



El Paso Electric Company  
2020 - 2022 Texas and New Mexico  
Residential Demand Response Program

Request for Proposals – RFP# EPE-69881646-MM

Melissa Muñoz  
Contract Negotiator  
100 N. Stanton, Loc. 121  
El Paso, TX 79901  
Phone: 915-351-4220  
E-mail: bids@epelectric.com

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# 1 Introduction

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## 1.1 Purpose

El Paso Electric Company (“EPE” or the “Company”) requests proposals from Program Administrators for the design, development, and implementation of a cost-effective Residential Demand Response Program (“RDRP” or “Program”) for residential customers in its Texas and New Mexico service territories for a three-year program period beginning January 1, 2020.

EPE implements commission approved Energy Efficiency and Load Management (EE/LM) portfolio of programs in EPE’s Texas and New Mexico service territories that result in reduced annual demand and energy consumption. EE/LM programs are approved by and in compliance with the respective jurisdiction’s commission and rules; Public Utility Commission of Texas (“PUCT”) and [PUCT Substantive Rule §25.181](#) (“TX Rule”) and the New Mexico Public Regulation Commission (“NMPRC”) and [NMPRC’s Energy Efficiency Rule 17.7.2 New Mexico Administrative Code](#) (“NM Rule”).

Proposals should focus on a program that prompts or enables participating residential customers to curtail usage during times of high demand or whenever EPE calls for a load curtailment event. The focus of this Request for Proposal (“RFP”) is on smart thermostats, however, EPE is open to other technologies. Please note that EPE does not have Advanced Metering Infrastructure (AMI). Our typical residential meter is a 1 encoder receiver transmitter (ERT) high-power Itron meter that does not record data intervals and does not provide any meter data reporting. It does not have a Zigbee chip.

The Program budget for the RDRP is \$310,000 in each state. EPE has not established performance goals for the RDRP. It is anticipated that once EPE completes its evaluation process, performance goals will be developed.

Residential demand response programs are evaluated and governed independently by the Texas and New Mexico Utility Commissions. This RFP requires Bidders to provide three options to their proposal:

- Option (1) – Implementation of the RDRP in both states simultaneously with costs itemized separately for each state.
- Option (2) – Implementation of the RDRP in Texas, as a standalone program.
- Option (3) – Implementation of the RDRP in New Mexico, as a standalone program.

This RFP requires Bidders to describe their proposed RDRP in detail, including its design and functionality, hardware requirements, software program capabilities, reliability features, evidence of energy savings in kilowatts (“kW”) and kilowatt hours (“kWh”) utilizing the [Texas Technical Reference Manual](#), and the [New Mexico Technical Resource Manual](#).

## 1.2 Company Background

For over 100 years, EPE has been serving West Texas and Southern New Mexico with safe, clean, affordable, and reliable electric energy through superior production, acquisition, and delivery. Today, EPE is a regional electric utility providing generation, transmission, and distribution

service to approximately 424,000 retail and wholesale customers in a 10,000 square mile service area, extending from Hatch, New Mexico, to Van Horn, Texas (See Figure 1).

**Texas Service Territory**

There were approximately 325,494 customers in EPE's Texas service territory in 2018: 289,024 residential customers, 31,755 commercial customers, and 4,715 public authority customers.

EPE currently has email addresses for approximately 168,463 residential customers in Texas. There are approximately 63,206 web self-service enrollments among its residential customers in Texas.

**New Mexico Service Territory**

There were approximately 99,516 customers in EPE's New Mexico service territory in 2018: 87,627 residential customers, 10,434 commercial customers, and 1,455 public authority customers.

EPE currently has email addresses for approximately 43,299 residential customers in New Mexico. There are approximately 15,222 web self-service enrollments among its residential customers in New Mexico.

Bidders can learn more about the Company by visiting EPE's website at [www.epelectric.com](http://www.epelectric.com).

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### 1.3 El Paso Electric Service Territory

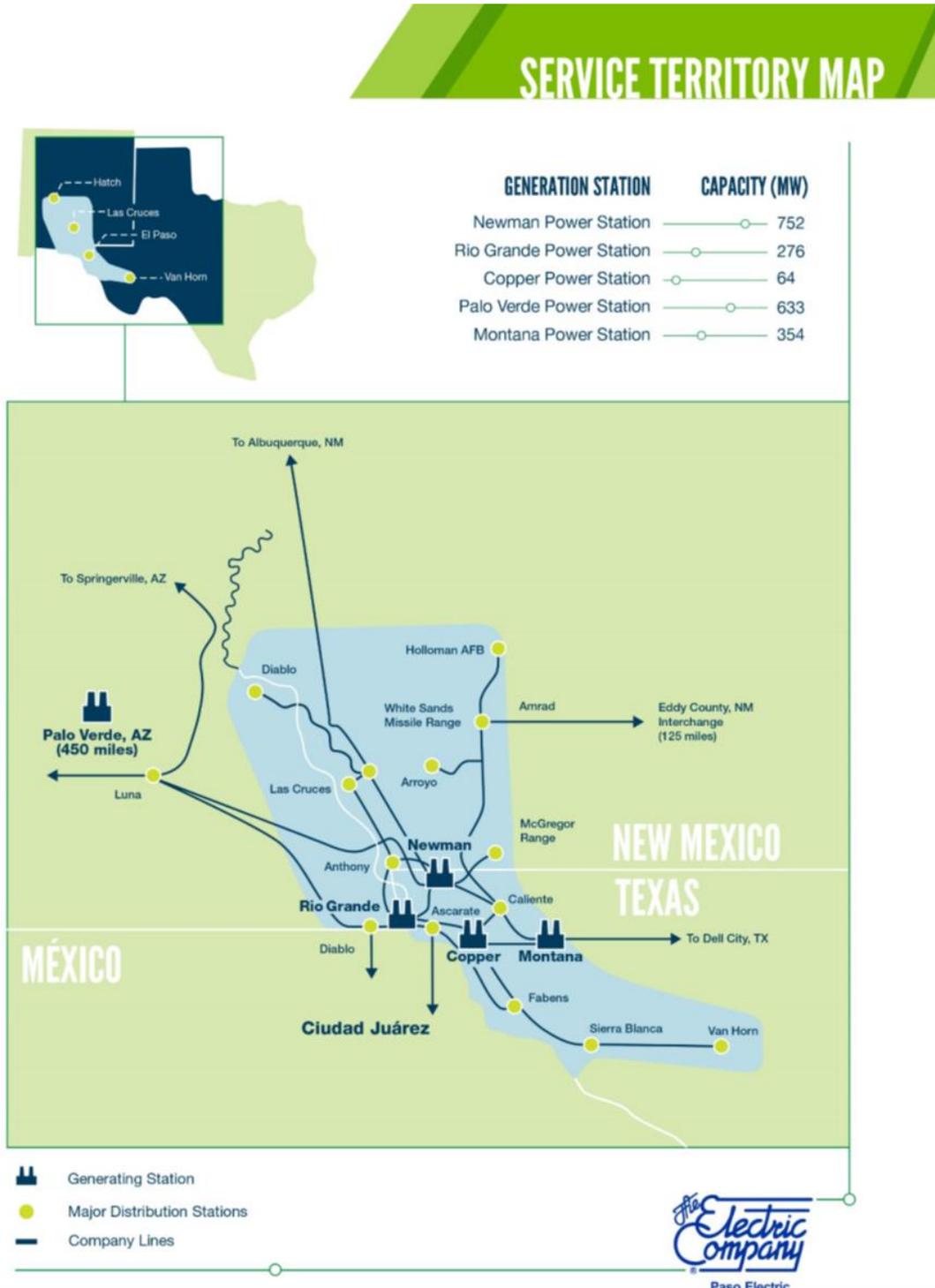


Figure 1 – EPE Service Territory and Electric System

## 1.4 Communications

All communications from Bidders to EPE, including questions regarding this RFP, must be submitted via e-mail. Based upon the nature and frequency of the questions EPE receives, EPE will choose to respond to individual Bidders either directly or will post a response to the question(s) on EPE's website.

All submittals, inquiries, and communications related to this RFP should be directed to the Contract Negotiator who shall serve as the Bidder's sole point of contact with EPE:

Melissa Muñoz  
Contract Negotiator  
Phone: (915) 351-4220  
E-mail: bids@epelectric.com

This RFP Solicitation webpage can be found at  
<https://www.epelectric.com/doing-business-with-epe>.

**All communications between Bidders and EPE shall be conducted via e-mail. Oral communications are discouraged and shall not be binding upon EPE.**

## 1.5 Confidentiality of Responses

EPE will consider proposals and associated information submitted by Bidders to be confidential only if each page of such materials is clearly designated as "Confidential." Participating and non-participating Bidder(s) should be aware that information received in response to this RFP will be subject to the review of applicable local, state and/or federal regulatory agencies, including, but not limited to, the PUCT, NMPRC, and the Federal Energy Regulatory Commission. Information submitted in response to this RFP may become subject to federal or state laws pertaining to public access to information as a result of any reviews conducted by government agencies. EPE shall not be liable for the release of any information subject to disclosure under any laws pertaining to public access to information. Except as required by regulatory reviews, EPE will use reasonable efforts to avoid disclosure of information designated as confidential to persons other than those involved with the evaluation and selection of the vendor and any subsequent negotiations. EPE will propose that any information and material designated as confidential be provided under a protective order. If a Bidder's proposal is selected by EPE, the Bidder shall cooperate with EPE in making technical descriptions, pricing, and other contract terms available for review as part of any regulatory approval process as EPE deems necessary or appropriate. EPE will follow applicable orders and rules of the PUCT, NMPRC, and/or other applicable agencies, including any protective orders issued, such as disclosure of price, terms, or other information as required.

## 2 El Paso Electric Company Residential Demand Response Program

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Bidders should provide a cost-effective Turn-Key Program(s) for the multiple program years running from January 1, 2020, through December 31, 2022, that prompt or enable participating customers to curtail usage during times of high demand or when EPE calls for a load curtailment event. Each Option must be cost-effective on its own.

The Program budget for the RDRP is \$310,000 in each state.

The numbers to be used to calculate the Texas program's cost-effectiveness are as follows:

- EPE's internal administrative costs are approximately \$75,000;
- Avoided costs in Texas for 2019, as established by the PUCT, were set at \$80 per kW per year and \$0.05084 per kWh;
- EPE uses a 7.025% post-tax discount rate to calculate the present value of the avoided cost associated with a project;
- EPE assumes a 2% escalation rate.

The numbers to be used to calculate the New Mexico's program cost-effectiveness are as follows:

- EPE's internal administrative costs are approximately \$40,000;
- Avoided costs in New Mexico for 2019, as established by the NMPRC, were set at \$0.0144 per kWh per year;
- EPE uses an 8.3667% discount rate to calculate the present value of the avoided cost associated with a project;
- EPE assumes a 2% escalation rate.

### 2.1 Program Requirements

The proposal shall describe the Bidder's platform for management of programs, events, and devices. In addition, the Bidders shall describe the demand response system maintenance schedule, including frequency and length of maintenance, and any required down-time during specific hours.

Bidders shall describe how their proposed program will engage EPE's customers in demand response and if the program can provide participating customers access to web-portal, mobile applications ("apps"), or other interactive tools.

For each event, a program report is required to capture event duration, individual device and/or participant demand reduction, and customer data to be submitted for validation by the Company and/or the evaluators. During the term of the RDRP, EPE may select a statistically relevant sample of customers for interval metering to validate data reports provided by the selected Bidder. Please refer to Section 4 for additional requirements.

In addition to defining measurable load reductions of the proposed program, the proposed program should be scalable. The demand response infrastructure design should allow future program expansion. The demand response program's architecture needs to incorporate the latest cyber security techniques and standards provided by the Company. Please refer to Section 6 for additional requirements.

## 3 RFP Schedule and Process

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### 3.1 RFP Schedule

The following tentative schedule and deadlines apply to this solicitation

RFP Issuance Date	September 26, 2019
Submission of Bidder Questions by Program	October 14, 2019
Responses to Bidders' Questions by Program	October 24, 2019
Intent to Bid on Specific Program	October 30, 2019
<b>Proposal Due Date</b>	<b>November 11, 2019</b>
Bidder Interviews at EPE's discretion	December 9 - 13, 2019
EPE Selection of Program(s) Tentative Date	December 20, 2019
Contract Negotiations and execution of agreements Tentative Date	March 15, 2020
Program Implementation Date	March 18, 2020

EPE reserves the right to modify, cancel or withdraw this RFP and to revise the schedule specified above if, in the sole discretion of EPE, such changes are necessary.

### 3.2 Invoicing and Taxes

Bidder shall provide separate invoices to EPE for services performed in Texas and services performed in New Mexico.

#### **Invoicing and taxes for services performed in Texas:**

##### **Invoicing**

Bidder shall separately state equipment and/or parts on the invoice.

##### **Taxes**

Bidder shall invoice EPE for and EPE agrees to pay, state sales, use, or similar taxes, if applicable, to the Services or the Bidder Materials or, in lieu thereof, EPE shall provide to the Bidder a valid tax exemption certificate exempting EPE from the payment of such taxes or a valid direct pay certificate allowing EPE to pay such taxes directly to the state taxing authority.

#### **Invoicing and taxes for services performed in New Mexico:**

##### **Invoicing**

Bidder shall separately state equipment and/or parts on the invoice. The invoice shall separately state the amount of New Mexico Gross Receipts Tax due on the invoice.

##### **Taxes**

Bidder shall invoice EPE for and EPE agrees to pay, state gross receipts, or similar taxes, if applicable. The invoice shall separately state the amount of Gross Receipts Tax due on the invoice.

### **3.3 RFP Issuance**

EPE will extend an electronic invitation to companies and entities, that EPE identified while conducting market research on energy service providers, on September 26, 2019. In addition EPE will post the RFP on its website at <https://www.epelectric.com/doing-business-with-epe> to allow other entities to participate in the RFP process.

Receipt of the RFP invitation must be confirmed via e-mail response from Bidders with the Contract Negotiator.

### **3.4 Submission of Bidder Questions**

The deadline for submission of written RFP related questions will be October 14, 2019, at 5:00 p.m. Mountain Standard Time to EPE's Contractor Negotiator. Any questions submitted after that deadline will NOT be addressed.

EPE will prepare written responses to questions received and distribute the questions and responses to Bidders. Responses will be distributed to such Bidders with the question included but will not identify who originally submitted the question.

### **3.5 Responses to Bidder(s)' Questions**

All questions related to this RFP will be answered by October 24, 2019. The responses will be e-mailed to all recipients of the RFP by the Contract Negotiator.

Submission of questions is not mandatory and will not positively or negatively impact the overall review of any Bidder's submissions. Bidders should refrain from asking questions that would reveal confidential and/or proprietary information specific to their proposal.

### **3.6 Intent to Bid**

**Bidders must submit a letter of intent to bid.** All letters of intent to bid must be received by the Contract Negotiator by 5:00 p.m. Mountain Daylight Time on October 30, 2019. Failure to submit a letter of intent to bid may disqualify a bidder's proposal for further consideration.

### **3.7 Collusion**

By submitting a proposal to EPE in response to this RFP, the Bidder certifies that the Bidder has not divulged, discussed or compared its Proposal with any other Bidder(s) and has not colluded whatsoever with any other Bidder or third parties with respect to this or other Proposals.

### **3.8 Proposal Due Date and Submission Requirements**

All proposals must be received at EPE's offices to the attention of the Contract Negotiator by 5:00 p.m. Mountain Standard Time on November 11, 2019. Any proposal submitted after the due date will be excluded from consideration.

Three hard copies of the proposal(s) must be submitted. In addition, a copy of the proposal(s) must be submitted electronically via email to [bids@epelectric.com](mailto:bids@epelectric.com).

Bidders are solely responsible for ensuring the proposals are received by EPE in accordance with the RFP instructions prior to the date and time specified and at the place specified. EPE shall not be responsible for any delays in mail or by common carriers or by transmitting errors, delays, misdelivery, or mislabeling.

### **3.9 Tentative Date for Selection of Programs**

Following a review of technical and financial information, Bidders' experience and feedback obtained from references, EPE will determine which, if any, of the RDRP proposals best meet EPE's objectives and may initiate negotiations with those applicable Bidder(s). EPE will notify the selected Bidder(s) on or before December 20, 2019.

### **3.10 Tentative Date for Contract Discussions**

Should EPE choose to initiate negotiations with any Bidder(s), the tentative date for contract execution with the selected Bidder(s) is March 15, 2020. EPE, at its sole discretion, reserves the right to reject any proposed contract(s) that result from this RFP for any reason including if subsequently issued regulatory approvals or authorizations are subject to conditions, including ratemaking treatments, which are unacceptable to EPE.

### **3.11 Proposal Validity**

All proposal terms, conditions, and pricing are binding through the final selection notification and subsequent negotiations.

## **4 Proposal Content and Form**

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Bidders must demonstrate, for each Option, that its proposed RDRP is cost-effective and meets the Utility Cost Test.

### **4.1 Adherence to Format**

Unless EPE in its sole discretion elects otherwise, proposals that do not include the information requested in this section will be ineligible for further evaluation, unless the information requested is not applicable or relevant to a given proposal. EPE reserves the right to conduct any further due diligence as it considers necessary as outlined in Section 5.1(C).

### **4.2 Proposal Format**

A complete proposal is required for the RDRP assembled in the following format. Each page within the sections denoted below shall be limited to the number of pages listed in parentheses next to the title. Additionally, the pages within the tabs, unless stated otherwise in this RFP, shall be formatted to fit on 8.5 x 11 paper, have one-inch margins, utilize Times New Roman 12-point font, and have 1.5 spacing. The page size, margins, and spacing do not apply to Excel schedules. Margins and font sizes may be increased, but in no case may they be decreased. For sections that do not require a page limit, Bidders should limit their responses to relevant information and utilize reasonable formatting. The relevance of information and reasonableness of the formatting shall be determined in EPE's sole discretion.

The sections of the proposal and their page limits are as follows:

Title Page

Table of Contents

Tab 1 – Executive Summary (2-Page Limit)

Tab 2 – Program Description and Requirements (No Page Limit)

Tab 3 – High-Level Program Implementation Schedule (3-Page Limit)

Tab 4 – Marketing Capabilities and Customer Engagement Requirements (7-Page Limit)

Tab 5 – Technical Capabilities, Data Collection, and Reporting (No Page Limit)

Tab 6 – Program Costs and Estimated Cost-Effectiveness for Options 1, 2 and 3 (No Page Limit)

Tab 7 – Experience, Qualifications, Resumes, and References (No Page Limit)

Tab 8 – Financial Information (No Page Limit)

Tab 9 – Insurance and Risk Management (No Page Limit)

Tab10 – Additional Information (No Page Limit)

Additionally, each page of the proposal shall have the following information in the top right corner.

RFP for Residential Demand Response Program

RFP Number: EPE- 69881646-MM

Bidder Name

[Tab Number] Page [x] of [x]

**(A) Tab 1 – Executive Summary**

The Executive Summary should provide an overall description of the program proposal. The description should include details about the program being proposed as well as key quantitative and qualitative benefits to EPE and its customers. The summary should specify how the program will engage EPE customers to participate in the RDRP and, based on similar program results, should describe estimated demand (kW) and energy (kWh) savings.

**(B) Tab 2 – Program Description**

Each proposal must provide a comprehensive description of the proposed RDRP that includes program design, management and administration, marketing, customer enrollment, program milestones, sample reports, type of load control technology and software employed, along with other pertinent information. Each Option shall provide estimated kW and kWh savings, and an estimated level of cost-effectiveness.

The following information should be included in this section, as applicable to the proposed RDRP:

- Describe the proposed demand response customer incentive structure, (e.g. equipment rebate, annual participation incentive, seasonal incentive, etc.);
- Describe the method for providing customer incentives;
- Describe the division of responsibility between Bidder and EPE;
- Describe functions and features of DR systems proposed;
- Discuss the extent to which customer action is required to control load;
- Describe if DR systems allow customers to manually over-ride the curtailment;

- Describe system controls over customer over-rides;
- Identify if the proposed equipment can enable two-way communication with participating customers and how it is achieved;
- Describe load control strategies (pre-cooling, cycling, storage, etc.) to be utilized for the proposed DR program;
- Define DR event response time;
- Provide evidence of similar programs load savings in kW;
- Describe if there are any limitations on the timing or number of load curtailment events a utility can call each year;
- Describe if the proposed program incentives structure will require integration with the utility's billing system;
- Indicate if the proposed DR solution can allow for load control by geographical areas, average customer consumption, customer type, etc.;
- Provide description of your existing and future communication system options and associated costs;
- Discuss program scalability potential;
- Provide a technical description of load control equipment, other major hardware and software characteristics;
- Summarize the commercial operating experience of the hardware/software used or to be chosen;
- Discuss compatibility requirements for customer A/C units or other targeted load with proposed DR equipment (Wi-Fi enabled, refrigerated air only, etc.);
- Describe the information technology ("IT") configuration platform;
- Identify if the proposed software can manage multiple device brands;
- Describe the utility interface; provide graphics demonstrating utility's web-portal (if applicable);
- Describe the expectation of EPE's infrastructure (server needs, database capacities, security requirements, etc.);
- Define if program interface will be hosted by the Bidder or the utility;
- Provide any training requirements and schedule if EPE hosts the solution;
- Describe necessary software licenses and associated costs;
- Describe system architecture including cyber security standards (please refer to Section 6 for EPE's Cyber Security Standards);
- Describe the methodology for protecting customer or program sensitive information and recovery process in case of system security breaches;

- Provide graphics illustrating customer web portal and/or mobile app, if the load control devices require customer interaction;
- Describe software forecasting capabilities that can enable the Company to know the degree to which demand response as occurred to determine available energy at peak in a certain day prior to calling for load curtailment;
- Discuss if the proposed technology can offer advanced analytics features that provide energy efficiency savings;
- Describe warranties available for proposed hardware and software and associated costs (if applicable);
- Identify equipment diagnostics capabilities, required frequency of diagnostics, and availability of remote or on-site diagnostics;
- Describe data collection devices and capabilities; define how the data will be transferred to the utility. State if there are any limitations to accessing the data by the utility;
- Describe the process and frequency of equipment and software upgrades. Identify how hardware and software will be maintained in accordance with industry standards.

#### **DR Maintenance and Service Plan**

Bidders shall describe DR program maintenance and service plans in detail, which may include the following:

- Current or expected system maintenance plan, including staffing, budget, management and control over IT platform, authority over the maintenance budget;
- Cost of an annual service plan;
- Maintenance and service guarantees and associated costs;
- DR system maintenance schedule such as frequency and length of maintenance and any required down-time during specific hours;
- Cost of mandatory and optional system upgrades to ensure ongoing compliance with changing industry standards.

#### **(C) Tab 3 – High-Level Program Implementation Schedule**

Each proposal must provide a high-level schedule of program development activities, target completion dates for program implementation, as well as any training and/or program rollout necessary for each program year. Each proposal must describe the overall program development strategy and work breakdown structure that will ensure that the RDRP can be implemented in time to meet the demand response season beginning June 1, and ending September 30, of every year.

#### **(D) Tab 4 – Marketing Capabilities and Customer Engagement Requirements**

Each proposal must describe marketing capabilities, program marketing plan, and customer enrollment strategy. Each proposal must also describe EPE's expected role in program marketing.

- Describe utility's expected role in program marketing;
- Describe program marketing plan and customer enrollment strategy;
- Discuss target market for this program and how it will be reached;
- Describe if proposed program marketing can be integrated with utility's brand.

(E) Tab 5 – Technical Capabilities, Data Collection, and Reporting

Each proposal must describe engineering support in areas of evaluation, measurement, and verification (“EM&V”) analysis; quality assurance; and quality control. Each proposal must describe data collection, data retention, EPE access to data, reporting format, method, structure, etc. to EPE. Provide minimum information technology requirements including cyber security requirements (please refer to Section 6);

- Discuss the structure of communication and the implementation process between EPE and the program's implementation team, including details about physical location of the implementation team.
- Describe how a load shed signal will be delivered to the customer and the return path for communications back to vendor or EPE;
- Describe necessary communication infrastructure for the proposed DR program;
- Discuss the methodology of checking that communication signal is being received to ensure reliable operation;
- Identify how the load shed will be measured;
- Describe how the baseline usage will be estimated for evaluation of event impact;
- Provide post-event sample reports on load shed;
- Describe the frequency and type of data that will be shared with the utility;
- Specify if load savings information will be provided for individual devices or for an entire group of devices.

(F) Tab 6 – Program Costs and Estimated Cost-Effectiveness

Proposals must clearly state all components for each Option below of the proposed RDRP. Bidders must provide an itemization of the program costs for each state including program implementation costs, customer incentives, utility administrative costs, marketing costs, taxes (*e.g.* Gross Receipts Tax), etc.

- Option (1) – Implementation of the RDRP in both states simultaneously with costs itemized separately for each state.
- Option (2) – Implementation of the RDRP in Texas, as a standalone program.
- Option (3) – Implementation of the RDRP in New Mexico, as a standalone program.

Bidder shall invoice EPE for and EPE agrees to pay, state sales, use, or similar taxes, if applicable, to the Services or Materials or, in lieu thereof, EPE shall provide to the Bidder a

valid tax exemption certificate exempting EPE from the payment of such taxes or a valid direct pay certificate allowing EPE to pay such taxes directly to the state taxing authority.

**(G) Tab 7 – Experience, Qualifications, Resumes, and References**

The capability and experience of any Bidder must be demonstrated to provide assurance that the Bidder, and any other party involved in the proposal, has adequate competence, resources, and skills. Each proposal must include the following information, as a minimum:

- Identify the program's implementation team by entity, person, or job function as appropriate; and
- Description of technical and project management experience, specifically with respect to the implementation of an energy efficiency program similar to the proposal, and previous collaboration efforts with electric utilities and statewide independent evaluator(s) if any;
- Identify other utility programs Bidder has implemented;
- Description of experience with programs similar to the proposed RDRP;
- Description of marketing experience with programs similar to the proposal;
- Description of documented program results for programs similar to the proposal;
- Description of maintenance and service experience for programs similar to the proposed RDRP;
- Resumes, licenses and certifications; and
- List of utility and energy efficiency industry references.

**(H) Tab 8 – Financial Information**

The financial viability of any proposal must be demonstrated to provide assurance that the Bidder, and any other party involved in the proposal, has adequate financial capability. Each proposal must include the following information, at a minimum:

- Dun & Bradstreet (DUNs) number, if applicable;
- Most recent financial reports for the Bidder and any other parties involved, or most recent copy of certified public accountant ("CPA") audited (or reviewed) income statements, balance sheets, and cash flow statements for the past three years;
- Investment rating of the Bidder or its parent company by Moody's and/or Standard & Poor's as applicable;
- Description of any current credit issues raised by rating agencies, banks, or accounting firms; and
- A list all lawsuits, regulatory proceedings, or arbitration in which the Bidder or its affiliates or predecessors have been, or are engaged in, that could affect the Bidder's performance of its bid. Bidders should identify the parties involved in such lawsuits, proceedings, or arbitration as well as the final resolution or present status of such matters.

(I) Tab 9 – Insurance and Risk Management

A list of existing insurance contracts, listing policies by coverage, expiration date, insurer and limits per policy should be included. Also, on a per coverage basis, provide current experience modifier and prior loss history for the last three (3) years. Bidders shall also describe their risk management program if insurance coverage will derive from a parent company.

(J) Tab 10 – Additional Information

Any additional documentation necessary to provide relevant details on a particular section that causes that section to exceed page limits or that cannot conform to that section's formatting requirements shall be included here. Documents included in Tab 10 may not necessarily be reviewed by EPE, and thus, may not necessarily factor into EPE's selection of a Bidder.

## 5 Evaluation Process and Selection Criteria

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EPE will assess the proposals to determine which, if any, will provide the best value for EPE's customers and the Company.

### 5.1 Proposal Review

EPE will first determine if each proposal meets the bid eligibility requirements. Only those proposals that satisfy the bid eligibility requirements will be further evaluated through EPE's screening and due diligence processes. If at any time during the evaluation process EPE determines that a proposal does not meet its requirements, including timely submission of all documents pursuant to this RFP, EPE reserves the right to disqualify the Bidder's proposal, and EPE will notify the Bidder accordingly during its notification process.

(A) Bid Eligibility Determination

Each proposal will be reviewed to determine if it meets the requirements outlined in this RFP and will be preliminarily reviewed for completeness in accordance with the RFP requirements. The Company reserves the right to reject any, all, or portions of any proposal received for failure to meet any criteria set forth in this RFP. The proposal must be submitted on time and comply with the proposal format found in Section 4 and the submission requirements in Section 3.7. Proposals rejected at this stage will not be subjected to further evaluation by the Company.

(B) Initial Bid Screening Process and Selection Criteria

The Company will evaluate if the proposal meets EPE's energy efficiency program objectives. EPE will utilize the following Selection Criteria in its evaluation of the proposals:

- **Completeness and Responsiveness** – Proposals must meet all criteria set forth in the RFP. A thorough explanation of all aspects of the proposal should be included. As well as a detailed program implementation plan should be provided;
- **Cost-Effectiveness** – An energy efficiency program is deemed to be cost-effective if the cost of the program to the utility is less than or equal to the benefits of the program. EPE uses the Utility Cost Test ("UCT") to measure cost-effectiveness. A benefit-cost ratio greater than 1.0 indicates the program is cost-effective;

- Evidence of energy saved – Program proposals must provide a detailed description of the energy saved or the load reduction resulted from similar type programs;
- Experience – Proposals must demonstrate that the Bidder has direct experience designing, developing, and implementing energy efficiency programs and possess extensive technical and marketing experience with successful projects of a similar nature;
- Financial Viability and Creditworthiness – Proposals should demonstrate that the Bidder has a proven financial track record and be able to provide documentation that demonstrates access to financial resources required to complete the project;
- Project Schedule – Proposals must demonstrate that the program will be ready for initial implementation by June 1, 2020, and be viable through program years 2020 through 2022;
- Technical Capabilities – Proposals must demonstrate the technical capability of the Bidder, directly or through the use of subcontractors, to successfully implement the programs herein. Proposals should include solutions that enable the creation of reports from the program and the ability to provide those reports or data in a usable format to the Company.

Those proposals that adequately address all applicable Selection Criteria shall be subjected to due diligence screening.

### (C) Due Diligence Screening

The Company will conduct due diligence screening to validate information presented in the proposals and ensure that the Selection Criteria is met. EPE may request additional information from Bidders, and Bidders agree to make available to the Company any financial, technical, or other such information associated with the Bidder and its proposal.

EPE may also conduct interviews with some or all of the Bidders as part of its due diligence efforts. Interviews shall be conducted at EPE's sole discretion, and invitations for interviews are not necessarily indicative of a Bidder's overall ranking.

## **5.2 EPE's Selection of Bids and Discussions with Bidder**

After conclusion of the proposal reviews, EPE may make a final selection of one or more proposals for negotiation for the RDRP agreement. An EPE Master Consulting Services Agreement is included with this RFP as Appendix A. EPE will notify Bidders whose proposals are eliminated from further consideration.

If EPE cannot reach acceptable agreement terms with the final selected Bidder(s), EPE reserves the right to terminate negotiations with that Bidder(s) and begin discussions with other Bidders, begin a new solicitation, or cancel this RFP. Furthermore, EPE, in its sole discretion, reserves the right to not select any proposals for negotiation of any agreement if warranted by its evaluation.

## 6 Cyber Security Standards

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If the proposed RDRP is a “hosted solution”, it will be subject to the following requirements:

### 6.1 Hosting Services

Host shall provide EPE with access to any online Hosting System and will provide for the storage and retrieval of EPE data in connection with use of the hosting system.

### 6.2 Access

EPE users may include EPE employees, customers and contractors. EPE is responsible for the confidentiality and use of account names and passwords. Host shall deem any communication, data transfer, or use of the Hosting System received under EPE account names and passwords to be for EPE users benefit and use. EPE agrees to notify Host if account names or passwords are lost, stolen, or being used in an unauthorized manner. EPE represents and warrants that it has the rights to all EPE Data, including the right to upload EPE Data to the Host Server in connection with its authorized use of the Hosting System. EPE agrees that the customer data and its use do not infringe the rights of any third party and agrees to indemnify and hold Host harmless from any third-party claims of infringement as provided herein.

### 6.3 Data Security

When required, EPE should have access to the Hosting System to store and retrieve data using third party programs, including specifically Internet "browser" programs that support data security protocols compatible with those specified by Host. Host shall (i) back-up and maintain the security of EPE data using industry-standard back-up tools and data security protocols, and other methods reasonably deemed to be adequate for secure business data, (ii) notify EPE in the event of a breach of security involving EPE user Data, and (iii) provide a formal written security procedure that includes industry-standard policies and procedures for safeguarding EPE users' data from loss, theft, and disclosure to unauthorized persons.

If EPE entrusts the Host with personally identifiable information or information deemed by EPE to be sensitive personal information, Host would agree to use reasonable measures to prevent the unauthorized processing, capture, transmission and use of the information that may be disclosed to Host during the course of the business relationship. Host would use reasonable measures to prevent unauthorized persons from gaining access to the data processing equipment or media where information is stored or processed. Host would agree to provide its employees and agent's access to information on a need-to-know or need-to-access basis only and agrees that any persons having authorized access to such information will be bound by obligations of confidentiality, nonuse and non-disclosure.

### 6.4 Data Breach Notification

Host shall notify EPE in writing of any breach involving Unsecured EPE users' data immediately upon becoming aware of such breach. All reports of breaches of Unsecured EPE users' data shall be made in compliance with applicable laws, unless otherwise directed by law enforcement officials due to any criminal investigation that may arise from such breach.

In addition, Bidders proposing a “hosted solution” must provide the following information, if applicable:

- Use of Accounts; username passwords for access;
- Backup and maintain the security of EPE users' data;
- Notify EPE in the event of a breach;
- A formal written security program (provide a copy of written security program);
- EPE users shall retain ownership of the data stored or retrieved in connection with use of hosting system.

## 7 Notice of Disclaimer

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EPE has prepared the information provided in this RFP to assist interested persons and entities in making a decision whether to respond with a proposal. EPE reserves the right to modify, change, supplement, or withdraw the RFP at its sole discretion. No part of this document or any other correspondence from EPE, its employees, officers, or consultants shall be taken as legal, financial or other advice, nor as establishing a contract or any contractual obligations. All communication between Bidders and EPE, except where indicated otherwise in this RFP, shall be conducted in writing.

EPE makes no representations or warranties regarding the completeness of the information contained within the RFP and does not purport that this RFP contains all of the information needed for Bidders to determine whether to submit a proposal. Neither EPE nor its employees, officers, or consultants will make, or will be deemed to have made, any current or future representation, promise, or warranty, expressed or implied, as to the accuracy, reliability, or completeness of the information contained within the RFP or any other information provided to Bidders.

Bidders who submit proposals do so without legal recourse against EPE, or EPE's directors, management, employees, agents, or contractors, due to EPE's rejection, in whole or in part, or their proposal or for failure to execute any agreement with EPE. EPE shall not be liable to any Bidder or to any other party, in law or equity, for any reason whatsoever related to EPE's acts or omissions arising out of, or in connection with, the RFP process.

EPE reserves the right to reject, for any reason, any and/or all proposals. EPE further reserves the right to waive any irregularity or technicality in proposals received, or to consider alternatives outside of this solicitation, at its sole discretion, to satisfy its load savings goals and customer needs. In addition, EPE reserves the right, in its sole discretion, to modify or waive any of the criteria contained herein and/or the process described herein.

No Bidder will have any claim whatsoever against EPE, its employees, officers, or consultants arising from, in connection with, or in any way relating to this RFP. Without limiting the generality of the foregoing, each Bidder agrees, by and through its submission of a proposal, that rejection of a proposal will be without liability on the part of EPE, its employees, officers, or consultants, nor shall a Bidder seek recourse of any kind against any of the foregoing on account of such rejection. The filing of a proposal shall constitute an agreement of the Bidder to each and all of these conditions. Each Bidder and recipient of this RFP is responsible for all costs incurred in evaluating, preparing, and responding to this RFP. Any other costs incurred by any Bidder during negotiations are also the responsibility of the Bidder.

# Appendix A: EPE Master Consulting Services Agreement

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See Attached.