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August 25, 2025

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

**RE: Act 129 Energy Efficiency and Conservation Program Phase V
Docket No.: M-2025-3052826**

Dear Secretary Homsher:

In accordance with the Pennsylvania Public Utility Commission's ("Commission") Act 129 Phase V Implementation Order, entered June 18, 2025, in the Energy Efficiency and Conservation Program proceeding at Docket No. M-2025-3052826, FirstEnergy Pennsylvania Electric Company ("the Company") submits for Commission Staff review and approval its proposed Request for Proposal ("RFP") process.

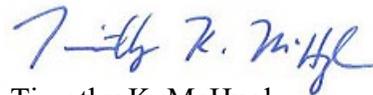
The following major subjects are addressed in the Company's RFP process:

- Compliance with Act 129 and the Commission's Phase V Implementation Order;
- Soliciting Conservation Service Provider ("CSP") bids;
- CSP bid review and evaluation; and
- CSP contract award/execution.

The Company respectfully requests that Commission issue a Secretarial Letter approving the RFP process so the Company may continue to proceed with the RFP process and contracting with CSPs in a timely fashion.

Please contact me with any questions regarding this matter.

Very truly yours,



Timothy K. McHugh

Enclosure

cc: Office of Consumer Advocate; consumer@paoca.org
Office of Small Business Advocate; osba@pa.gov
Bureau of Investigation and Enforcement; akaster@pa.gov

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY
PROCEDURE FOR AWARDING CONTRACTS TO PA ACT 129
CONSERVATION SERVICE PROVIDERS

Effective Date: upon Pennsylvania Public Utility Commission approval

FirstEnergy Pennsylvania Electric Company
Conservation Service Provider (CSP)
Competitive Bidding Process

1. FirstEnergy Pennsylvania Electric Company (“FE PA”) shall follow all requirements of PA Act 129, the Pennsylvania Utility Commission’s (“PUC” or “Commission”) Act 129 Implementation Order for the applicable Energy Efficiency & Conservation (“EE&C”) Phase. Specific requirements of the CSP process will include, but are not limited to, the following:
 - a. The RFP will be issued to all qualified registered CSPs 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.
 - c. FE PA shall contract with one or more CSPs to implement all or part of the EE&C Plan as approved by the Commission.
 - d. Any CSP that is affiliated with FE PA will not be considered.

2. Soliciting CSP Bids
 - a. An FE PA CSP selection team will develop a calendar of events to include the following as necessary:
 1. RFP Issue date
 2. Vendor question and answer session date
 3. Response date and time
 4. Date of award decision
 5. Submission of final proposed contract to Commission staff prior to execution
 - b. FE PA will competitively bid CSP contracts in accordance with the PUC Act 129 Implementation Order.
 - c. The RFP will be issued through the FirstEnergy Supply Chain Department and all responses will be received by the Supply Chain Department.
 - d. The RFP will be issued to all qualified registered CSPs using the current posting of the CSP register on the PUC’s website and on a review of market participants who are not yet registered on the CSP bidder list but perform work specified in the RFP scope of work.
 - e. The RFP will include, but not be limited to, the following:
 - i. 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 FE PA, disclosure of potential conflicts of interest.
 - ii. Scope of work. This includes, but is not limited to, the work to be performed by the CSP, schedule of key activities, list of deliverables, technical and administrative requirements, quality assurance, monitoring progress and progress reporting, project documentation.
 - iii. Terms and 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 and experience (PUC and additional requirements by FE PA), 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 FE PA or by the PUC if programs are changed or canceled), certification that CSP is not affiliated with FE PA, disclosure of conflicts of interest (the contract will include specific examples to be avoided), meets qualifying criteria established by the Commission for CSP registration and further certifies to maintain CSP registration and liability insurance throughout contract duration.

3. CSP Bid Evaluation

- a. Only the proposals received in response to the RFP by the established deadline will be considered.
- b. The FE PA CSP selection team will identify appropriate selection criteria along with the weighting of factors that will be used. Examples of such criteria include, but are not limited to:

- i. Quality/Technical - *20-80%. This includes:

1. Technical soundness of the bidder's stated approach; Credibility of the proposed approach and techniques to be used
 2. Quality of work plan and ability to meet the required schedule
 3. CSP approach to obtaining information and presenting recommendations
 4. Knowledge, background and experience of company and personnel to be utilized in area of desired services
 5. Quality and timeliness of similar program performance/services provided elsewhere
 6. Compliance with specifications in RFP
 7. Financial Strength of company

- ii. Evaluated Cost - *20-80%. This includes:

1. Total project cost
 2. Payment terms
 3. Exceptions or modifications to contractual terms

* Note: Depending on the magnitude of the value of the contract and the amount of customer interaction, these two criteria will fluctuate between 20 and 80% (e.g., a school program is a smaller contract value but the increased interaction with customers may result in this bid being 80% technical and 20% evaluated cost).

- c. Copies of all responses will be forwarded to the CSP selection team for review and recommendation. FE PA may conduct on-site finalist interviews during any time in the review process. The CSP selection team will collectively evaluate each response based upon the established criteria in a Bidders' Evaluation Matrix and document their results.
4. CSP Contract Award/Execution
- a. Based upon the overall evaluation, the CSP selection team will recommend a proposed CSP(s) and finalize the proposed CSP contract negotiations.
 - b. FE PA will develop and file all proposed CSP contracts and contract amendments with the Commission, including the scope of work, written bid evaluation and other attachments to the proposed CSP contract, following the minimum criteria for the FE PA proposed CSP contracts, for review and approval before awarding or executing the contract.
 - c. FE PA will notify the other responding bidders of the award decision(s).
 - d. If the PUC has not commented upon or disapproved the proposed CSP contract within 45 days of submittal to the PUC, then FE PA is permitted to proceed with awarding and executing the contract without modification.