roles, and experience. At a minimum, all bids should include the following:

- List of individuals who will be assigned key roles on the project (including subcontractors in key roles such as call center operations, IT support, and rebate processing), and a description of each team member’s proposed responsibilities. In addition, bidders should provide a brief biography (one paragraph) and resume (maximum two pages) that describes the individual’s relevant experience and qualifications.
- A staffing chart showing the bidder’s proposed organizational structure that includes all key individuals supporting EWR program implementation.
- Up to three examples of prior EWR program implementation experience, including any relevant details about similarities between programs implemented, geographic context, and customer demographics. Bidders should also include a client reference for each project who COMPANY can contact with any question about the bidder’s work.
- Summary of experience providing case development and support services, and a description of how the bidder plans to provide these services to COMPANY. This should include a proposed time limit (in business days) within which the bidder commits to responding to all regulatory-based inquiries from COMPANY.

- Bidders are encouraged to submit examples of the tools that will be used for all external-facing engagement, such as rebate processing, portfolio modeling, and marketing.

## ATTACHMENT A - 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).

### XIII. ATTACHMENT B – 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 percent 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 percent 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

#### **XIV. ATTACHMENT C – Statement of Work – SEMCO Energy Waste Program Implementation**

Once Contractor(s) have been selected, COMPANY will develop a full and comprehensive Scope of Work outlining the key requirements, tasks, timelines, and deliverables that must be completed each program year. For the purposes of this RFP, Sections II and III below lay out expected Contractor and COMPANY roles and responsibilities.

##### **Section I: Scope of Work:**

*To be developed after the selection of Contractor(s).*

##### **Section II: Contractor's Responsibilities**

The following is a high-level summary of COMPANY's expectations of the tasks, roles, and activities the selected Contractor(s) will be responsible for assuming and performing. At a minimum, the selected firm(s) will be expected to provide the following:

- Deliver programs that, at a minimum, achieve all targets outlined herein. Work with COMPANY staff each year to review performance and establish or update existing program targets as necessary.
- Develop and share annual implementation plans, timelines, milestones, and materials for each program prior to the start of each program cycle.
- Provide timely, comprehensive, and relevant communication to COMPANY about the status and performance of EWR program implementation efforts. Establish clear program standards and performance metrics to continuously monitor program performance. Provide frequent updates on savings and spend forecasts, as directed by COMPANY. Consult, communicate, and obtain approvals from COMPANY about program offerings, communication plans, voluntary programs, and integrated delivery options.
- Provide a seamless, customer- and stakeholder-focused program delivery experience. This includes providing clear points of contact for customer and stakeholder inquiries and complaints, and establishing consistent processes for minimizing quality- and program delivery-related risk, resolving conflicts, and addressing complaints.
- Provide technical support services to maximize savings potential and minimize risk of falling short on energy savings and/or cost-effectiveness goals. Ensure existing measures are consistently

defined across all programs, and any changes or revisions have the necessary engineering input. Revise existing program measures, offerings, and delivery mechanisms as necessary based on COMPANY and expert input. Maintain the necessary levels of engineering support to accurately review and quantify custom project savings, and accurately forecast future program savings.

- Continuously identify opportunities to improve, expand, or enhance offerings within the EWR portfolio. Make recommendations on programs and initiatives. Provide expertise in the design and delivery of innovative, comprehensive, and cost-effective programs to the sector or target market. Identify opportunities for continuous improvement such as incorporating new technologies, streamlining processes or efficiency measures, optimizing costs, all while maintaining customer satisfaction. Remain informed on relevant efforts, research, and trends at the local, state, and national level.
- Partner with the most qualified local implementation partners (such as trade allies, retailers, and distributors) and create and/or maintain an infrastructure to support them in program delivery.
- Provide strategy, planning, and modeling support, as necessary, to support COMPANY's regulatory requirements and engagement efforts in collaboration with the COMPANY's direction. Also, proactively adapt program strategy, planning and modeling throughout implementation.
- Facilitate a collaborative relationship between all external program stakeholders, including third-party evaluators, regulators, interveners, and other stakeholder groups as well as COMPANY consultants and contractors. Establish and enforce clear points of contact for different stakeholders, including MPSC staff and COMPANY's third-party evaluation contractor.
- Collect, store, and share all necessary program implementation data, preferably utilizing an enterprise management system to support program operations, including budgeting, incentive payments, implementation partner payments, measure management, marketing, and reporting/analytics. Maintain records of all transactions and effectively manage data access, security, and confidentiality. Facilitate support staff training for maintaining confidentiality, program systems, and processes. Provide scheduled and on-demand reporting to allow COMPANY to maintain access to data and statistics collected.
- Design and implement diverse and effective marketing approaches designed to maximize program participation. Ensure all marketing efforts comply with statutory requirements and provide equitable participation opportunities for all types of customers in all areas of COMPANY's service territory.
- Ensure the cycle time from application receipt to rebate received by customer is consistent with peer utility programs, and delivers rebates to customers less than five weeks after receipt of rebate application.
- Maintain compliance with all applicable local, state, and federal ordinances, orders, rules, and regulations, along with all relevant COMPANY policies. Additional detail on company policies can be found in Appendix B.

### **Section III: Company's Responsibilities**

COMPANY anticipates providing strategic input and critical oversight for all work performed by the selected Contractor(s). At a minimum, COMPANY will be responsible for the following:

- General administrative support covering areas including, but not limited to, financial planning, contract administration, and regulatory oversight.
- Regular communication and recurring engagement with selected Contractor(s) to ensure implementation activities are meeting the company's plans and objectives.
- Thorough review of documents and deliverables submitted, and timely delivery of any relevant feedback.
- Prompt review and payment of all submitted invoices.
- Strategic guidance on how implementation efforts can best align with EWR portfolio and COMPANY goals. This includes providing input on any proposed program updates or changes and sharing information on other COMPANY initiatives that may provide opportunity for cross-program promotion (such as bill payment assistance, SEMCO SHARE, or HomeServe).
- Oversight of the EWR data tracking systems and the data collected, and any support necessary to ensure data is being transferred in accordance with COMPANY policies and needs.
- Coordination and support of any Evaluation, Measurement, and Verification (EM&V) activities performed by COMPANY's third-party evaluation contractor of EWR program assumptions, estimates, and processes.
- Collaboration to resolve any internal- or external-facing issues that may arise in the course of implementing COMPANY's EWR programs.

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.

## **XV. ATTACHMENT D – Program Measure Workbook**



Program Measure  
Workbook