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June 19, 2015

VIA HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

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PA PUC
SECRETARY'S BUREAU

Re: Energy Efficiency and Conservation Program
Docket No. M-2014-2424864

Dear Secretary Chiavetta:

Pursuant to the Final Implementation Order for Phase III of the Act 129 Energy Efficiency and Conservation ("EE&C") Program entered by the Pennsylvania Public Utility Commission ("Commission") in the above-referenced proceeding, enclosed for filing is PPL Electric Utilities Corporation's ("PPL Electric" or the "Company") Phase III Request for Proposal ("RFP") procedures.

PPL Electric notes that it will be sending out RFPs for a few of its Phase III EE&C programs within the 15-day period established for Commission Staff to comment on or disapprove of the RFP procedures. After careful analysis, the Company determined that it is necessary to issue the RFPs in this expedited manner to obtain the necessary input from the Conservation Service Providers in time to develop its Phase III EE&C Plan by the Commission-established deadline of November 30, 2015.

Respectfully submitted,

Devin Ryan

DTR/jl
Enclosure

Rosemary Chiavetta, Secretary

June 19, 2015

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cc: Megan Good (*via E-mail*)
Kriss E. Brown (*via E-mail*)

PPL ELECTRIC UTILITIES

PROCEDURE 100-101

**AWARDING CONTRACTS TO
PA ACT 129 CONSERVATION SERVICE PROVIDERS**

Revision 04/13/15

Effective Date: TBD upon PUC approval

Approved by: _____
Manager- Energy Efficiency & Conservation

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**PPL ELECTRIC UTILITIES
ACT 129 PROCEDURE 100-101
AWARDING CONTRACTS TO CONSERVATION SERVICE PROVIDERS**

I. Scope & Applicability

1. This Procedure defines the requirements for soliciting bids and awarding contracts for Act 129 Conservation Service Providers.

Exceptions to this Procedure are not permitted unless they are reviewed by the PUC.

II. Definitions

1. Conservation Service Provider (“CSP”) as defined by PA Act 129: “An entity that provides information and technical assistance on measures to enable a person to increase energy efficiency or reduce energy consumption and that has no direct or indirect ownership, partnership or other affiliated interest with an electric distribution company.”
2. Contract: a contract between PPL Electric Utilities (“PPL Electric”) and a CSP.
3. EDC: an Electric Distribution Company as defined in 66 Pa. C.S. Section 2803.
4. EE&C Plan: PPL Electric’s Energy Efficiency & Conservation Plan as defined by PA Act 129.
5. PPL Electric: PPL Electric Utilities Corporation
6. Procedure: This procedure
7. PUC: Pennsylvania Public Utility Commission
8. RFP: Request for Proposal

III. Procedure

1. PPL Electric shall follow all requirements of PA Act 129, The PUC’s Act 129 Implementation Order for the applicable EE&C phase, and the PUC’s CSP Implementation Order for the applicable EE&C phase.
2. PPL Electric shall contract with one or more CSPs to implement all or part of the EE&C Plan.
3. Soliciting CSP Bids
 - a. PPL Electric shall competitively bid all CSP contracts in accordance with this Procedure.
 - b. PPL Electric shall issue RFPs to all qualified registered CPSs using the current posting of the CSP register on the Commission’s website. In addition, PPL may solicit bids from contractors who are not yet registered on the CSP bidder list but perform work specified in the scope of work section.
 - c. PPL Electric shall encourage efforts to acquire bids from CSPs who are “disadvantaged businesses.” These type of businesses include minority-owned, women-owned, persons-with-disability-owned, small companies, companies located in Enterprise Zones, and similar entities consistent with the PUC’s Policy Statements at 52Pa. Code §§ 69.804, 69.807, and 69.808.

- d. The RFP shall include, but not necessarily be limited to, the following.
1. Scope of Work. This includes the work to be performed by the CSP, schedule of key activities, list of deliverables, technical and administrative requirements, quality assurance, monitoring progress & progress reporting, project documentation, how to measure performance, how to track quantities of service or products delivered and associated true-up procedures, how to identify and contact potential customers, process for resolving customer disputes.
 2. Bidders' Instructions. This includes instructions for submitting the bid, information required to be provided with the bid, pricing structure and breakdown, identifying exceptions, bid due dates, certification that CSP is not affiliated with any Pennsylvania EDC, disclosure of potential conflicts of interest.
 3. Contract and Terms & Conditions. This includes legal terms and conditions such as contract duration, regulatory requirements, compensation structure including incentives and penalties, compliance, indemnification, contract dispute resolution process, qualifications & experience (PUC and additional requirements by PPL Electric), insurance, criminal and background checks, customer privacy requirements, requirement for PUC approval of Contract, warranty, payment terms, non-compliance, breach of contract, remedies, cancellation, contract modification (by PPL Electric or by PUC if programs are changed or canceled), certification that CSP is not affiliated with any Pennsylvania EDCs, disclosure of conflicts of interest (the contract will include specific examples to be avoided).

4. CSP Bid Evaluation

- a. PPL Electric shall evaluate the bids using the following evaluation criteria and weighting which will be established before bids are received.
1. Quality/Technical - *30-70%. This includes the quality of the proposed work plan or approach, the likelihood of achieving quality and technical objectives, prior performance, quality and experience of key personnel, depth of experience and staffing in the company, technical exceptions, and other factors. This will also encompass the timeliness of performance and the likelihood of achieving schedule objectives.
 2. Evaluated Cost - *30-70%. This includes the quoted price, terms of pricing, and any adjustments to reflect scope differences, costs borne by PPL Electric, cost risks/uncertainties, and costs adjustments between bids. This will also include exceptions or modifications to contractual terms, quality of the warranty or pay-for-performance terms, credit worthiness and financial strength of the company, disadvantaged businesses, and other factors that are not in the above listed categories.

* Note: Depending on the magnitude of the value of the contract and the amount of customer interaction, these two criteria will fluctuate between 30 and 70%. (e.g. a school program is a smaller contract value but the

increased interaction with customers may result in this bid being 70% technical and 30% evaluated cost).

- b. PPL Electric shall prepare a written bid evaluation that, at minimum, lists the scores of each bidder (weight of each criteria multiplied by the score of the bidder for that criteria) and summarizes the reasons (major strengths, weaknesses, etc.) for the score. If PPL Electric determines a bid is unacceptable, it does not need to be scored. The unacceptable bid shall be rejected and PPL Electric shall describe why the bid is unacceptable on the bid evaluation.
 - c. PPL Electric shall submit the written bid evaluation and the proposed Contract, including the Scope of Work and other attachments to the Contract, to the PUC for review before awarding or executing the Contract.
5. CSP Contract Award/Execution
- a. If the PUC has not commented upon or disapproved the bid evaluation or the proposed Contract with 45 days of submittal to the PUC, then PPL Electric is permitted to proceed with awarding the Contract without modification.
 - b. If time is of the essence, PPL Electric can issue a notice-to-proceed (full or limited) after PUC approval but before issuing the executed Contract.

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