

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking for Oversight of
Energy Efficiency Portfolios, Policies,
Programs, and Evaluation.

Rulemaking 25-04-010
(Filed April 24, 2025)

**ENERGY EFFICIENCY INDEPENDENT EVALUATORS' SEMI-ANNUAL REPORT
OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) THIRD PARTY ENERGY
EFFICIENCY SOLICITATION PROGRAM AND PROGRESS**

PUBLIC VERSION

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ATTACHMENT A

Energy Efficiency Independent Evaluators' Semiannual Report

Southern California Gas Company

Third-Party Energy Efficiency Program Solicitations

Reporting Period: April 2025 through September 2025

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Disclaimer: This Report includes sensitive and confidential information.

ENERGY EFFICIENCY INDEPENDENT EVALUATORS' SEMIANNUAL REPORT

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I. Overview

A. Purpose

The Independent Evaluators' (IE) Semiannual Report (Semiannual Report or Report) provides an assessment of the Southern California Gas Company (SoCalGas or Company) third-party energy efficiency (EE) program solicitation process and progress by SoCalGas' assigned IEs.

Each investor-owned utility (IOU) is required to select and utilize a pool of IEs with EE expertise to serve as consultants to the Procurement Review Group (PRG).¹ For the entire solicitation process, the IE serves as a consultant to the PRGs, participates in PRG meetings, and provides assessments of the overall third-party solicitation process and progress.² The IEs are privy to viewing all submissions, are invited to participate in the IOU's solicitation-related discussions, and are bound by confidentiality obligations.

In Decision 18-01-004, the California Public Utilities Commission (CPUC or Commission) directs that a semiannual report on the overall process and conduct of the third-party solicitations be filed in the relevant EE rulemaking proceeding.³ This Report is provided in response to this requirement and represents an assessment of the program solicitation activities conducted from April 1, 2025, through September 30, 2025, unless otherwise noted. This Report provides feedback to the CPUC on the progress of SoCalGas' EE program solicitations.

This Report identifies areas for improvement and highlights effective practices recognized by the IEs based on SoCalGas' current program solicitations. The Report does not replace the required Final IE Solicitation Reports, which each respective assigned IE will provide to SoCalGas and its PRG after each solicitation. These reports will be filed periodically throughout SoCalGas' third-party program solicitation process.

B. Background

In August 2016, the CPUC adopted Decision 16-08-019, which defined a "third-party program" as a program proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility program administrator.⁴

In January 2018, the CPUC adopted Decision 18-01-004 directing the four California IOUs, San Diego Gas & Electric (SDG&E), Pacific Gas and Electric (PG&E), Southern California Edison (SCE), and SoCalGas, to assemble an EE PRG.⁵ The IOU's PRG, a CPUC-endorsed entity, is composed of non-

¹ Decision 18-01-004, OP 2.

² Id, p. 38.

³ OP 5.c.

⁴ Decision 16-08-019, OP 10.

⁵ Decision 18-01-004, OP 3.

financially interested parties such as advocacy groups, utility-related labor unions, and other non-commercial, energy-related special interest groups. The PRG oversees the IOU's EE solicitation process (both local and statewide), reviewing procedural fairness and transparency. This oversight includes examining overall procurement prudence and providing feedback during all solicitation stages. Each IOU periodically⁶ briefs its PRG throughout the process on topics including Request for Abstract (RFA) and Request for Proposal (RFP) language development, abstract and proposal evaluation, contract negotiations, and program Implementation Plan development.

Minimum Threshold Requirement for Third-Party Programs

In Decision 18-01-004, the CPUC directed the IOUs to ensure their EE portfolios contain minimum percentages of third-party-designed and implemented programs by predetermined dates.⁷ In November 2019, the CPUC granted IOUs various extension requests to meet the CPUC's initial 25% threshold requirement⁸ due to delays with the initial phases of the third-party solicitation efforts. Beginning December 31, 2022, the IOUs must maintain at least 60% of third-party programs within their EE portfolios. The IOUs are required to list their current third-party contracts, including an aggregate dollar value, in their Annual Energy Efficiency Reports on the CPUC's CEDARS reporting system.⁹

Guidance Letter from the Energy Division

On March 11, 2020, the Energy Division provided additional guidance to the IOUs in response to specific challenges experienced in the market, as raised through the semiannual CPUC-hosted public workshops to identify process improvements directed at the following issues:

Solicitation Schedules

- Allocate up to 12 weeks from RFA release to notify bidders of the invitation to respond to RFP.
- Allocate up to 15 weeks from RFP release to notification of bidders' invitation to Contract negotiation.
- Execute Contract 12 weeks after an invitation to Contract negotiation unless the IOU conducts multiple negotiations within the same solicitation, the program is complex, or the Contract addresses challenging elements.
- Update the solicitation schedules in the next quarterly update.

RFA Guidance

- Adhere to the intent of the RFA stage explained in Decision 18-01-004.

⁶ At monthly PRG meetings and off-cycle meetings as needed.

⁷ Decision 18-01-004, OP 1.

⁸ CPUC Letter to IOUs regarding the "Request for Extension of Time to Comply with Ordering Paragraph 4 of Decision 18-05-041", November 25, 2019.

⁹ Decision 18-01-004, OP 8.

- Refrain from requesting excessive detail in the RFA stage.

IOU Communication to Bidders

- Notify bidders of the status of the solicitation throughout the entire process.
- Provide better feedback to bidders by delivering on their commitments in response to stakeholder requests.
- Provide non-advancing bidders with notification if their abstracts/proposals did not advance due to an incomplete or non-conforming submission, a violation, or an unmitigated conflict of interest.
- After the deadlines are met for June 30 and September 30, 2020, the Energy Division encourages the IOUs to make feedback available to bidders notified before the date of this letter that they did not advance to the next stage of solicitations.

Energy Efficiency Portfolio Segments & Total System Benefits

In Decision 21-05-031, the CPUC approved significant changes to EE policy, most notably adopting a new metric for EE programs called Total System Benefit (TSB) and segmenting the EE portfolios into programs whose primary purposes are Resource Acquisition, Market Support, or Equity.¹⁰ Program Administrators are required to apply the TSB metric to program years 2024 and beyond.¹¹ Generally, IOUs will conduct a solicitation for programs within one of these portfolio segments. A summary of the key objectives for each portfolio segment is presented below.

- **Resource Acquisition** – Programs with a primary purpose of, and a short-term ability to, deliver cost-effective avoided cost benefits to the electricity system. Short-term is defined as during the approved budget period for the portfolio. This segment should make up the bulk of savings to achieve TSB goals.
- **Market Support** – Programs with a primary objective of supporting the long-term success of the EE market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness.
- **Equity** – Programs with a primary purpose of serving hard-to-reach (HTR) or underserved customers and disadvantaged communities (DAC) in the advancement of the Commission’s Environmental and Social Justice Action Plan; the objectives of such programs may include increasing customer safety, comfort, resiliency, and/or reducing customers’ energy bills.

Single- or Two-Stage Solicitation Approaches

Effective February 3, 2023, the CPUC allows IOUs to launch either a single- or two-stage solicitation approach for soliciting third-party program design and implementation services as part of the EE

¹⁰ Decision 21-05-031, OP 2.

¹¹ Id, OP 1.

portfolio. The IOU is required to provide its PRG with the rationale for conducting either a single- or two-stage solicitation.¹²

C. Overview of Solicitations

This Report represents a collection of individual IE assessments for SoCalGas’ active program solicitations. It also provides an overview of solicitation activities and a high-level summary of issues and potential recommendations gleaned from the individual IE assessments for ease of review. The Report does not address program solicitations for which SoCalGas has yet to release an RFA or RFP.

Table C.1 provides a complete listing of SoCalGas’ third-party solicitations, including the assigned IE and contract status.

Table C.1: Solicitations Overview		
Solicitations	Assigned IEs	Solicitation Status
Local Residential Single Family	The Mendota Group	Completed
Local Residential Multifamily	The Mendota Group	Completed
Local Small and Medium Commercial	Don Arambula Consulting	Completed
Local Small and Medium Public	Apex Analytics	Completed
Statewide Point-of-Sale Food Service	MCR Corporate Services	Completed
Statewide Midstream Water Heating	MCR Corporate Services	Completed
Statewide Gas Emerging Technologies	Don Arambula Consulting	Completed
Local Residential Manufactured Homes	Apex Analytics	Completed
Local Large Commercial	Don Arambula Consulting	Completed
Local Agricultural	MCR Corporate Services	Completed
Local Behavioral (Residential, Business)	Apex Analytics	Completed
Local Industrial	Don Arambula Consulting	Completed
Local Outreach	Apex Analytics	Completed
Local Large Public	Apex Analytics	Completed
Local Retail Channel Support	MCR Corporate Services	Completed
Local Nonresidential Energy Advisor	MCR Corporate Services	Completed
Local Multifamily Whole Building	Apex Analytics	Completed
Local Marketplace	Don Arambula Consulting	Completed
Local HERS Rater Training	MCR Corporate Services	Completed
Local IDEEA 365 – Round 1	Don Arambula Consulting	Completed
Local Commercial SEM	Apex Analytics	Completed
Local IDEEA 365 – Round 2	Don Arambula Consulting	Completed
Local Market Access Program	MCR Corporate Services	Completed
Local IDEEA 365 – Round 3	Don Arambula Consulting	Contracting
Local Large Commercial	Apex Analytics	RFP

¹² Decision 23-02-002, OP 7.

Table C.1: Solicitations Overview		
Solicitations	Assigned IEs	Solicitation Status
Legend: Pre-RFA: Activities conducted before RFA release. RFA: Includes bid preparation and evaluation period. Pre-RFP: Activities conducted before RFP release. RFP: Includes bid preparation and evaluation period. Contracting: Contract negotiations are being held. Contract Executed: Both parties signed the contract. Completed: All solicitation activities have been concluded and reported in this or prior Semiannual Reports. Suspended: Solicitation held until a later date. Canceled: Solicitation was withdrawn; scope may be included in a future solicitation.		

Since starting its third-party solicitation process in late 2018, SoCalGas has executed the contracts listed in Table C.2. These executed contracts represent third-party programs that may be eligible toward SoCalGas’ minimum third-party program threshold requirements, as directed by the CPUC in Ordering Paragraph 4 of Decision 18-05-041.

Table C.2: Summary of Executed Contracts					
Solicitation	Implementer	Program Name	Contract Execution Date	Total Contract Value	Diverse Business Enterprise (DBE) % ¹³
Local Small and Medium Commercial	Franklin Energy Services	Small and Medium Commercial Energy Efficiency Program	September 24, 2020	\$4,499,999	9.6%
Local Small and Medium Commercial	ICF Resources	C-BEST Program	August 31, 2020	\$5,996,023	10.4%
Local Residential Single Family	Synergy Companies	Residential Advanced Clean Energy Program	September 21, 2020	\$9,000,000	42%
Local Residential Single Family	Global Energy Services, Inc.	Community Language Efficiency Outreach Program	September 21, 2020	\$2,994,250	100%
Local Residential Multifamily	ICF Resources	Multifamily Energy Alliance Program	September 21, 2020	\$5,999,990	12.4%
Local Residential Multifamily	Energx Controls, Inc.	Multi-Family Space and Water Heating Controls Program	December 23, 2020	\$1,338,039	20.7%

¹³ The DBE spend is an estimate from the initially executed Contract to show the percentage of the budget that is forecasted to be contracted and/or subcontracted with DBE firms. Actual DBE spend will be reported by the IOU per General Order 156. 100% DBE indicates the Implementer is a qualified DBE. These programs may contain significant levels of customer incentives that are not eligible for DBE classification.

Table C.2: Summary of Executed Contracts					
Solicitation	Implementer	Program Name	Contract Execution Date	Total Contract Value	Diverse Business Enterprise (DBE) % ¹³
Local Small and Medium Public	Synergy Companies	Small-Medium Public Program	August 31, 2020	\$6,000,000	42%
Statewide Point-of-Sale Food Service	Energy Solutions	California Foodservice Instant Rebates Program	November 23, 2020	\$46,826,772	6.8%
Statewide Midstream Water Heating	DNV Energy Services USA, Inc.	Statewide Midstream Water Heating Program	November 20, 2020	\$45,840,873	20.3%
Local Agricultural	ICF Resources	Agriculture Energy Efficiency Program	December 14, 2020	\$8,996,359	0.7%
Large Commercial	Willdan	Large Commercial Program	December 17, 2020	\$12,350,000	40%
Local Manufactured Homes	Synergy Companies	Comprehensive Manufactured Homes Program	December 21, 2020	\$4,800,000	42%
Large Commercial	Enovity, Inc.	Service RCx+ Large Commercial Program	December 23, 2020	\$2,650,000	0%
Local Manufactured Homes	Staples & Associates	Residential Manufactured Homes Program	December 23, 2020	\$2,700,000	13.3%
Statewide Gas Emerging Technologies	ICF Resources	Statewide Gas Emerging Technologies Program	June 24, 2021	\$8,880,804	21%
Local Behavioral	Oracle	Customer Usage and Therm Engagement Program	October 29, 2021	\$9,279,600	31%
Local Behavioral	Bidgely	Performance-Based Next Gen HERs for All	November 1, 2021	\$2,078,883	0%
Local Behavioral	Bidgely	Performance-Based Next Gen HERs for Small Business	December 23, 2023	\$1,672,125	0%
Local Outreach	Global Energy Services	Disadvantaged Communities Outreach Program	May 3, 2022	\$2,700,000	100%
Local Large Public	Energy Infrastructure Partners	Large Public Sector Program	October 12, 2022	\$4,882,770	100%
Local Industrial	Wildan	Refinery Gas Energy Efficiency	December 19, 2022	\$24,629,078	0%

Table C.2: Summary of Executed Contracts					
Solicitation	Implementer	Program Name	Contract Execution Date	Total Contract Value	Diverse Business Enterprise (DBE) % ¹³
Local Retail Channel Support	ICF Resources	Retail Channel Support Program	December 22, 2022	\$2,997,250	10%
Local Nonres. Energy Advisory	Richard Heath & Associates	Business Energy Efficiency Survey	December 27, 2022	\$2,315,750	100%
Local Multifamily Whole Building	Richard Heath & Associates	Comprehensive Multifamily Incentive Program	December 28, 2022	\$18,000,000	100%
Local Industrial	Cascade Energy	I2i SEM	December 28, 2022	\$6,800,000	13.36%
Local Industrial	Cascade Energy	I-STAR	December 28, 2022	\$5,500,000	13.42%
Local Industrial	CLEAResult	Industrial Energy Partners	December 28, 2022	\$24,600,000	37.30%
Local Marketplace	Enervee	Local SoCalGas Marketplace powered by Enervee	December 29, 2022	\$4,851,400	0%
Local HERS Rating Training	CHEERS	HERS Training by CHEERS	December 30, 2022	\$1,350,000	0%
Local IDEEA1	Frontier Energy	BEER Program	December 31, 2023	\$669,850	8%
Local IDEEA1	Okapi Architecture	A+K-12 Program	December 31, 2023	\$699,422	100%
Local Commercial SEM	CLEAResult	Commercial SEM Program	January 11, 2024	\$8,397,740	10%
Local IDEEA1	CEGY	Pool Energy Efficiency Program	February 15, 2024	\$699,920	36%
Local IDEEA1	Williams Furnace Company	TEG Wall Furnace Market Transformation	October 17, 2024	\$700,000	0%
Local IDEEA2	CHEERS	HERS Training Program	November 13, 2024	\$1,975,000	0%
Local IDEEA2	Cascade	Decarbonization Studies and Solutions	November 20, 2024	\$698,744	0%
Local IDEEA2	Eco-Entertainment	EE and Rehabilitation Pgm.	February 7, 2025	\$950,000	57%

Table C.2: Summary of Executed Contracts					
Solicitation	Implementer	Program Name	Contract Execution Date	Total Contract Value	Diverse Business Enterprise (DBE) % ¹³
Local Market Access Program	Mendota Group	GRID-MAP	June 6, 2025	\$6,994,036	100%
Total				\$302,314,677	27.91%

D. IE Assessment of Solicitations

Table D.1 provides a detailed summary of IE recommendations and outcomes during the reporting period, derived from the individual IE reports for specific solicitations, as presented in Attachment II. It is important to note that the recommendations listed in Table D.1 may not reflect the opinions of all IEs. For a complete list of all IE recommendations made during this reporting period, please refer to the individual IE reports in Attachment II.

Table D.1: Key Issues and Observations			
Topic	Key Observation	Recommendation	Response
Implementation Plan	SoCalGas provided the IE draft, revised, and final versions of the Implementation Plan at IE’s request.	All IOUs should provide this opportunity for IE to confirm that SoCalGas made changes to make IP consistent with the Executed Contract.	Adopted by SoCalGas.
Avoid Bidder Proposals to Extend or Expand Existing Contracts	Several bidders appeared to interpret the IDEEA solicitation as an opportunity to supplement their existing SoCalGas contracts or to offer standalone services to the utility, rather than proposing a complete, standalone energy efficiency program. This misalignment suggests a need for clearer guidance in future solicitations regarding the expectation for full program delivery.	To ensure alignment with the solicitation objectives, SoCalGas should revise future IDEEA RFP instructions to explicitly state that proposals seeking to enhance existing programs under contract with SoCalGas or offering services to the Portfolio Administrator are not eligible for consideration. These clarifications will help prevent misaligned submissions and support a more efficient and transparent evaluation process.	Adopted.
Time Allotted for Incorporating	The PRG feedback on the RFP and the RFP	This timing may have been sufficient if the PRG had	New recommendation

Table D.1: Key Issues and Observations			
Topic	Key Observation	Recommendation	Response
Feedback into the RFP	release were both scheduled for May 9, 2025 (Friday). This ultimately delayed the RFP release to allow adequate time to address the PRG feedback.	provided minor tweaks. However, the broader nature of the feedback from the PRG required thoughtful consideration of document changes and multiple rounds of back-and-forth between the IE and PRG. In the future, we recommend a 2–3 business-day window between the PRG feedback and the solicitation release.	for future solicitations.
Improve Optional Bidder Interviews	Some bidders expressed concern that the feedback they received did not sufficiently explain why their proposals were unsuccessful. SoCalGas clarified that the level of detail in its feedback was constrained by the RFP’s omission of Tier 2 scoring criteria, which limited its ability to provide more specific evaluation insights.	SoCalGas should disclose its Tier 2 scoring criteria in future solicitations to clearly inform bidders of proposal expectations and enable more comprehensive feedback to unsuccessful candidates. Also, SoCalGas should require the program lead conducting the debriefing session to prepare talking points that ensure all relevant issues are addressed.	Adopted.

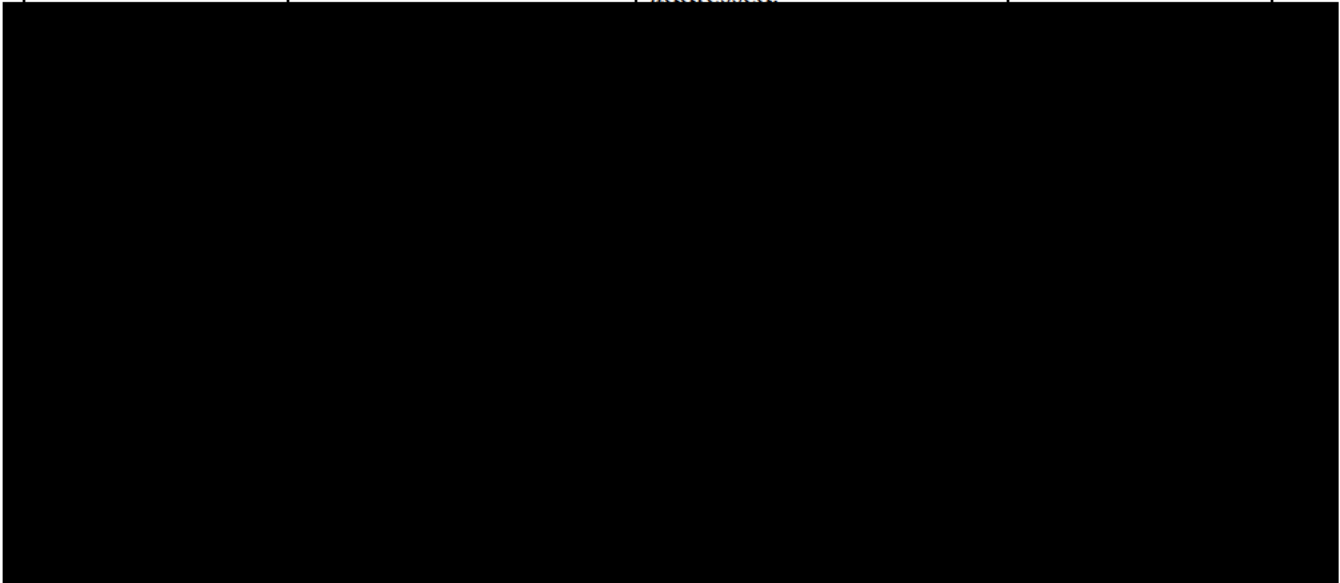


Table D.1: Key Issues and Observations			
Topic	Key Observation	Recommendation	Response
Page Limit Scoring Adjustments	do not specify the penalty for exceeding the page limit in Attachment 1. In addition, reviewing the page limit was not included in the pre-screening criteria. As one bidder substantially exceeded the page limit in Attachment 1, we developed a scoring adjustment procedure to account for the excess pages in the scoring.	For future solicitations, we recommended that SoCalGas explicitly add reviewing proposal page limits to the pre-screening process. SoCalGas should clarify the penalty for exceeding page limits for future solicitations.	New recommendation for future solicitations.
Scorecard – DBE	Diverse Business Enterprise (DBE) was not included as a subcategory in the RFP Scorecard. DBE percentage is requested in Attachment 1 and was included as a subcategory in previous solicitations.		
Long Delay Before Contract Execution	Four months elapsed between the conclusion of contract negotiations	SoCalGas should develop a formal process to expedite internal contract approval	The IOU has yet to adopt the recommendation,

Table D.1: Key Issues and Observations			
Topic	Key Observation	Recommendation	Response
	and contract execution due to SoCalGas’ internal staffing issues.	when internal staff changes or other factors compromise the established lines of communication for contract execution.	as it considers the causative issues to be temporary.

E. IOU Emerging Effective Practices

Effective practices reported in Table E.1 reflect individual IE assessments of their assigned solicitations and are not consensus recommendations of all IEs. Some apply only to certain types of solicitations (e.g., cost-effectiveness requirements are typically applicable to only resource acquisition solicitations) or were effective because of the circumstances of a particular solicitation. The IEs recommend that the IOU consider their applicability to its future solicitations. Where the practice reported has been broadly applicable and adopted by all IOUs, the PRG has added it to its PRG Solicitation Guidelines.

Table E.1: Effective Solicitation Practices		
Emerging Effective Practice	IE Analysis	Initial Date
Effectively Organized and Implemented Scoring Process	SoCalGas’s scoring process was organized and effective. The pre-scoring training adequately prepared scorers. The documents used for tallying scores across the scoring team were organized and consistent. SoCalGas managed the calibration meeting efficiently to address all major score deviations and align on scoring adjustments.	December 2025
Allow IE to review the Final Draft of IP After the Webinar	SoCalGas sent the IE three versions of the IP. Very helpful to ensure the Implementer accepted any corrections suggested in the Implementation Checklist.	December 2025
Timely Debriefing Sessions	SoCalGas scheduled bidder debriefing sessions immediately following its proposal selections to help bidders understand their proposal’s strengths and weaknesses and to provide feedback to SoCalGas from bidders on how to improve future solicitations.	June 2024
Contract Negotiations	SoCalGas instituted the good practice of distributing notes of each negotiation session soon afterward, which allowed both parties to remain in sync.	June 2023

Table E.1: Effective Solicitation Practices		
Emerging Effective Practice	IE Analysis	Initial Date
Solicitation Kickoff Meeting	SoCalGas hosts a solicitation kickoff meeting with the assigned IE, program staff, and solicitation staff to discuss the solicitation and understand the current program structure and SoCalGas’ solicitation goals. The meeting helps align the SoCalGas team early in the solicitation and makes the RFA package review more efficient.	June 2021
Bidders’ Conference	SoCalGas uses a new conference system with improved features such as attendee tracking, recording, and integrated Q&A. This information is helpful and provides a good foundation for new market entrants.	June 2021
Contract Negotiations	SoCalGas utilizes an Excel-based comment tracker to record proposed changes and responses to the initial draft of the Contract. The tracker lets both parties quickly identify proposed changes and record their outcomes and rationales.	December 2020
Multiple Rounds of Q&A	SoCalGas provides more than a single round of Q&A, allowing bidders to ask follow-up questions and affording them more opportunities to ask questions.	December 2020
Collaborative Negotiations	Collaborative negotiations focus on improving the program offering, a primary consideration in contract negotiations.	December 2020

F. PRG Feedback

The IOU generally accepted the PRG recommendations during this reporting period. Individual reports reflect specific PRG feedback and the IOU’s responses. For a greater discussion of the PRG and IE recommendations, refer to the individual IE solicitation reports in Attachment II.

G. Stakeholder Feedback from CPUC Workshops

Annual Workshop

The CPUC, in Decision 18-01-004, requires that its Energy Division host Semiannual workshops to “allow for information discussion and problem-solving among stakeholders about the progress of the third-party solicitations and for consideration of the Semiannual IE reports.”¹⁴ Decision 23-02-002 modified the requirement to at least once per year. The last stakeholder meeting was held on March 6, 2025, at PG&E’s offices in Oakland, California. It was an in-person/virtual meeting with 38 in-person and 107 virtual attendees.

¹⁴ Decision 18-01-004, OP 26.

The workshop provided an opportunity for stakeholders to ask questions, provide comments, and receive updates on past and future solicitations, as well as the IOUs and CPUC plans moving forward. Participants included PRG members, IEs, CPUC Energy Division staff, IOUs, program implementers, prospective bidders in solicitations, and other stakeholders. The meeting presentations, agenda, and notes are available on the California Energy Efficiency Coordinating Committee's (CAEECC) website.¹⁵

The topics presented included the following:

- **Energy Efficiency Recent Policy Updates:** Energy Division staff provided an update on CPUC decisions and relevant EE policies and resources for Implementers. These included updates to the Avoided Cost Calculator, Potential and Goals Study, Database for Energy Efficiency Resources (DEER), Custom Review Process improvements, and opportunities for public input.
- **IE Presentation on the Semiannual Reports:** A representative from the IE pool presented effective practices noted from the most recent Semiannual Reports (October 2023-September 2024).
- **IOU Portfolio Updates and Upcoming Solicitations:** Each of the four IOUs provided updates on executed contracts and how they fit into their portfolios, as well as reflections, including challenges and wins, during the five-plus years of the third-party solicitation process. In addition, several IOUs supported more targeted and smaller programs to engage small and new bidders (similar to SoCalGas's IDEEA 365), foster innovation, and, through increased competition, realize lower customer prices.
- **Implementer Panel:** A panel of three third-party program implementers, plus a third-party facilitator, used a survey of California Energy and Demand Management Council (CEDMC) members and their own experiences to discuss challenges and successes with the current solicitation process.

Successes described included the following:

- IOU marketing of solicitations
- Timing and strategies related to contract negotiations
- Openness of IOUs to milestone and deliverable payments
- Customer data access
- Willingness of IOUs to involve account managers in program implementation

Challenges shared by the panelists included the following:

- Length of contract negotiations to program launch
- Heavy implementer risk
- Consistency of the solicitation and negotiation process across IOUs

¹⁵ <https://www.caeccc.org/cpuc-third-party-public-meetings>

- Confusion on priority for balancing cost-effectiveness and Total System Benefits (TSB) in program design
- Consistency in policy application/interpretation
- Avenue to launch new ideas similar to IDEEA 365
- Expediting contract amendments

In addition, the panel identified broader topics that should be addressed at some point during the evaluation of the third-party solicitation process:

- Custom project review timelines
- Statewide program coordination and data sharing
- Net-to-gross and avoided cost calculator (ACC) updates
- Other cost-effectiveness metrics
- Lessons learned from other states

Independent Evaluator Panel: The Energy Division facilitated a panel to garner IE perspectives specifically on the market access program (MAP) model and the opportunities for companies to participate as aggregators in these programs, even if they are not the prime program implementers.

Open Discussion: Stakeholders and other attendees emphasized the importance of DBE/SBE participation, raising concerns about the financial and insurance risks faced by smaller firms. The discussion also addressed risk allocation in MAP pay-for-performance programs, noting that utilities, implementers, and customers each bear exposure. On cost-effectiveness, participants proposed revisiting the CET tool and acknowledged the inherent tension for IOUs between meeting the minimum Total Resource Cost ratio of 1.0 and maximizing Total System Benefits.

Post-Workshop Survey: 23 individuals participated in the post-event survey and were very supportive of the event and the information shared and learned. There was general support for each session and the time allocated to the event, with a focus on providing more opportunities for stakeholder participation and discussion, and possibly adding more time before and after the event. The next Stakeholder meeting is not currently scheduled but is expected in early 2026.

Attachment II: Individual EE Independent Evaluators' Semiannual Reports

Energy Efficiency Independent Evaluators' Semiannual
Report on the

**LOCAL INNOVATIVE DESIGN FOR ENERGY EFFICIENCY
APPLICATIONS SOLICITATION – ROUND 3**

Reporting Period: April 2025 through September 2025

Prepared by:
Don Arambula Consulting



Disclaimer: This Report includes sensitive and confidential information.

Local Innovative Design for Energy Efficiency Application Solicitation – Round 3

1. Solicitation Overview

SoCalGas' IDEEA3 solicitation continues the utility's structured approach to cultivating innovative energy efficiency solutions, launched immediately after the close of IDEEA2 contract negotiations to maintain momentum and opportunity. The Semiannual Report offers a focused account of the IDEEA3 evaluation and selection process phase.

1.1 Overview

The IDEEA solicitation framework provides the energy efficiency program bidder community with a structured, ongoing platform to pilot and refine innovative program concepts and technologies, accelerating customer adoption of energy efficiency. By design, its continuous nature fosters active collaboration between SoCalGas and the broader industry, ensuring that promising ideas are tested, evaluated, and advanced in real market conditions.

Importantly, implementers who demonstrate measurable success through IDEEA programs may be granted the opportunity to expand both their program scope and funding, creating a pathway from innovation to scale.

a. Scope

Interested bidders were invited to propose innovative energy efficiency programs, drawing on a range of strategies and tactics, including but not limited to:

- Providing comprehensive deep EE retrofits and whole building improvements to achieve long-term energy savings (i.e., direct install with co-pay, custom measures, NMEC);
- Offering energy assessments and other forms of technical assistance to drive EE actions;
- Providing financial incentives to customers and/or targeted market actors;
- Leveraging available financing options to fund project co-pays (e.g., 0% On-Bill Financing with favorable terms for Public institutions, Public Funding Assistance, private sector financing, etc.);
- Coordinating with available Regional Energy Networks (RENs), which provide added support to customers;
- Stacking incentives from other entities, such as municipal utilities and water agencies, where available in their design, including those customers that SoCalGas and other utilities dually serve;
- Partnering with local small business organizations and community-based organizations;
- Offering ways to use local contractors (e.g., trade allies);

- Modifying the customer’s organizational decision-making; and/or
- Focusing on SoCalGas customers in rural, hard-to-reach, and/or disadvantaged communities.

b. Objectives

SoCalGas designed the IDEEA3 RFP to surface innovative approaches that address operational and market barriers, with the ultimate goal of delivering measurable energy savings for SoCalGas customers. Selected programs will serve as testbeds for new strategies to increase customer adoption of energy efficiency, directly supporting SoCalGas in meeting its portfolio and sector-level performance metrics.¹⁶

Building on the foundation of IDEEA1 and IDEEA2, the IDEEA3 solicitation encouraged exploration across all viable delivery channels and market-ready technologies to design programs tailored to SoCalGas customers. SoCalGas intentionally granted flexibility to bidders to target specific customer segments, whether by climate zone, income level, hard-to-reach status, or residence in disadvantaged communities, ensuring that innovation is paired with equity and program accessibility.¹⁷

1.2 Timing

SoCalGas released the IDEEA3 RFP on November 15, 2024. Due to strong interest from the bidder community, SoCalGas extended the proposal review and selection period by several weeks. This extension also enabled the inclusion of optional bidder interviews, a key element of the IDEEA3 evaluation process. Table 1.1 below presents the major milestones for this solicitation.

Table 1.1: Key Milestones		
Milestones	Completion (Proposed) Date	Duration
RFP Stage		
1. RFP Released	November 15, 2024	~26 weeks (from RFP release to Bidder Notifications)
2. Optional Bidder Conference	November 20, 2024	
3. Bidder Questions Due	December 11, 2024	
4. Responses to Bidder Questions	December 18, 2024	
5. Bidder’s Proposal Due	January 31, 2025 *	
6. Bidder Interviews, Optional	April 15 – 22, 2025	
6. Selected Bidders Notified	May 13, 2025	

¹⁶ See SoCalGas Portfolio And Sector-Level Metrics Compliance Filing, pp. 57-61, available at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M233/K545/233545545.PDF>.

¹⁷ See Decision 18-05-041, COL 26 and 27, available at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M215/K706/215706139.PDF>.

Table 1.1: Key Milestones		
Milestones	Completion (Proposed) Date	Duration
7. Bidder Debriefing Sessions	May 20 – June 25, 2025	
Selections & Contracting Stage		
1. Contract Negotiations Begin	June 6, 2025	
2. Contract Execution Date(s)	(November 2025) **	
Contract Approval and Program Rollout		
1. Implementation Plan Due	(September 2025) **	60 Days
2. Program Launch	(October 2025) **	
* - Delayed from the original schedule. ** - Estimated.		

1.3 Key Observations

During the proposal evaluation phase, the IE shared recommendations with the IOU and the PRG. The IOU had an opportunity to review, consider, and then accept or reject the IE recommendations. Table 1.3 presents the IE’s key recommendations and the IOU’s responses.

Table 1.3: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Evaluations			
Avoid Bidder Proposals to Extend or Expand Existing Contracts	Several bidders appeared to interpret the IDEEA solicitation as an opportunity to supplement their existing SoCalGas contracts or to offer standalone services to the utility, rather than proposing a complete, standalone energy efficiency program. This misalignment suggests a need for clearer guidance in future solicitations regarding the expectation for full program delivery.	To ensure alignment with the solicitation objectives, SoCalGas should revise future IDEEA RFP instructions to explicitly state that proposals seeking to enhance existing programs under contract with SoCalGas or offering services to the Portfolio Administrator are not eligible for consideration. These clarifications will help prevent misaligned submissions and support a more efficient and transparent evaluation process.	Adopted.

Table 1.3: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Improve Optional Bidder Interviews	Some bidders expressed concern that the feedback they received did not sufficiently explain why their proposals were unsuccessful. SoCalGas clarified that the level of detail in its feedback was constrained by the RFP’s omission of Tier 2 scoring criteria, which limited its ability to provide more specific evaluation insights.	SoCalGas should disclose its Tier 2 scoring criteria in future solicitations to clearly inform bidders of proposal expectations and enable more comprehensive feedback to unsuccessful candidates.	Adopted.
Pursue SEM Pilot Directed at Smaller-sized Customers	The current SEM Guidebooks may lack the flexibility needed to serve smaller or less-resourced customers effectively. These segments often face unique operational constraints and capacity limitations that are not fully addressed by the existing guidance, potentially limiting their ability to participate in or benefit from SEM offerings.	Given the limited program data currently available to support SEM guidebook revisions, targeted pilots such as the proposed SEM initiative for smaller customers should be deployed to generate the necessary empirical evidence. These pilots can provide actionable insights into the operational realities and participation barriers faced by less-resourced segments, enabling the Commission and stakeholders to consider informed updates to SEM guidance that better reflect the needs of these customers.	SoCalGas declined the recommendation after the bidder confirmed that, if selected, its pilot would adhere to the SEM Guidebooks, including a six-year customer engagement commitment.

2. RFP, Bidder Response and Selections

2.1 RFP Development

This solicitation activity was documented in the October–March 2025 Semiannual Report, issued in June 2025.

2.2 RFP Outreach

This solicitation activity was documented in the October–March 2025 Semiannual Report, issued in June 2025.

2.3 RFP Bidders' Conference

This solicitation activity was documented in the October–March 2025 Semiannual Report, issued in June 2025.

2.4 RFP Bidders' Response

This solicitation activity was documented in the October–March 2025 Semiannual Report, issued in June 2025.

2.5 Proposal Selection Process

a. RFP, Bid Screening Process, and Management of Deficient Bids

This solicitation activity was documented in the October–March 2025 Semiannual Report, issued in June 2025.

b. RFP Evaluation Team

This solicitation activity was documented in the October–March 2025 Semiannual Report, issued in June 2025.

c. RFP Scoring Rubric Design

This solicitation activity was documented in the October–March 2025 Semiannual Report, issued in June 2025.

d. RFP Evaluation Processes and Scoring Calibration

On January 31, 2025, SoCalGas received [REDACTED]. The evaluation team initiated scoring on January 26 and concluded on February 7, 2025. This represented the highest response to date for a SoCalGas IDEEA solicitation, with proposals spanning a range of program strategies and market sectors. The Independent Evaluator (IE) further estimated that three bidders were new entrants who had not previously participated in SoCalGas energy efficiency solicitations.

On February 21, 2025, SoCalGas convened a kickoff meeting with its evaluation team to review the scorecard, confirm the evaluation schedule, and discuss the proposal set. Given the higher-than-anticipated response volume, SoCalGas extended the review period by one week, a modification deemed reasonable under the circumstances. Bidders were notified that the optional interview process would also be delayed by one week.

The evaluation team held a check-in meeting on March 7, 2025, to address process-related questions and ensure consistency in scoring. The evaluators completed their reviews by March 21, 2025, concluding the assessment phase.

SoCalGas scheduled and conducted a series of calibration meetings from March 31 to April 4, 2025. During these sessions, the evaluation teams addressed scores that reflected a deviation of two points or more among individual scorers, while the IE identified additional scores for further discussion.

Following calibration, optional bidder interviews were held from April 15 through April 22, 2025. SoCalGas invited all bidders to bidder interviews. In preparation, SoCalGas provided each bidder with a set of proposal-specific questions developed during the review and calibration process. These questions were distributed 48 hours in advance of each scheduled interview, ensuring that all bidders had equal time to prepare for their interview responses.

The bidder interviews were scheduled for up to 60 minutes, with the first 30 minutes allowed for introductions and the bidder's presentation of their proposal, including addressing any SoCalGas questions. Because it needed to clarify various aspects of the proposals, SoCalGas believed all proposals should advance to interviews.

SoCalGas held a post-interview calibration session on April 24, 2025. The SoCalGas evaluation team recommended

[REDACTED]

For the nonresidential group, the SoCalGas evaluation team recommended

[REDACTED]

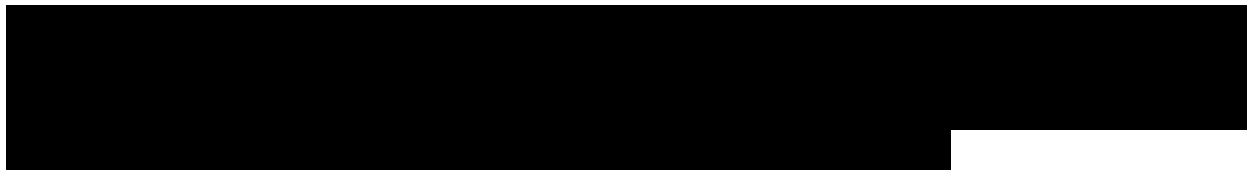


Figure 2.1.a below displays the bidders' scores and rankings after the bidder interviews and final evaluator team calibration.

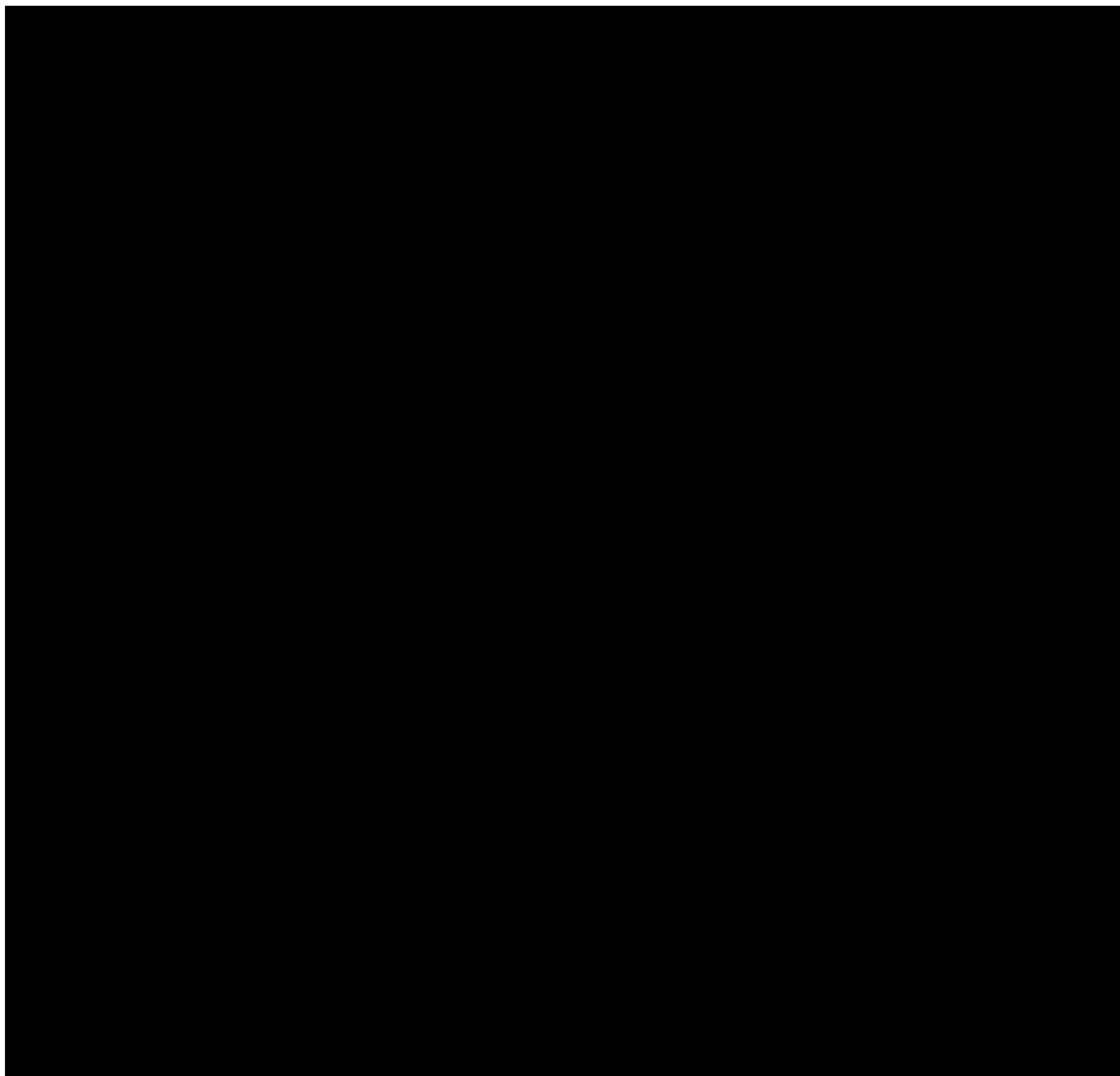


Figure 2.1.b below displays the bidders' scores and rankings after the bidder interviews and final evaluator team calibration.



e. RFP Shortlist and Final Selection

SoCalGas held a shortlist meeting on April 28, 2025, and conferred with the PRG on its proposed selections on May 6, 2025. For evaluation purposes, proposals were categorized into two groups (residential and nonresidential) to facilitate comparison among offerings targeting similar customer groups. While this structure was applied, alternative groupings (e.g., by program strategy or resource versus non-resource classification) were also considered but were rejected as the focus on the customer groups seemed most appropriate.

Nearly all proposals achieved above-average scores (2.0 or higher), and overall rankings by SoCalGas and the IE were generally consistent, with only minor exceptions. However, SoCalGas identified the aforementioned material weaknesses across all proposals, which were discussed in detail during the shortlist meeting. Following these deliberations, SoCalGas concluded that, due to the persistence of these weaknesses, none of the proposals should advance to contract negotiations.

The IE recommended [REDACTED] [REDACTED] In parallel, the PRG recommended that SoCalGas revisit its initial decision and move both proposals into negotiations to further assess their potential.

In response to feedback from the PRG and the IE recommendations, SoCalGas advanced the residential midstream window replacement pilot. The CPUC Energy Division’s clarification that the initiative could proceed as a pilot, rather than being subject to immediate statewide treatment, resolved SoCalGas’ compliance concerns regarding statewide midstream program requirements.¹⁸

SoCalGas did not advance the SEM proposal. In further discussions with the bidder, SoCalGas confirmed that the proposal was structured as a two-year agreement to recruit and enroll customers

¹⁸ Decision 18-05-041, OP 21.

into SEM cohorts, with the intention of seeking an additional four-year contract extension from the IOU if the initial effort proved successful. SoCalGas was concerned that a two-year program could not satisfy the 6-year SEM requirement and that smaller HTR customers may find it challenging to engage with and remain committed to a two-year SEM program, let alone a six-year engagement as envisioned by the bidder. SoCalGas noted that implementing SEM often requires facilities departments to change their business practices to reduce energy consumption. However, smaller businesses typically experience higher turnover rates, which makes sustaining the program difficult. Additionally, managing EE practices can be challenging with limited on-site resources. Furthermore, SoCalGas believed that HTR and Disadvantaged Communities (DAC) customers, especially in the agricultural sector, may encounter language barriers that complicate a six-year SEM engagement.

2.6 IE and PRG Feedback to Proposal Process and Selection

a. Response to IE Feedback

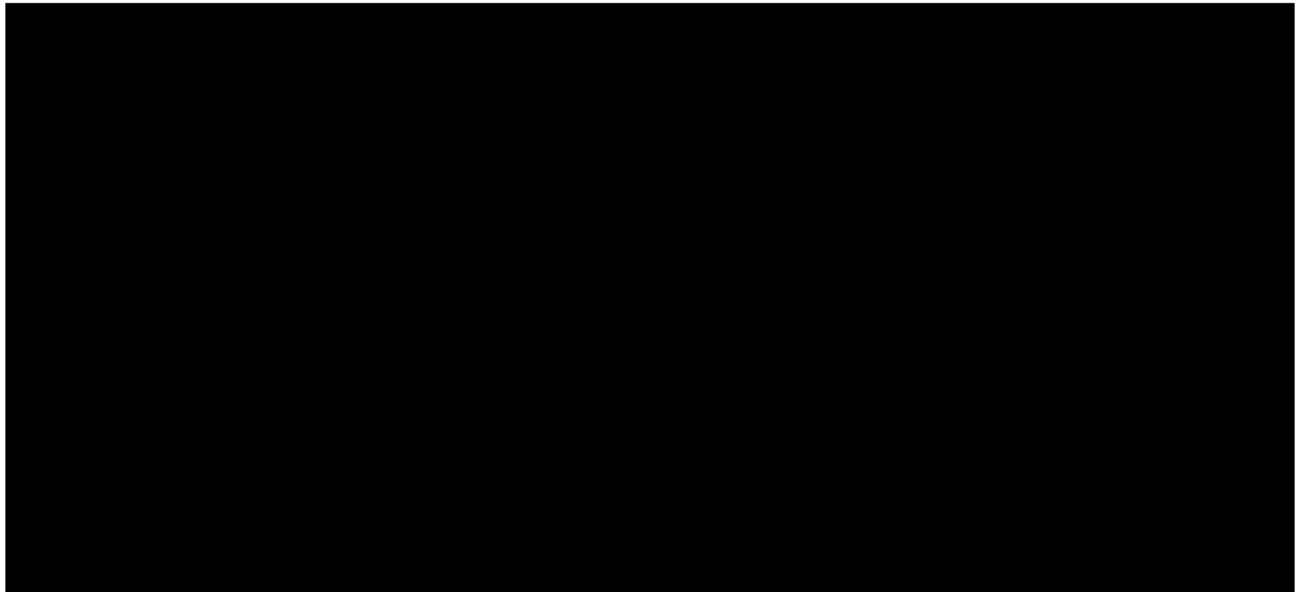
The PRG and IE feedback on the development of the RFP was documented in the October–March 2025 Semiannual Report, issued in June 2025.

The IE recommended continued consideration of both the window replacement and SEM proposals, along with targeted improvements to future IDEEA solicitations. SoCalGas accepted all recommendations from the IE except for the proposed SEM pilot, as noted in Table 2.4.

Table 2.4: IE Recommendations		
Topic	Comment	Recommendation
Avoid Bidder Proposals to Extend or Expand Existing Contracts	Several bidders appeared to interpret the IDEEA solicitation as an opportunity to supplement their existing SoCalGas contracts or to offer standalone services to the utility, rather than proposing a complete, standalone energy efficiency program. This misalignment suggests a need for clearer guidance in future solicitations regarding the expectation for full program delivery.	To ensure alignment with the solicitation objectives, SoCalGas should revise future IDEEA RFP instructions to explicitly state that proposals seeking to enhance existing programs under contract with SoCalGas or offering services to the Portfolio Administrator are not eligible for consideration. These clarifications will help prevent misaligned submissions and support a more efficient and transparent evaluation process.
Improve Optional Bidder Interviews	Some bidders expressed concern that the feedback they received did not sufficiently explain why their proposals were unsuccessful. SoCalGas clarified	SoCalGas should disclose its Tier 2 scoring criteria in future solicitations to clearly inform bidders of proposal expectations and enable more

Table 2.4: IE Recommendations		
Topic	Comment	Recommendation
	that the level of detail in its feedback was constrained by the RFP’s omission of Tier 2 scoring criteria, which limited its ability to provide more specific evaluation insights.	comprehensive feedback to unsuccessful candidates. Also, SoCalGas should require the program lead conducting the debriefing session to prepare talking points that ensure all relevant issues are addressed.
Pursue SEM Pilot Directed at Smaller-sized Customers	The current SEM Guidebooks may lack the flexibility needed to serve smaller or less-resourced customers effectively. These segments often face unique operational constraints and capacity limitations that the existing CPUC SEM guidance does not fully address, potentially limiting their ability to participate in or benefit from SEM offerings.	Given the limited program data currently available to support SEM guidebook revisions, targeted pilots such as the proposed SEM initiative for smaller customers should be deployed to generate the necessary empirical evidence. These pilots can provide actionable insights into the operational realities and participation barriers faced by less-resourced segments, enabling the Commission and stakeholders to consider informed updates to SEM guidance that better reflect the needs of these customers.

b. Adherence to PRG Guidance and Feedback



2.7 Bidder Debriefings

SoCalGas offered bidders who did not advance to contract negotiations an opportunity to participate in an individual debriefing session. The sessions were intended to provide bidders with an understanding of their proposal's strengths and weaknesses, with the expectation that the bidders would improve their chances of success in future solicitations. Except for two bidders, all remaining unsuccessful bidders opted for a debrief with SoCalGas.

Bidder feedback was largely positive. Many appreciated the constructive comments provided on their proposals and expressed interest in participating in future IDEEA solicitations. The solicitation process was viewed as accessible to smaller firms, with several bidders noting that the opportunity allowed them to grow their businesses. SoCalGas was commended for maintaining its RFP schedule and for providing consistent updates and communication throughout the solicitation period. This responsiveness was perceived as empathetic and supportive of the bidder experience.

Several bidders offered suggestions for future improvements. One recommendation was to include more detail on evaluation criteria in RFPs to better inform proposal design. Another requested more granular feedback on proposal performance, expressing frustration that comments were limited to broad scoring categories. A bidder also inquired about award outcomes and participant lists; SoCalGas clarified that such information could not be disclosed at this time. The Independent Evaluator recommended that SoCalGas notify all bidders of any future Implementation Plan public workshops, and SoCalGas agreed to do so.

SoCalGas has significantly revised its bidder feedback process. Rather than relying on generalized written comments, the utility now conducts individual virtual debriefing sessions with each unsuccessful bidder, scheduled immediately following bid notifications. These sessions include

¹⁹ Decision 18-05-041, OP 21.

tailored feedback highlighting specific strengths and weaknesses of each proposal, offering bidders more actionable insights.

To further improve the value of these sessions, SoCalGas should incorporate its Tier 2 scoring criteria into future RFP instructions. This would enable more detailed and transparent feedback aligned with its evaluation metrics.

The Independent Evaluator also recommended that the SoCalGas Subject Matter Expert leading each debrief prepare structured talking points addressing the proposal's overall performance. This would help bidders better understand areas for improvement in future solicitations. SoCalGas agreed to implement this recommendation moving forward.

SoCalGas' personalized feedback has been well received by bidders and is viewed as a meaningful enhancement to the solicitation process. The IE recommends that SoCalGas continue to provide timely, detailed, and tailored feedback to bidders in future solicitations, as this will likely help potential bidders refine their program design and delivery proposals.

3. Contracting Process

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.

4. Assessment of Final Contract

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.

5. Overall Assessment of Solicitation

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.

6. Implementation Plan Assessment

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.

Energy Efficiency Independent Evaluator's Semiannual Report on the
Market Access Program Solicitation

Reporting Period: April 2025 through September 2025

Prepared by:
MCR Corporate Services



Disclaimer: This report includes sensitive and confidential information.

Local Market Access Program Solicitation

1. Solicitation Overview

The report covers the period April 2025 through September 2025. During this period, the only activity was the execution of the negotiated contract and the development of the Implementation Plan (IP).

1.1 Overview

The purpose of this solicitation was to invite bidders to propose, design, implement and deliver a new resource acquisition Market Access Program targeting residential and commercial downstream retrofit opportunities, leveraging a set of qualified installers who would engage customers directly with energy efficiency solutions. The selected program(s) would be characterized by uniform rules for installer eligibility and project qualification, as well as uniform payment terms for installers based on the Total System Benefits (TSB) value of their savings as measured using population-level normalized metered energy consumption (NMEC) methods²⁰ and a pay-for-performance (PFP) concept to incentivize installers²¹ to find EE projects that deliver measurable natural gas savings. This solicitation was conducted as a one-stage process, as permitted by Decision 23-02-002.²²

a. Scope

SoCalGas encouraged program designs that would assist installers in qualifying customers. General customer eligibility requirements should include, but were not limited to:

- EE project site must be in SoCalGas' service territory;
- EE project site must be an existing building (i.e., no new construction) receiving gas service via SoCalGas;
- Customer must pay the Public Purpose Program surcharge on the account where the equipment will be installed;
- Customers must be from Commercial and Residential sectors only;
- EE project site must have 12 months of consecutive energy usage data available; and
- Customers may not request an incentive to replace a measure that received an EE incentive within the previous five years.

²⁰ See rules outlined in NMEC Rulebook 2.

²¹ Installers (aka, aggregators) are individuals or firms that bring forth energy savings by recruiting customers, identifying projects, performing all customer interactions, and designing and implementing projects, while complying with all program requirements.

²² Decision 23-02-002, p. 2, p. 19, and OP 7.

b. Objective

SoCalGas’ MAP RFP aimed to solicit new, innovative resource-based MAP Proposals that would assist SoCalGas in achieving its portfolio and sector-level metrics related to Residential and Commercial customers, including Hard-to-Reach (HTR) customers and those customers that operate in disadvantaged communities (DAC) within SoCalGas’ service territory.

A successful MAP proposal would meet the objectives in Decision 23-06-055.

SoCalGas’ RFP states that the basic structure of the proposers’ programs should set upfront criteria for installers to be approved for participation. Interested installers would submit appropriate information to be received for approval by the program. Once approved, aggregators would be able to begin EE upgrades and project submissions, according to processes established by the program. Then, project-level energy savings will be paid for based on the Total System Benefits (TSB) delivered by the project, discounted to account for program administrative costs. Payment to installers will be based on measured TSB and will be made in accordance with rules outlined in the NMEC Rulebook 2 and processes set by the program. The program will implement compensation structures designed to encourage installers to achieve specific amounts of TSB across the installer’s project portfolio, with performance payment penalties or bonuses applied to that threshold..

1.2 Timing

Key milestones associated with the SoCalGas MAP solicitation are shown in Table 1.1.

Table 1.1: Key Milestones		
Milestones	Completion (Expected) Date	Duration
RFP Stage		
1. RFP Released	June 21, 2024	16 ²³ Weeks
2. Bidders’ Conference	June 28, 2024	
3. Bidder Questions Due	July 3 & 10, 2024 ²⁴	
4. Responses to Bidder Questions Due	July 8 & 16, 2024	
5. Proposals Due	August 16, 2024	
6. Proposal Review and Evaluations	August 22 – September 11, 2024	
7. Optional Bidder Interviews	N/A	

²³ Section 3.2.5.a of the Energy Efficiency Procurement Review Group Solicitation Guidelines, Ver 3, July 2023 (PRG Guidelines), recommends a maximum of 15 weeks from RFP release to notification of bidders of invitation to contract negotiation for one-stage solicitations.

²⁴ SoCalGas offered bidders two opportunities to ask questions after the Bidders’ Conference, each with their own response dates.

Table 1.1: Key Milestones		
Milestones	Completion (Expected) Date	Duration
8. Bidder(s) Notified	October 8, 2024	
Contracting Stage		
1. Contract Negotiations Begin	Oct. 17, 2024 – Jan. 28, 2025	29 ²⁵ Weeks
2. Contract Negotiations Conclude	February 25, 2025	
3. Contract Execution	June 6, 2025	
4. Bidder Debriefs	October 18, 2024 ²⁶	
5. Company’s Advice Letter Filing, if Required	June 20, 2025	
6. Notice to Proceed (Expected CPUC Approval)	August 11, 2025	
7. Implementation Plan uploaded to CEDARS	October 1, 2025	

1.3 Key Observations

A major concern during the latter stages of this solicitation was the long delay between the conclusion of contract negotiations in February 2025 and contract execution in June 2025. As noted in Table 1.1 above, the PRG Guidelines recommend 12 weeks from the beginning of contract negotiations to execution. The delay was caused by contemporaneous events at SoCalGas (voluntary retirements and workforce reductions) that left it unable to review the MAP contract in its typical timely fashion. The IE recommended that SoCalGas develop a formal process for expediting internal contract approval in the event that the established lines of communication for contract execution are compromised by internal staff changes or other conditions. As of the end of this reporting period, SoCalGas had not adopted this recommendation, since it considers the causative issues to have been temporary and SoCalGas can adopt the IE’s recommendation in future solicitations, if needed.

During this reporting period, the IE also reviewed the Implementation Plan.

²⁵ Section 3.2.5.b of the PRG Guidelines recommends that contract execution take place at most 12 weeks after invitation to contract negotiation unless, for example, the program is complex or the contract is addressing challenging contract elements (e.g., data privacy, etc.). SoCalGas filed an Advice Letter on June 20, 2025, requesting a 3-month extension of the MAP program launch from July 1 to October 1, 2025.

²⁶ There were only 2 MAP bidders; when Mendota Group was selected for contracting, CEGY was notified and had its debrief meeting on October 18, 2025.

Table 1.2: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
Long Delay Before Contract Execution	Four months elapsed between the conclusion of contract negotiations and contract execution due to SoCalGas' internal staffing issues.	SoCalGas should develop a formal process to expedite internal contract approval when internal staff changes or other factors compromise the established lines of communication for contract execution.	The IOU has yet to adopt the recommendation, as it considers the causative issues to be temporary.
Implementation Plan	SoCalGas team provided IE draft, revised, and final versions of IP at IE's request.	All IOUs should provide this opportunity for IE to confirm changes were made to make IP consistent with the Executed Contract.	The IOU adopted the recommendation.

Effective practices noted by the IE during this reporting period are shown in Table 1.3.

Table 1.3: Effective Practices	
Effective Practice	IE Analysis
Allow IE to review Final Draft of IP After the Webinar	SoCalGas sent the IE a total of 3 versions of the IP. Very helpful to ensure the Implementer accepted any corrections suggested in the Implementation Checklist.

2. RFP, Bidder Response and Selections

The section activities are included in the April 2024 through September 2024 Semiannual Report.

3. Contracting Process

All Section 3 activities, except as noted below, are included in the October 2024 through March 2025 Semiannual Report.

3.8 Contract Execution

The contract was executed on June 6, 2025.

4. Assessment of Final Contract

All Section 4 activities are included in the October 2024 through March 2025 Semiannual Report.

5. Overall Assessment of Solicitation

All Section 5 activities are included in the October 2024 through March 2025 Semiannual Report.

6. Implementation Plan Assessment

The IE reviewed the first draft of the MAP Implementation Plan (IP) in August and a revised draft on September 11. There were discrepancies in the Budget and Savings (Table 1) that were corrected in the final draft. The draft MAP M&V Plan stated that the program would claim To-Code savings; however, this was not addressed in the IP or the Executed Contract. Additional details were provided in the revised M&V Plan.

Table 7.1: Draft Implementation Plan Comparison with Executed Contract	
Topic	Consistent
Program Overview	Yes
Program Summary (incl. budget, impacts, cost-effectiveness, sector, etc.)	Yes
Program Delivery (incl. program offerings, target market)	Yes
Program Design (incl. strategies, tools, methods, innovation, integrated demand side management, program logic model, etc.)	Yes
Compliance (workforce standards, disadvantaged workers, etc.)	Yes
Metrics and Indicators	Yes
Program Rules (incl. customer eligibility, contractor eligibility, eligible measures, QA/QC Plan, etc.)	Yes
Program Logic Model	Yes
Customer Incentive Levels & Workpapers	Yes
Workshop held on September 18, 2025	Yes

The implementer presented its program at the Public IP Webinar on September 18, 2025. The Webinar lasted 40 minutes and was attended by 26 people, as noted in the table below.

Table 7.2: Stakeholder Meeting	
Stakeholder Meeting Date	September 18, 2025
Number of Attendees	24

After its presentation, the implementer took questions on the GRID-MAP program. Attendees asked several questions, including:

- What type of organization makes a good aggregator?
- What types of data need to be collected?
- What risk is there to a participating aggregator?
- Are electric savings recognized as a benefit of the program?
- What technology or tools are available for aggregators to pre-screen potential projects?
- Is there a plan or method for pre-screening projects to protect against double-dipping?

The IE had an opportunity to review the Final GRID-MAP IP prior to SoCalGas uploading it to CEDARS on October 1, 2025.

Energy Efficiency Independent Evaluators' Semiannual Report on the

SoCalGas Large Commercial Solicitation

Reporting Period: April 2025 through September 2025

Prepared by:
Apex Analytics



Disclaimer: This report includes sensitive and confidential information.

Large Commercial Solicitation

1. Solicitation Overview

This report summarizes the re-solicitation process and IE activities between April 2025 and September 2025 for the SoCalGas Large Commercial solicitation. The primary solicitation activities during this time included RFP preparation and release, proposal scoring, and bidder selection.

1.1 Overview

a. Scope

The purpose of the Large Commercial solicitation was to invite bidders to develop an innovative, natural-gas-focused resource acquisition program for Large Commercial sector customers in SoCalGas's service territory. A Large Commercial customer is defined as a customer whose annual gas consumption is at least 50,000 therms. The available budget for the solicitation was up to \$12.35 million across four years. The solicitation included a variety of market segments, including office, retail, healthcare, lodging, food service, laundry & dry cleaning, gymnasiums, family entertainment centers, and all other commercial segments. Bidders could submit programs to address all or, at the Bidder's discretion, a subset of Large Commercial customers in SoCalGas territory. Due to current active programs in the Large Commercial sector, Strategic Energy Management (SEM) and Retro-commissioning (RCx)-focused programs were excluded from the solicitation.

b. Objectives

Consistent with CPUC direction, SoCalGas requested in the RFP that the downstream commercial resource acquisition program rely on normalized metered energy consumption (NMEC) or other meter-based savings evaluation methodologies if feasible and cost-effective. The RFP also asked Bidders to demonstrate the overall cost-effectiveness of their proposed program using CPUC's Total Resource Cost (TRC) and Program Administrator Cost (PAC) tests. Additionally, Bidders were asked to deliver a program with a measurable Total System Benefit (TSB) that is consistent with CPUC-defined metrics and goals for the 2024–2035 program cycle. The RFP specified that SoCalGas prefers that the implementer's compensation is primarily based on pay-for-performance, tied to metered energy savings as measured in TSB.

1.2 Timing

The RFP was conducted as a one-stage solicitation. [REDACTED]

[REDACTED] The re-solicitation began at the end of March 2025, later in the year than SoCalGas had anticipated, because the existing contractor informed SoCalGas in late January 2025 that they would not continue in 2026. Additionally, the RFP evaluation process took longer than expected, delaying the overall project timeline and impacting subsequent milestones. These delays are discussed in further detail in the sections below. The key milestones for the solicitation are shown

in Table 1.1. When the actual date deviates from the expected date outlined in the RFP, the table indicates when the actual date took place.

Table 1.1: Key Milestones		
Milestones	Completion (Expected) Date	Duration
RFP Stage		
1. RFP Released	May 9, 2025 (Expected) May 12, 2025 (Actual)	14 weeks (Expected)
2. Bidders' Conference	May 14, 2025 (Expected) May 21, 2025 (Actual)	21 weeks (Actual)
3. Bidder Questions Due	May 26, 2025	
4. Responses to Bidder Questions Due	May 29, 2025	
5. Proposals Due	June 20, 2025	
6. Proposal Review and Evaluations	October 7, 2025	
7. Optional Bidder Interviews	NA	
8. Bidder(s) Notified	August 12, 2025 (Expected) October 8, 2025 (Actual)	
Contracting Stage		
1. Contract Negotiations Begin	August 2025 (Expected) October 16, 2025 (Actual)	28 weeks (Expected)
2. Contract Negotiations Conclude	November 17, 2025 (Expected)	
3. Contract Execution	December 31, 2025 (Expected)	
4. Bidder Debriefs	As requested by bidders	
5. Company's Advice Letter Filing, if Required	February 4, 2026 (Expected)	
6. Notice to Proceed (Expected CPUC Approval)	March 9, 2026 (Expected)	
7. Implementation Plan uploaded to CEDARS	May 2026 (Expected)	

1.3 Key Observations

Key observations by the IE during this reporting period are shown in Table 1.2.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
RFP Design			
Scope of Work	In the Scope of Work, NMEC was not mentioned as the preferred savings methodology.	We recommended specifying NMEC as the preferred savings evaluation method for commercial resource acquisition programs to reflect language in CPUC decision 23-06-055 and provided example language in the RFP.	SoCalGas accepted IE language regarding preference for NMEC in the Scope of Work.
Interaction with Other Large Commercial Programs	SoCalGas also offers a Large Commercial SEM and RCx program. These programs were not mentioned in the Scope of Work, nor was there a discussion of how they are expected to relate to this Large Commercial offering. Also, during the development of this RFP, SoCalGas was launching a new Market Access Program (MAP) that included serving Large Commercial customers.	We recommended SoCalGas add clarification in the Scope of Work on how the Large Commercial program intersects with current programs that also serve the Large Commercial segment. In addition, we recommended adding SEM and RCx programs to the list of ineligible program proposals. We provided example language in the RFP to reflect this. In addition, future solicitations where the MAP overlaps with other programs should be explicitly considered in the Program Design to avoid confusion.	SoCalGas accepted our added language regarding the Scope of Work. Regarding MAP: new recommendation for future solicitations
Time Allotted for Incorporating Feedback into the RFP	The PRG feedback on the RFP and the RFP release were both scheduled for May 9, 2025 (Friday). This ultimately delayed the RFP release to allow adequate time to address the PRG feedback.	This timing may have been sufficient if the PRG had provided minor tweaks. However, the broader nature of the feedback from the PRG required thoughtful consideration of the changes to documents and multiple rounds of back and forth between the IE and PRG. In the future, we recommend 2–3 business days between the PRG feedback and solicitation release.	New recommendation for future solicitations.

Table 1.2: Key Issues and Observations

Topics	Key Observations	IE Recommendations	Outcomes
RFP Requirement - Attachment 3	<p>[REDACTED]</p> <p>The team determined that the RFP was not clear on the CET input files required for submission, as Attachment 3 (the submission checklist) did not specify which input files the bidder should</p>	<p>We recommended SoCalGas revise Attachment 3 to include the specific CET files required for submission.</p>	<p>SoCalGas amended Attachment 3 to reflect this for use in future solicitations.</p>



Savings Measurement Methods	<p>The RFP didn't explicitly request the bidder to provide the share of TSB that it expected to achieve by NMEC, deemed, and custom measures. While this information is embedded in the CET, it was not readily available for scorers.</p>	<p>We recommended SoCalGas amend the RFP template to directly request bidder-estimated levels of deemed, custom, and NMEC savings, in terms of percent TSB.</p> <p>[REDACTED]</p>	<p>New recommendation for future solicitations.</p>
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RFP Scoring

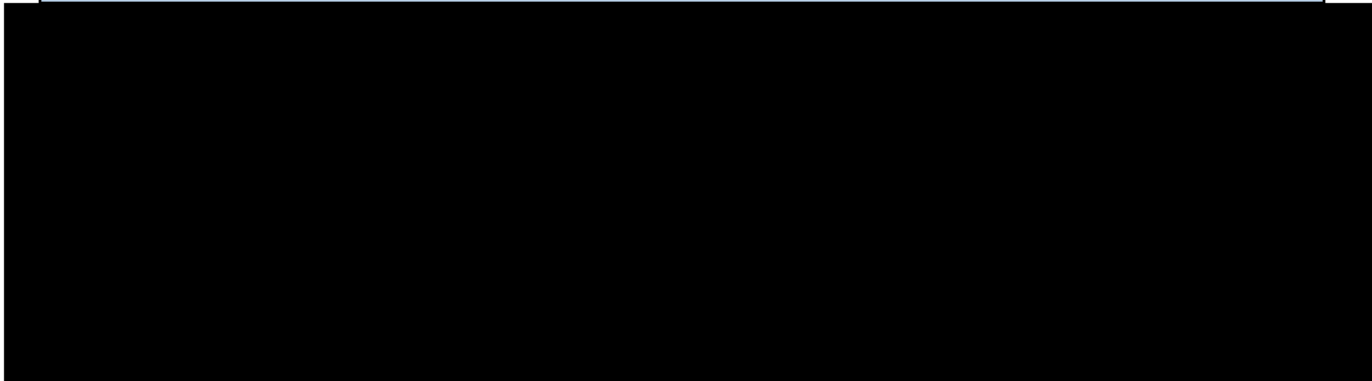


Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Page Limit Scoring Adjustments	[Redacted Content]		

Effective practices noted by the IE during this reporting period are shown in Table 1.3.

Table 1.3: Effective Practices	
Effective Practice	IE Analysis
Monthly Meetings with IEs and SoCalGas	The monthly meetings between IEs and SoCalGas have been an effective way to coordinate on best practices, understand key issues on which IEs are working, and ensure the timely delivery of monthly status reports. We find these meetings valuable to the IE processes and recommend they continue to be used.

Table 1.3: Effective Practices	
Effective Practice	IE Analysis
Effectively Organized and Implemented Scoring Process	SoCalGas’s scoring process was organized and effective. The pre-scoring training adequately prepared scorers. The documents used for tallying scores across the scoring team were organized and consistent. The calibration meeting was run efficiently to cover all major deviations in scores and align on scoring adjustments.

2. RFP Stage

2.1 RFP Development

The solicitation documents and process were overall well-designed. The IE provided multiple rounds of feedback on the RFP documents and recommended where SoCalGas could make improvements, with a goal of striking a balance between providing sufficient detail without overburdening bidders. Examples of key feedback provided to SoCalGas included providing a clear definition of the scope of the program, emphasizing throughout the RFP a preference for meter-based savings, and adjusting the timeline to allow for adequate time to incorporate IE and PRG feedback. SoCalGas released a total of five documents, including the RFP main document and four attachments for bidders to populate (three Word files and one Excel file). One of the attachments included a list of all informational exhibits. We believe this was a reasonable number of documents for the RFP. It is the IE’s view that SoCalGas was successful at developing a robust evaluation process, while there are also recommendations for improvement to future solicitations.

The solicitation design met SoCalGas’s intended need to procure a resource-based program targeting the Large Commercial sector. SoCalGas’s solicitation strategy overall aligned with its Business Plan, Solicitation Plan, and CPUC TSB goals and metrics. A unique aspect of this RFP was it was a re-solicitation for a program where the current implementor had decided not to move forward. The IE worked with SoCalGas to refresh the RFP to include multiple indicators that encouraged new bidders to submit. In addition, a notable change to the RFP included adding language on TSB and NMEC to reflect recent guidance from the CPUC. This language was new to SoCalGas solicitations and required back and forth to integrate throughout the RFP.

The solicitation was conducted in accordance with CPUC requirements. SoCalGas determined this solicitation lent itself to a one-stage solicitation approach due to the required timeline and the focused nature of the solicitation. The IE reviewed documentation throughout the RFP development, scorecard development, and scoring process. The PRG was engaged throughout the process, providing feedback at key milestones, including reviewing the final RFP package, scorecard, and selection decision.

2.2 RFP Bidders' Conference

The bidder's conference was held on May 21, 2025, with 40 attendees. The conference was originally scheduled for May 14; however, the RFP was released three days behind schedule (May 12 instead of May 9). As PRG Guidelines recommend 5–10 business days between the RFP release and bidder conference, the bidder conference was accordingly delayed.

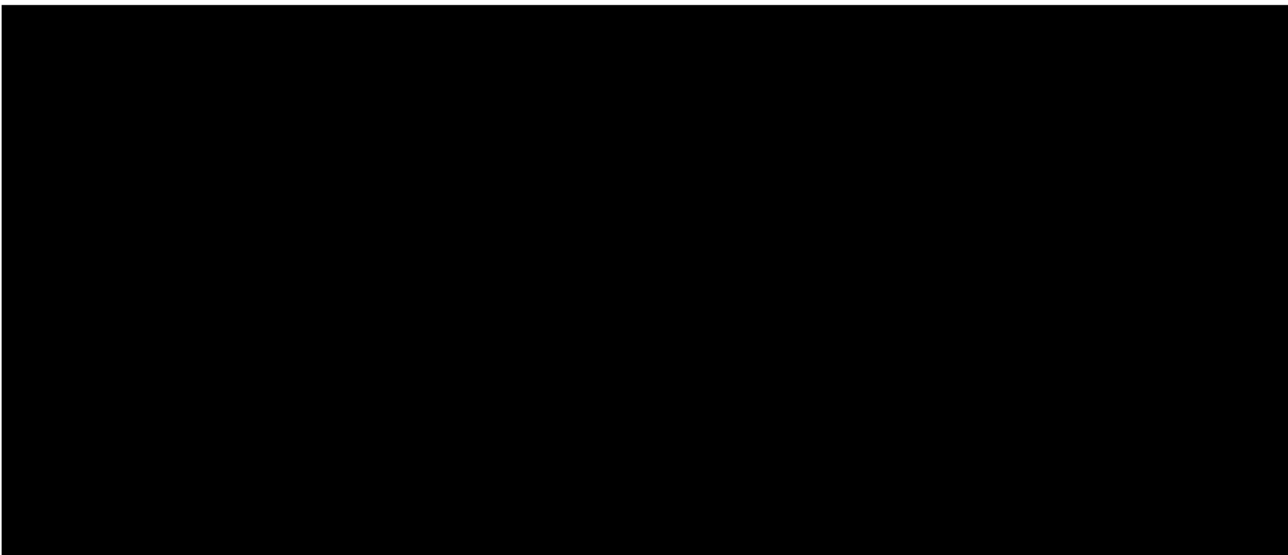
SoCalGas's bidder conference was hosted as a Microsoft Teams Live event. SoCalGas presented an overview of the RFP, which was followed by a Q&A session. Attendees were encouraged to submit questions during the bidder's conference and, following the webinar, submit questions via Ariba messaging. SoCalGas received 10 questions during the conference. Questions covered topics including certification of small business enterprise (SBE)/DBE, allowance of deemed measures, pay-for-performance requirements, and NMEC methodologies. SoCalGas provided adequate responses to attendee questions and referenced CPUC and SoCalGas resources where applicable. The IE reviewed SoCalGas' responses to questions submitted by the bidders.

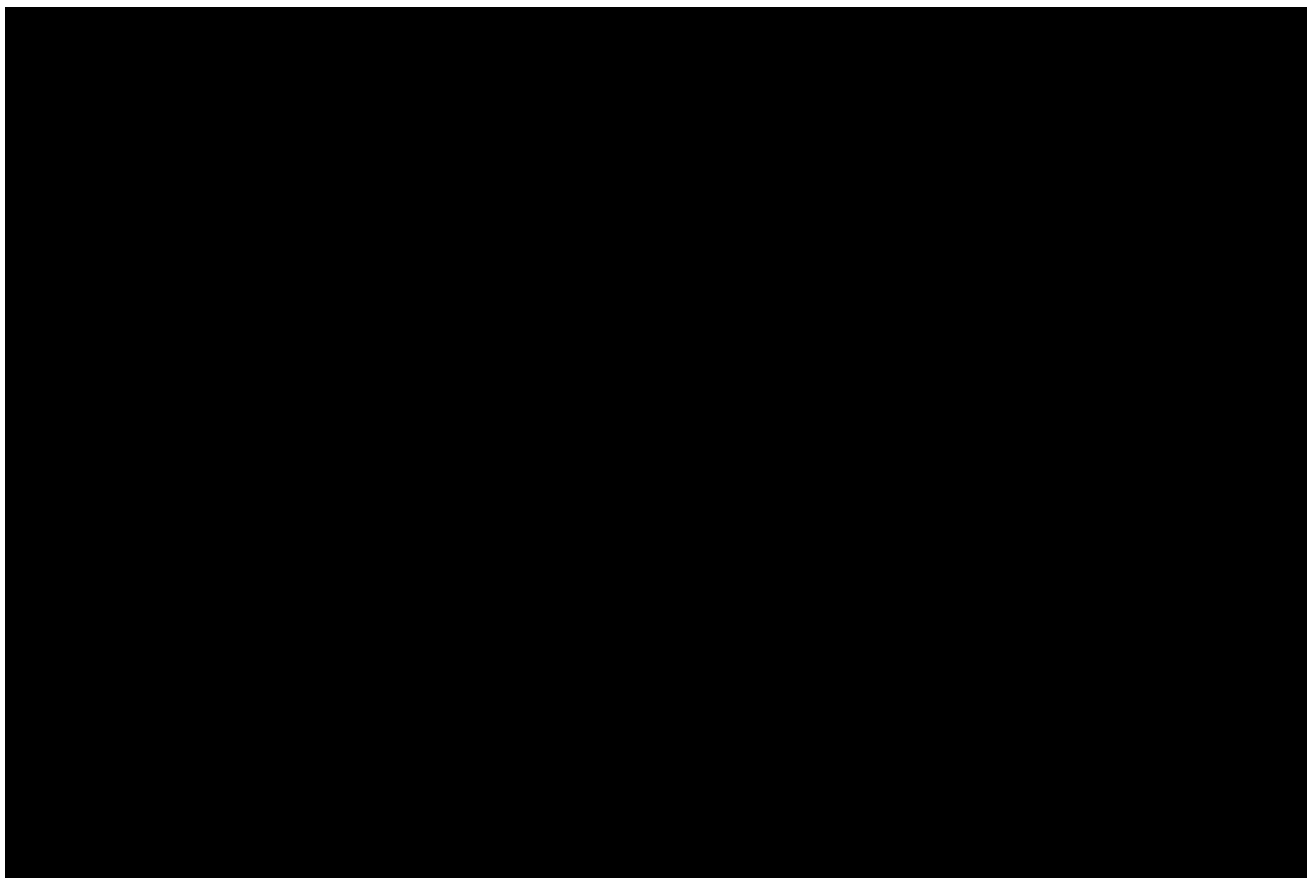
Table 2.1: RFP Bidders' Conference	
Bidders' Conference Date	May 21, 2025
Number of Attendees	40

2.3 RFP Responses

Three bidders submitted proposals on Ariba. Bidder responses are summarized in Table 2.2 and Table 2.3.

Table 2.2: RFP Bidder Responses	
Number of Proposals Received	■
Number of Proposals Disqualified	■





2.4 Proposal Selection Process

The SoCalGas process for scoring included pre-screening of all bids, individual scoring and engineering CET review, calibration meeting(s), and shortlist meeting(s).

a. RFP Bid Screening Process and Management of Deficient Bids

The RFP screening process included SoCalGas conducted a threshold assessment (pass/fail) on the following criteria:

- A. Bidder submitted all required documentation.
- B. Bidder submitted all documents on time.
- C. Bidder passed the requirements for ineligible programs and measures stated in the RFP:
 - Programs that target small and medium Commercial customers;
 - Programs that target the Public sector; Unproven new technologies, tools, and software development, research and development (R&D), or completion (market testing) of a product;
 - Demonstration, pilot, or “proof of concept” projects, R&D prototypes, and limited production technologies that cannot support an effective energy efficiency program;
 - Statewide energy efficiency programs or programs that overlap with statewide programs;
 - Programs that are primarily SEM or RCx or based on behavioral measures (Note – Resource

program designs that include a behavioral-based strategy are acceptable);

- Income Qualified energy efficiency programs;
- Programs that solely promote demand response programs;
- Non-energy efficiency programs/services and services that support other energy efficiency programs;
- EM&V consulting services and program support services;
- Programs that are solely a non-resource program (Note - Resource program designs which include non-resource strategies (e.g., marketing, training, etc.) are acceptable; and/or
- Programs that overlap or duplicate the efforts of Local Government Partnerships or Regional Energy Networks.

D. Bidder passed the financial information requirements.

This pre-screening procedure was consistently applied

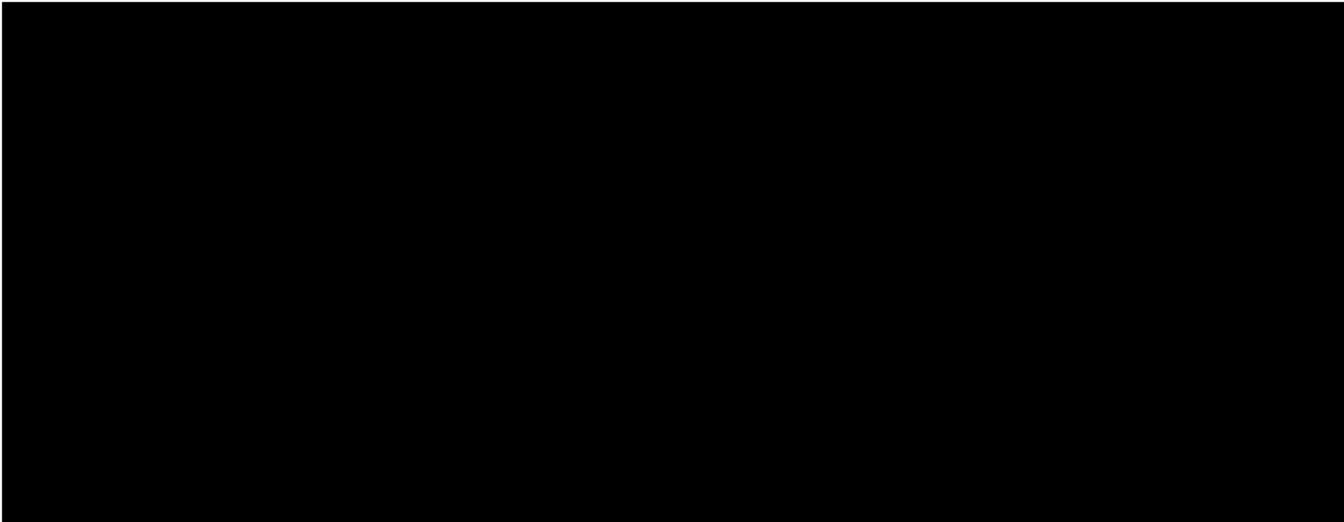
[REDACTED]

[REDACTED]

b. RFP Evaluation Team

SoCalGas provided scoring training to SoCalGas staff and the IE on June 20. The training was attended by nine SoCalGas staff and two IE members. The training presentation provided sufficient detail on the scoring process and individual scoring criteria. The training also included an interactive mock exercise at the end. A scoring guidance document was provided with the training, which detailed SoCalGas's conflict of interest policies. The evaluators did not declare any conflicts of interest and

the IE did not perceive any conflicts of interest throughout the scoring process. [REDACTED]



c. Scoring Rubric Design

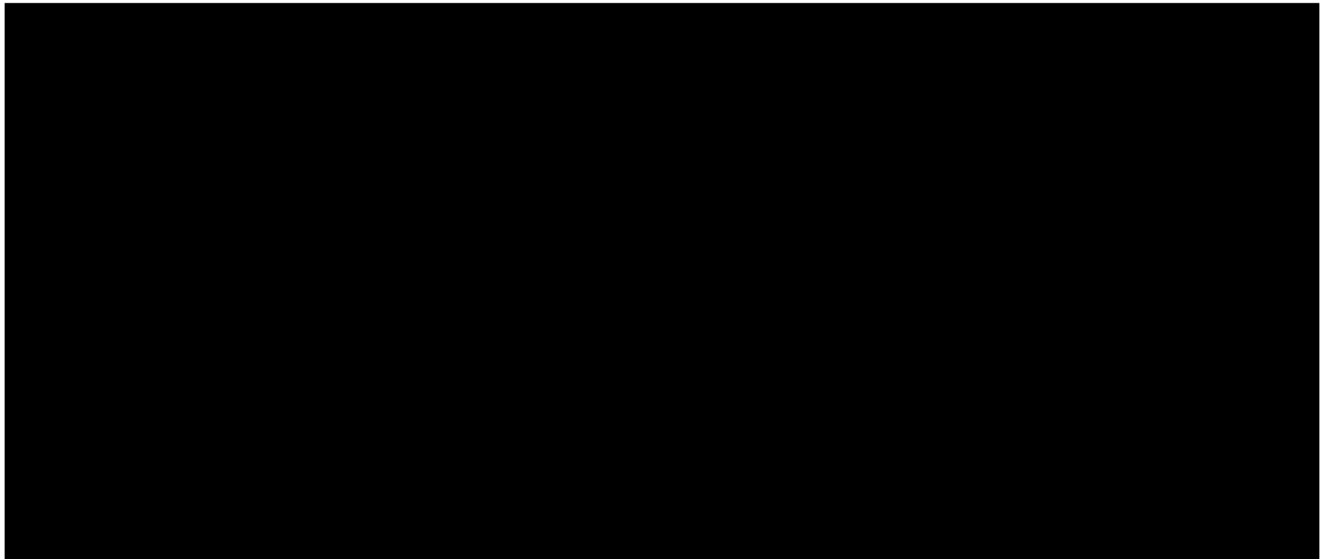


Table 2.5: Scoring Rubric			
Category	Weight	Sub-Category	Weight
Sustainability			
Program Overview			

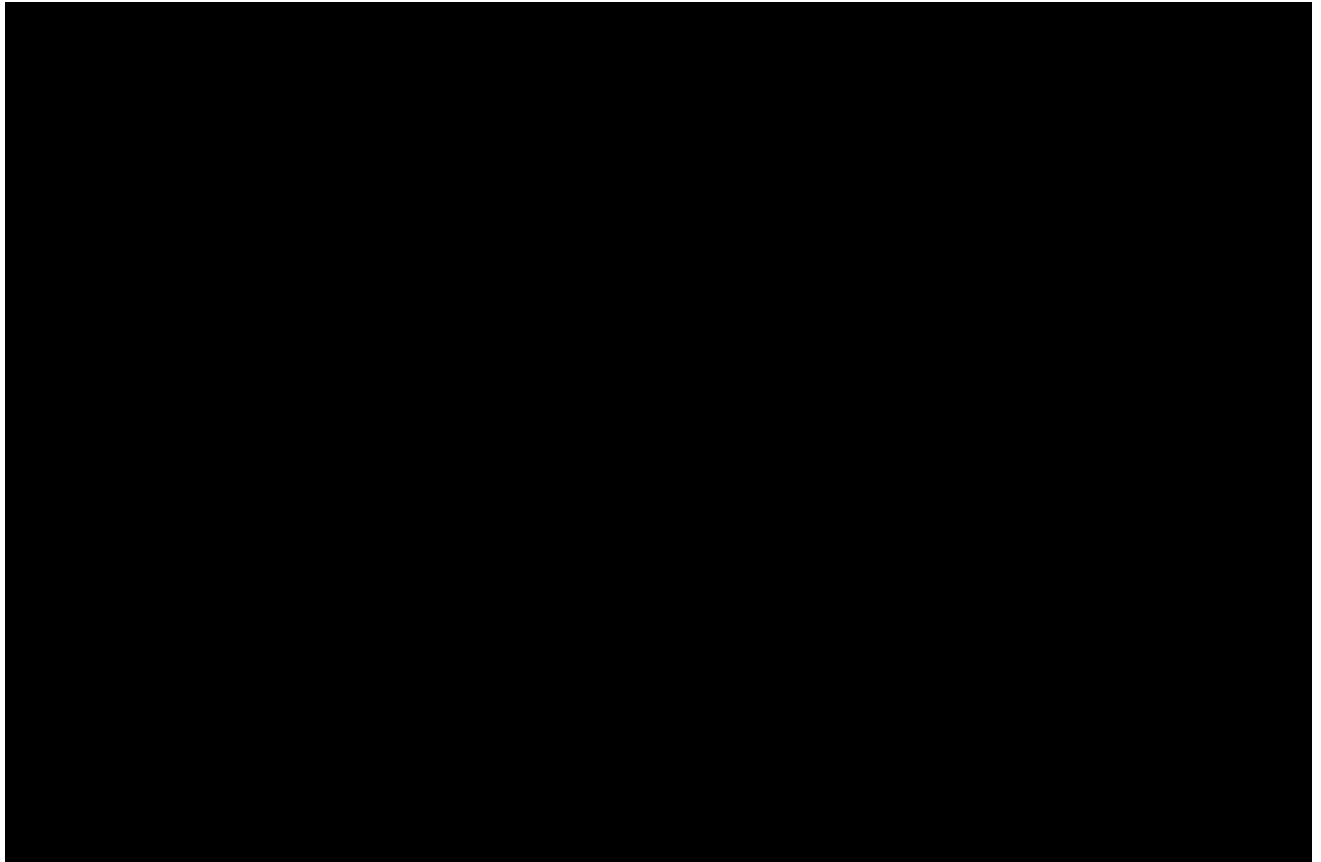
Table 2.5: Scoring Rubric			
Category			
	[REDACTED]		
Program Outcomes and Management of Risk			
Experience and Capabilities			
Total			100%

d. RFP Evaluation Process and Scoring Calibration

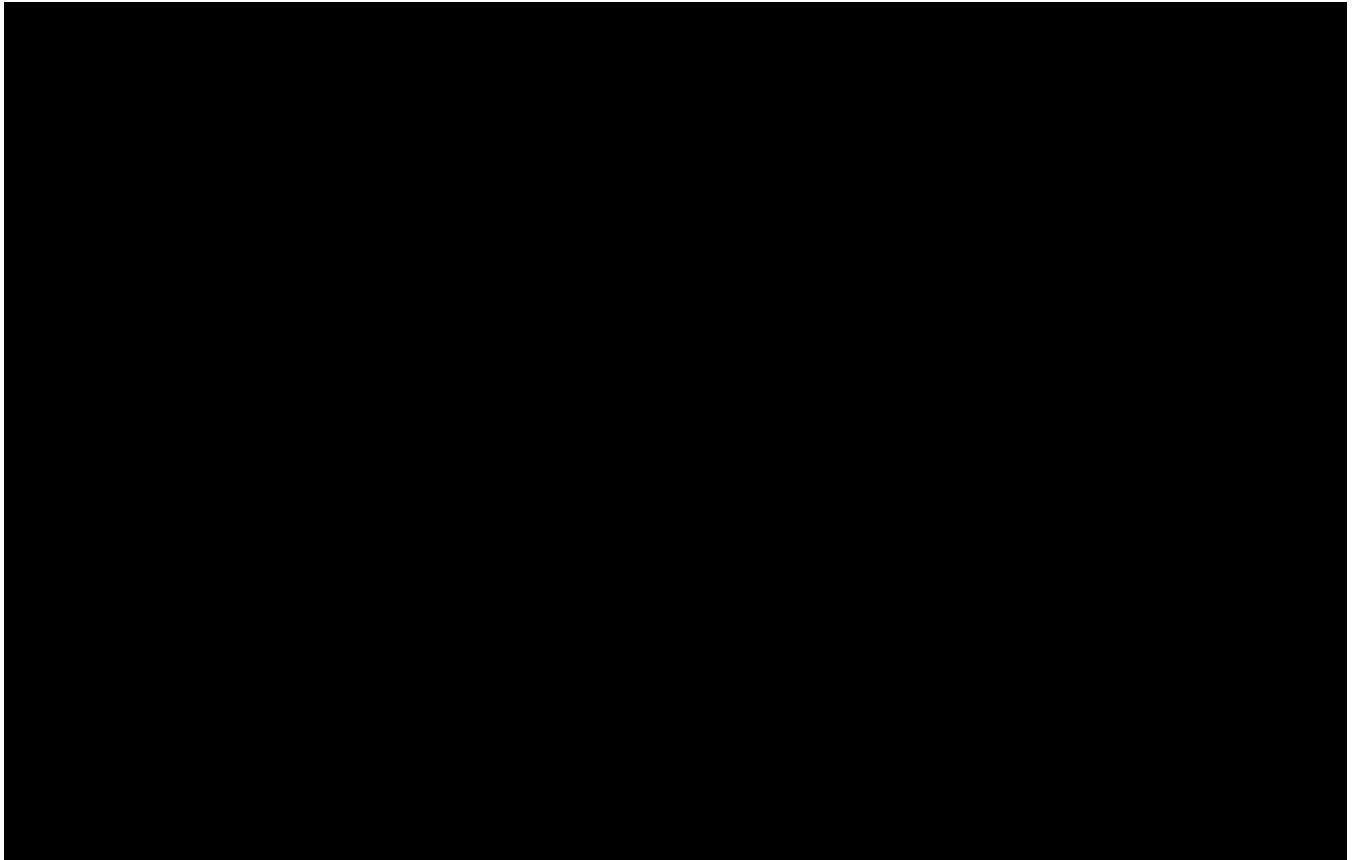
As [REDACTED] passed the pre-screening criteria, SoCalGas proceeded with individual scoring and engineering CET reviews [REDACTED]. Prior to the calibration meeting, the SoCalGas solicitation team flagged scores with more than one-point deviation among scorers. At the calibration meeting, each score with more than a one-point deviation was discussed. The IE also conducted shadow scoring of all bids. Prior to the calibration meeting, the IE flagged questions for discussion and/or where their scores deviated by more than one point from SoCalGas’ average scores. These were also discussed during the calibration meeting. During the calibration meeting, the order of discussion was organized by scorecard topic (rather than bid). Based on discussions and new information that came up during the calibration meeting, some members of the SoCalGas scoring team opted to adjust scores for several sub-categories.

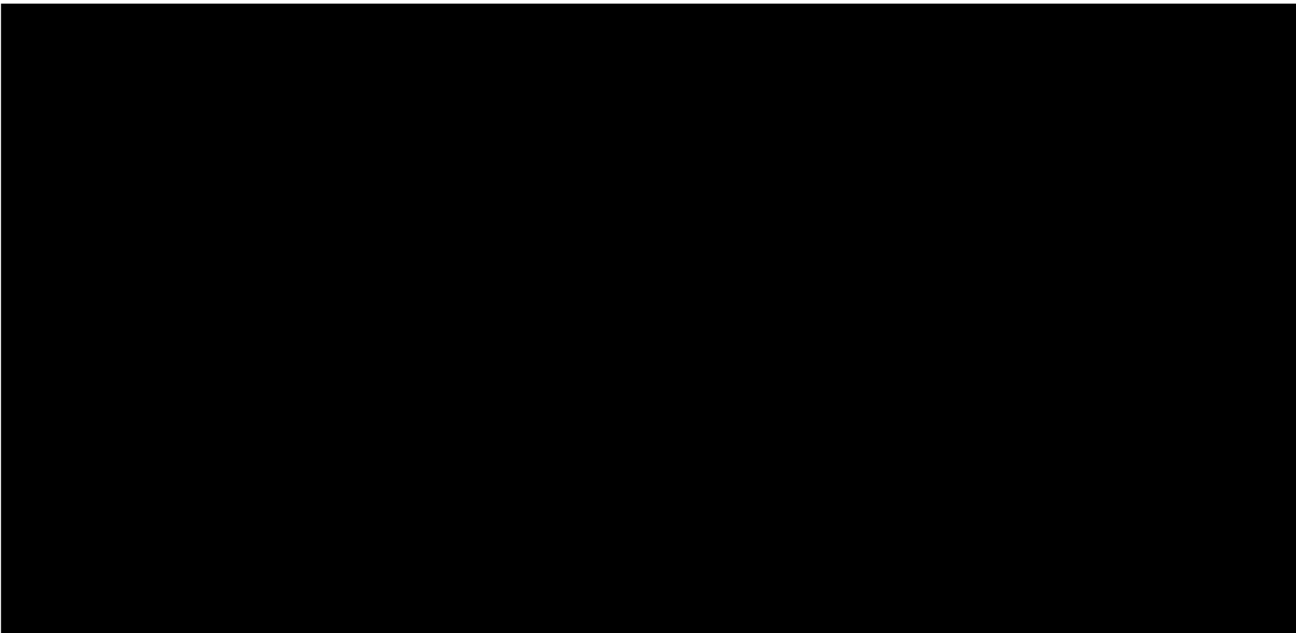
It is the IE’s view that the bid scoring process was applied fairly, the calibration team meetings were well facilitated, and the process effectively supported the evaluation of higher and lower quality bids. With that being said, after the scores were finalized, final score adjustments were made due to issues that came up in the pre-screening and scoring process. We have made recommendations in the key observations section to hopefully avoid needing to make these adjustments in the future. The score adjustments were made based on the following issues:

[REDACTED]



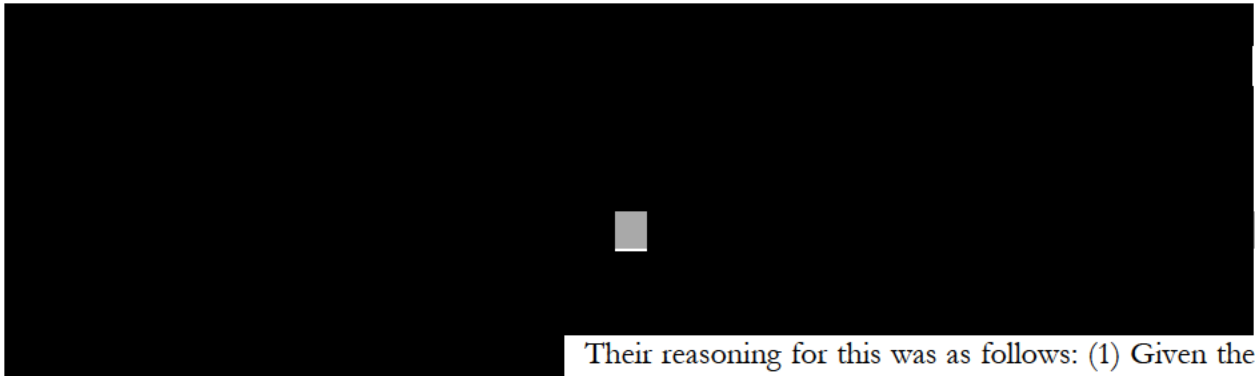
e. RFP Shortlist and Final Selection Process





2.5 IE and PRG Feedback to Proposal Process and Selections

A main topic of conversation during RFP development was the inclusion of TSB and NMEC into the RFP. This was driven by CPUC Decision 23-06-005, which SoCalGas had not yet fully incorporated into its RFP draft. The IE provided SoCalGas language to add details on NMEC in the RFP main document. After the May PRG meeting, the PRG recommended that SoCalGas include more specific language in the RFP to reflect that the proposed program must be designed to deliver measurable TSB and encourage greater use of NMEC. The PRG also recommended that TSB be added to the scorecard and that changes be made to the weighting of specific sub-categories.



Their reasoning for this was as follows: (1) Given the Decision 23-06-055 preference for commercial retrofit energy efficiency programs to achieve metered savings, [REDACTED] Large Commercial offering that includes NMEC, and (2) the ED noted that awarding multiple contracts in the Large Commercial sector is a risk mitigation strategy. Following this meeting, the IE met with SoCalGas and the ED several times to further discuss options, including the rationale for selection.

a. Response to IE Feedback

Overall, SoCalGas was responsive to the IE’s feedback and incorporated most feedback into the RFP documents, including larger changes (e.g., including preference for NMEC, clearly defining the program scope, pay-for-performance requirements) to minor details (e.g., clarity and consistency throughout).

b. Adherence to PRG Guidance and Feedback

The PRG recommended that SoCalGas make the following changes to the RFP documents:

- Incorporate TSB into the RFP Main Document, including asking bidders to:
 - Describe how the proposed program will generate cost-effective savings that contribute to TSB.
 - Quantify expected annual and cumulative TSB.
 - Explain key assumptions used in TSB calculations.
- Incorporate NMEC into the RFP Main Document, including asking bidders to:
 - Describe site- or population-level NMEC method applications.
 - Discuss how NMEC will be used to track performance over time.
 - Identify how the program will facilitate third-party evaluation of NMEC-based savings.

In response, SoCalGas drafted language in the RFP documents to include these recommendations. The IE supported SoCalGas with adding this language to the appropriate sections where it was most relevant (e.g., Questions #6 and #8 in Attachment 1).



In response, the IE met with SoCalGas and ED several times to further discuss options, including the rationale for the selection, options to move forward, and how to incorporate more NMEC into the Large Commercial sector. The IE discussed opportunities to provide a more detailed rationale for SoCalGas' selection and stage gates to better document how NMEC will be prioritized in the Large Commercial sector. In the October PRG meeting, SoCalGas stated its preference to select a single bidder because this will streamline oversight, reduce administrative complexity, and improve implementation compliance.

SoCalGas proposed the following approach to increase NMEC in the large commercial sector and be compliant with Decision 23-06-055:



- To improve future solicitation processes, the IE recommended that SoCalGas amend the RFP template to directly include bidder estimated levels of deemed, custom, and NMEC savings and contributions to TSB.

3. Contracting Process

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.

4. Assessment of Final Contract

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.

5. Overall Assessment of Solicitation

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.

6. Implementation Plan Assessment

This solicitation activity has not yet occurred. Future Semiannual Reports will address this topic.