

Legal Department  
2301 Market Street / S23-1  
Philadelphia, PA 19101-8699

Direct Dial: 215-841-4608

March 18, 2016

**RECEIVED**

MAR 18 2016

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**VIA FEDERAL EXPRESS**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

**Re: Petition of PECO Energy Company for Approval of its Act 129 Phase III  
Energy Efficiency and Conservation Plan  
Docket No. M-2015-2515691**

Dear Secretary Chiavetta:

Pursuant to the Commission's March 17, 2016 Order in the above-referenced docket and the Phase III Implementation Order at Docket No. M-2014-2424864, enclosed for filing and Commission approval is PECO Energy Company's proposed Phase III conservation service provider ("CSP") request for proposals ("RFP") process.

Consistent with the Phase III Implementation Order, PECO's Phase III CSP RFP process includes the following criteria:

- Solicitation of bids from CSPs qualified to perform the scope of work contained in the specific contract, using the current posting of the CSP register on the Commission's website;
- An effort to acquire bids from "disadvantaged businesses;" and
- The use of weighted selection criteria that consider: (1) quality of prior performance; (2) timeliness of performance; (3) quality of the proposed work plan or approach; (4) knowledge, background and experience of the personnel to be utilized; and (5) other factors as deemed relevant.

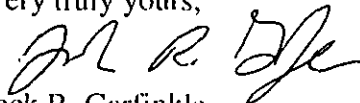
**Rosemary Chiavetta, Secretary**

**March 18, 2016**

**Page 2**

A copy of this filing is being served on all parties in Docket No. M-2015-2515691 as set forth on the attached Certificate of Service. Kindly return a time-stamped copy of this cover letter in the self-addressed stamped envelope that is enclosed. If you have any questions regarding this filing, please do not hesitate to contact me at 215-841-4608 or Catherine Vasudevan at 215-963-5952.

Very truly yours,



Jack R. Garfinkle

Enclosures

cc: Bohdan R. Pankiw, Chief Counsel, Law Bureau (w/encls.)  
Robert F. Young, Deputy Chief Counsel, Law Bureau (w/encls.)  
Paul Diskin, Director, Bureau of Technical Utility Services (w/encls.)  
Darren Gill, Deputy Director, Bureau of Technical Utility Services (w/encls.)  
Per Certificate of Service (w/encls.)

**RECEIVED**

**MAR 18 2016**

**PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU**

PECO ENERGY COMPANY

PROCEDURE FOR AWARDING CONTRACTS TO ACT 129  
PHASE III CONSERVATION SERVICE PROVIDERS

Effective Date:

**RECEIVED**  
MAR 18 2016  
PA PUBLIC UTILITIES COMMISSION  
SECRETARY'S BUREAU

PECO ENERGY COMPANY  
CONSERVATION SERVICE PROVIDERS (CSP)  
COMPETITIVE BIDDING PROCESS

1. PECO Energy Company (PECO or the Company) shall follow all requirements of Pennsylvania Act 129 of 2008, the Pennsylvania Utility Commission's (PUC) Act 129 Implementation Order for the applicable Energy Efficiency & Conservation (EE&C) Phase, and the PUC's CSP Implementation Order for the applicable EE&C Phase. The Company will contract with one or more CSPs to implement all or part of the EE&C Plan as approved by the Commission. Specific requirements of the CSP selection process will include, but are not limited to, the following:
  - a. Request for proposals (RFP) will be issued to all registered CSPs that are qualified to perform the scope of work contained in the specific contract using the current posting of the CSP register on the PUC's website.
  - b. The RFP will encourage participation in the RFP by disadvantaged businesses (i.e., minority-owned, women-owned, persons-with-disability-owned, small companies, companies located in Enterprise Zones, and similar entities) consistent with the Commission's Policy Statements at 52 Pa. Code §§ 69.804, 69.807 and 69.808.
  - c. Any CSP that is affiliated with any Pennsylvania electric distribution company (EDC) will not be considered.
  - d. The Company will use weighted selection criteria to review bids and select the overall best bid/proposal (i.e., no requirement to select the lowest qualified bid), that consider:
    - Quality of prior performance;
    - Timeliness of performance;
    - Quality of the proposed work plan or approach;
    - Knowledge, background and experience of the personnel to be utilized; and
    - Other factors as deemed relevant.
  
2. Executing Sourcing Event to solicit CSP Bids
  - a. PECO will establish a cross functional CSP selection team for each RFP which includes representation from the Implementation team, Supply, Evaluation Measurement & Valuation, Business Planning and other departments as appropriate. The CSP selection team will develop the scope of work, business requirements and RFP timeline which includes the following as necessary:
    1. RFP Issue date
    2. Bidder question and answer session date
    3. Response date and time
    4. Date of award decision
    5. Submission of final contract to Commission staff prior to effective date.
  
  - b. PECO will issue the RFP via an Exelon e-sourcing tool and conduct a competitive bidding process in accordance with the PUC Act 129 Implementation Order and consistent with the process described in Section 1 of this document.

- c. The RFP will include, but is not limited to, the following
  - i. Scope of work. This includes the work to be performed by the CSP, contract duration, staffing requirements, technical and administrative requirements, regulatory and PUC requirements, performance standards including adherence to the Plan, customer satisfaction and quality assurance, requirements for program performance monitoring and tracking, and compensation structure including incentives and penalties.
  - ii. Bidding instruction and procedure including RFP schedule, instructions for submitting the bid and sending questions, information required to be provided with the bid, terms and conditions of submission, pricing structure and breakdown, minimum qualifications and an information request regarding affiliation with any Pennsylvania EDC.
  - iii. Terms and Conditions. This includes legal terms and conditions such as compliance, indemnification, insurance, warranties, contract dispute resolution process, invoicing and payment terms, insurance, criminal and background checks, customer privacy requirements, non-compliance, termination and suspension, contract modification, and disclosure of conflicts of interest.

### 3. Bidders Evaluation and Selection

- a. Only the proposals received in response to the RFP by the established deadline will be considered.
- b. Only bidders with no affiliation to any Pennsylvania EDC will be considered.
- c. The CSP selection team will develop evaluation criteria using the Exelon Supply Bid Evaluation Guideline modified to capture Act 129 EE&C program specific considerations. The selected evaluation criteria will consider the items identified in section 1(d) of this document. The team will also decide the weighting of factors that will be used. Examples of such criteria and weighting factors are provided below.

<p><b>I. Quality/Technical</b></p> <p><b>1. Relevant Experience and Understanding of the Market</b></p> <ul style="list-style-type: none"> <li>- Previous experience as the CSP responsible for program delivery of a program similar to the design specified in this RFP.</li> <li>- Understanding of the Pennsylvania commercial and industrial market with regard to opportunities for energy efficiency.</li> <li>- CSP approach in achieving the MWh savings thru the prescribed product-mix stated in the RFP.</li> </ul> <p><b>2. Program Delivery</b></p> <ul style="list-style-type: none"> <li>- Launch strategy, anticipated program start-up and/or transition actions, and budgets. Any new and innovative ideas as well as proven best practice approaches from around the country that CSP propose for PECO.</li> <li>- Approach to changing market conditions and any potential changes directed by PECO and its staffing implications with minimum lead-times.</li> <li>- Implementation timeline and Gantt chart from initial contract signing to program launch and on-going delivery for PY 2016-2021.</li> <li>- Approach and/or strategy for recruiting trade allies and/or key subcontractors.</li> <li>- Approach for leveraging existing business relationships and relationships with subcontractors</li> </ul> <p><b>3. Marketing Collaboration</b></p> <p>Approach and capabilities in collaborating with an Energy Efficiency Marketing firm on developing a marketing plan and communications to support the program delivery and ensure achievement of program goals.</p> <p><b>4. Incentive Tracking and Data Processing</b></p> <ul style="list-style-type: none"> <li>- CSP's plan to process incentive applications and/or rebate forms and the tools used.</li> <li>- Capability and experience with use of on-line incentive application forms and/or rebate forms.</li> </ul> <p><b>5. General Administration &amp; Management</b></p> <ul style="list-style-type: none"> <li>- Approach to reporting on key program metrics and operational milestones, establishing new performance metrics, and milestones as needed, and overall ability to track progress and manage budgets.</li> <li>- If applies, approach to overseeing the performance of sub-contractors and implementers of programs and how you will manage to achieve results, within budget, and ensure excellent customer satisfaction.</li> <li>- Financial management experience and systems, capability to develop, implement, and maintain the necessary budgeting, invoicing, expenditure approval, payroll, and financial accounting systems to review, approve, and track budgets, invoices, and payments to subcontractors, program implementers, employees, and customers.</li> </ul> <p><b>6. IT</b></p> <ul style="list-style-type: none"> <li>- Experience working with EM&amp;V contractors</li> <li>- CSP quality assurance procedures including quality controls, regulatory compliance measures and audit procedures</li> <li>- The proposed data tracking system to use, capabilities, data fields captured and/or proposed enhancements for PECO.</li> </ul> <p><b>7. Staffing Requirements</b></p> <ul style="list-style-type: none"> <li>- Staffing proposal for the marketing services, indicating staff name, title and office location, percent of FTE equivalent, and the overall day-to-day primary program manager and PECO key contact.</li> <li>- Proposed approaches for soliciting, selecting, and hiring staff or subcontractors to support marketing activities.</li> </ul>	<p><b>Assigned Weight*</b> 45% - 60%</p>
<p><b>II. Cost</b></p>	<p>20% - 30%</p>
<p><b>III. Diversity Spend</b></p> <p>It is Exelon's goal that 25% of total cost for this contract will be contracted and/or subcontracted to Diversity Certified Suppliers**. The evaluation is conducted on CSP's ability to achieve this goal.</p>	<p>10% - 15%</p>
<p><b>IV. Risk</b></p> <ul style="list-style-type: none"> <li>- CSP's Financial Health, D&amp;B, Financial Statements, Moody's, S&amp;P, etc.</li> <li>- CSP's Risk Mitigation Strategies offered (warranties, performance guarantees, on time delivery, commitment to schedule adherence, liquidated damages, penalties / incentives)</li> <li>- Business Continuity Plan (BCP) exists or is sufficient for a bidder in a small market with minimal competition</li> <li>- CSP's ability to meet Exelon Terms and Conditions (exceptions, insurance, environmental exceptions, limits of liability, indemnification, PII, IT Security, data ownership, rights to use work product, etc.)</li> <li>- CSP's Safety Measures and Plan, training, fitness for duty, Incident reporting, emergency response plan</li> </ul>	<p>10% - 20%</p>

\* Depending on the magnitude of the value of the contract, the amount of customer interaction, the criticality of safety measures, and other program specific considerations, the weighting factors may fluctuate between the ranges.

**\*\* This includes but is not limited to: Minority Business Enterprise (MBE), Women's Business Enterprise (WBE), Minority and Women-owned Business Enterprise (MWBE), Veteran-Owned Business (VOB), Service-Disabled Veteran Owned Business (SDVOB), lesbian, gay, bisexual, and transgender-owned businesses (LGBT), Disadvantaged Business Enterprise (DBE), and other diversity certifications from recognizable third party certification organizations.**

- d. The CSP selection team will evaluate bidder proposals and select the bidders for a face to face meeting. After the face to face meeting with the selected bidders, the CSP selection team will reevaluate and make a recommendation based upon the established criteria in a Bidders' Evaluation Matrix.

**4. Negotiation and Contract Award/Execution**

- a. Exelon Supply team will finalize contract negotiations with the proposed CSP(s).
- b. The contract award is communicated to the winning CSP and the contract is executed with the effective date only upon approval by the Commission. PECO will notify unsuccessful bidders.
- c. PECO will file all proposed CSP contracts with the Commission and relevant attachments for review and approval.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PECO ENERGY** :  
**COMPANY FOR APPROVAL OF ITS** :  
**ACT 129 PHASE III ENERGY** : **Docket No. M-2015-2515691**  
**EFFICIENCY AND CONSERVATION** :  
**PLAN** :

**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served true and correct copies of **PECO Energy Company's Proposed Request For Proposals Process** on the following individuals in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54:

**VIA ELECTRONIC & FIRST CLASS MAIL**

Lauren M. Burge  
Darryl A. Lawrence  
Office of Consumer Advocate  
555 Walnut Street, 5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
[lburge@paoca.org](mailto:lburge@paoca.org)  
[dlawrence@paoca.org](mailto:dlawrence@paoca.org)

Elizabeth R. Triscari  
Office of Small Business Advocate  
Commerce Building, Suite 202  
300 North Second Street  
Harrisburg, PA 17101  
[etriscari@pa.gov](mailto:etriscari@pa.gov)

Derrick Price Williamson  
Barry A. Naum  
Spilman Thomas & Battle, PLLC  
1100 Bent Creek Boulevard, Suite 101  
Mechanicsburg, PA 17050  
[dwilliamson@spilmanlaw.com](mailto:dwilliamson@spilmanlaw.com)  
[bnaum@spilmanlaw.com](mailto:bnaum@spilmanlaw.com)  
*Counsel for Wal-Mart Stores East, LP  
and Sam's East, Inc.*

Patrick M. Cicero  
Elizabeth R. Marx  
Joline Price  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101  
[pulp@palegalaid.net](mailto:pulp@palegalaid.net)  
*Counsel for CAUSE-PA*



Daniel Clearfield  
Deanne M. O'Dell  
Sarah C. Stoner  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8th Floor  
Harrisburg, PA 17101  
[dclearfield@eckertseamans.com](mailto:dclearfield@eckertseamans.com)  
[dodell@eckertseamans.com](mailto:dodell@eckertseamans.com)  
[sstoner@eckertseamans.com](mailto:sstoner@eckertseamans.com)  
*Counsel for Retail Energy Supply  
Association*

Charis Mincavage  
Adeolu A. Bakare  
Alessandra L. Hylander  
McNees Wallace & Nurick LLC  
100 Pine Street  
Harrisburg, PA 17108-1166  
[cmincavage@mwn.com](mailto:cmincavage@mwn.com)  
[abakare@mwn.com](mailto:abakare@mwn.com)  
*Counsel for the Philadelphia Area  
Industrial Energy Users Group*

Kevin L. Hall  
Scott H. DeBroff  
Tucker Arensburg, P.C.  
2 Lemoyne Drive, Suite 200  
Lemoyne, PA 17043  
[sdebroff@tuckerlaw.com](mailto:sdebroff@tuckerlaw.com)  
*Counsel for EnerNOC, Inc.*


Scott H. DeBroff  
Tucker Arensburg, P.C.  
2 Lemoyne Drive, Suite 200  
Lemoyne, PA 17043  
[sdebroff@tuckerlaw.com](mailto:sdebroff@tuckerlaw.com)  
*Counsel for Nest Labs, Inc.*

**VIA ELECTRONIC MAIL ONLY**

Mr. Peter Cavan  
EnerNOC, Inc.  
[peter.cavan@enernoc.com](mailto:peter.cavan@enernoc.com)

Mr. Richard Counihan  
Nest Labs, Inc.  
[rcounihan@nestlabs.com](mailto:rcounihan@nestlabs.com)

Mr. Greg Poulos  
EnerNOC, Inc.  
[gpoulos@enernoc.com](mailto:gpoulos@enernoc.com)



---

Romulo L. Diaz, Jr. (Pa. No. 88795)  
Jack R. Garfinkle (Pa. No. 81892)  
PECO Energy Company  
2301 Market Street  
P.O. Box 8699  
Philadelphia, PA 19103  
215.841.4608 (office)  
215.568.3389 (fax)  
[romulo.diaz@exeloncorp.com](mailto:romulo.diaz@exeloncorp.com)  
[jack.garfinkle@exeloncorp.com](mailto:jack.garfinkle@exeloncorp.com)

RECEIVED

MAR 18 2016

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Thomas P. Gadsden (Pa. No. 28478)  
Anthony C. DeCusatis (Pa. No. 25700)  
Catherine G. Vasudevan (Pa. No. 210254)  
Morgan, Lewis & Bockius LLP  
1701 Market Street  
Philadelphia, PA 19103-2921  
215.963.5234 (office)  
215.963.5001 (fax)  
[tgadsden@morganlewis.com](mailto:tgadsden@morganlewis.com)  
[adecusatis@morganlewis.com](mailto:adecusatis@morganlewis.com)  
[cvasudevan@morganlewis.com](mailto:cvasudevan@morganlewis.com)

*Counsel for PECO Energy Company*

Date: March 18, 2016

Align top of FedEx Express® shipping label here.



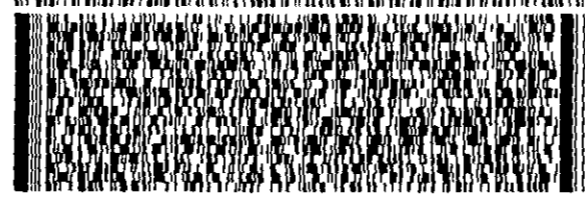
FedEx carbon-neutral envelope shipping

ORIGIN ID:REDA (215) 953-5317  
MAILROOM  
MORGAN LEWIS AND BOCKIUS LLP  
1701 MARKET STREET  
PHILADELPHIA, PA 19103  
UNITED STATES US

SHIP DATE: 18MAR16  
ACTWGT: 0.1 LB MAN  
CAD: 0684922/CAFE2915  
BILL SENDER

TO ROSEMARY CHIAVETTA  
PENNSYLVANIA PUBLIC UTLITY COMM  
COMMONWEALTH KEYSTONE BLDG  
400 NORTH STREET  
HARRISBURG PA 171053265

REF: 72113-001515-1296



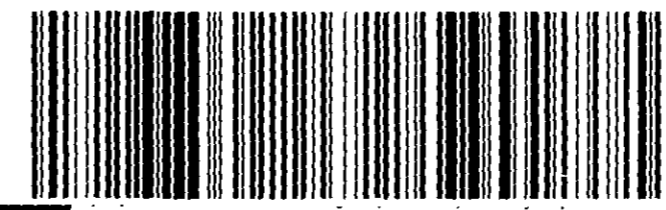
TRK# 0201 6590 9798 2841

MON - 21 MAR 10:30A  
PRIORITY OVERNIGHT

SH MDTA

17105  
PA-US MDT

Part # 158143V-43A RITZ 02/17 333



Morgan Lewis

1701 Market Street  
Philadelphia, PA 19103  
United States

CGV #72113 #001515-1296

TO:  
Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105-3265

Envelope



CMPC

To: PUC

Agency PUC

Floor:

External Carrier: FEDEX

3/21/2016 9:16:24 AM



659097982841