



**Duquesne Light**

*Our Energy...Your Power*

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**Tishekia E. Williams**  
Senior Counsel, Regulatory

August 28, 2015

*Via Overnight Delivery*

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building, 2<sup>nd</sup> Floor  
400 North Street  
Harrisburg, PA 17120

**Re: Act 129 Energy Efficiency and Conservation Program Phase III Implementation Order  
Docket Number - M-2014-2424864**

Dear Secretary Chiavetta:

In accordance with the Pennsylvania Public Utility Commission's ("Commission") *Energy Efficiency and Conservation Program Order* entered June 19, 2015, docket number M-2014-2424864, related to Act 129 Phase III Implementation, Duquesne Light Company ("Company") hereby submits for Commission review and approval its proposed Request for Proposal ("RFP") process.

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

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

The Company respectfully requests that the Commission issue a Secretarial Letter approving the RFP process. Please feel free to contact me with any questions regarding this matter.

Respectfully Submitted,

Tishekia E. Williams  
Senior Counsel, Regulatory

Enclosures

cc: Office of Consumer Advocate  
Office of Small Business Advocate  
Bureau of Investigation and Enforcement

**RECEIVED**

AUG 28 2015

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Duquesne Light Company**

**Act 129 III Plan for Issuance of Requests for Proposals  
and  
Awarding of Conservation Service Providers (“CSP”) Contract**

**Effective Date: \_\_\_\_\_**

**RECEIVED**

AUG 28 2015

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

## 1. Background

Pennsylvania's Act 129 of 2008 ("Act 129") requires electric distribution companies ("EDCs") such as Duquesne Light Company ("Company") to implement Energy Efficiency Conservation and Demand Response ("EECDR") programs. Act 129 further provides that EDC plans may be administered by the EDC, or one or more Conservation Service Providers ("CSPs"). CSPs shall be chosen by competitive process and are required to follow all requirements of Act 129, the Pennsylvania Utility Commission's ("Commission" or "PUC") Act 129 Implementation Order for the applicable Energy Efficiency & Conservation (EE&C) Phase, and the PUC's CSP Implementation Order for the applicable EE&C Phase. Specific requirements of the CSP process will include, but are not limited to, the following:

- a. The Company will contract with one or more CSPs to implement all or part of the EE&C Plan as approved by the Commission.
- b. The RFP will be issued to all qualified registered CSPs using the current posting of the CSP register on the PUC's website.
- c. The RFP will encourage participation in the RFP by "disadvantaged businesses" (i.e., minority-owned, women-owned, persons-with-disability-owned, small companies, companies located in Enterprise Zones, and similar entities) consistent with the Commission's Policy Statements at 52 Pa. Code §§ 69.804, 69.807 and 69.808.
- d. Any CSP that is affiliated with any Pennsylvania EDC will not be considered.

## 2. Soliciting CSP Bids

- a. The Company's CSP selection team will develop a calendar of events to include the following:
  1. RFP Issue date
  2. Vendor question and answer session date
  3. RFP Response date and time
  4. Date of award decision
  5. Submission of final contract to commission staff prior to execution
- b. Company will competitively bid all CSP contracts in accordance with the Commission's Act 129 Implementation Order.
- c. The RFP will be issued through the Duquesne Light's Supply Chain Department and all responses will be received by the Supply Chain Department. Duquesne Light's Supply Chain Department will utilize the PowerAdvocate platform for issuance and management of the RFP process.
- d. The RFP will be issued to all qualified registered CSPs using the current posting of the CSP register on the PUC's website. Bidders that are not currently registered with the

Commission but are qualified to perform the work specified in the RFP scope may participate in the RFP process. However, any winning bidder must be approved as CSP in the Commission’s CSP Registry prior to executing an agreement. The RFP will include, but not limited to, the following

- i. Bidders' instructions. This includes instructions for submitting the bid, information required to be provided with the bid, pricing structure and breakdown, identifying exceptions, bid due dates, certification that CSP is not affiliated with any Pennsylvania EDC, disclosure of potential conflicts of interest.
- ii. Scope of work. This includes the work to be performed by the CSP, schedule of key activities, list of deliverables, technical and administrative requirements, quality assurance, monitoring progress and progress reporting, project documentation, how to measure performance, how to track quantities of service or products delivered and associated true-up procedures, how to identify and contact potential customers, processes for resolving customer disputes, etc.
- iii. Terms and Conditions. This includes legal terms and conditions such as contract duration, regulatory requirements, compensation structure including incentives and penalties, compliance, indemnification, contract dispute resolution process, qualifications & experience, insurance, criminal and background checks, customer privacy requirements, requirement for PUC approval of Contract, warranty, payment terms, non-compliance, breach of contract, remedies, cancellation, contract modification, certification that CSP is not affiliated with any Pennsylvania EDCs, and disclosure of conflicts of interest.

**3. CSP Bid Review and Evaluation**

- a. Proposals must be received by the established deadline and fulfill all areas of the Scope of Work and Bidder Proposal Format or they will not be considered.
- b. Proposals must address 100% of the items in the RFP whether or not the bidder proposes to perform them.
- c. The Company’s CSP selection team will identify appropriate selection criteria along with the weighting factors that will be used. Criteria and weighting factors are provided below:

<b>Selection Criteria</b>	<b>Total Possible Points</b>
<b>1. Proposal</b>	<b>45</b>
a. Marketing plan is described and will encourage customer participation.	5

b. Process for customer enrollment/participation is clearly defined and appears to be effective/innovative	10
c. The proposal describes proven methodologies describing how customer savings will be measured/reported/verified	10
d. Quality Assurance procedures are identified.	5
e. Work Plan is coherent, comprehensive and achievable	15
<b>2. Experience and Capabilities</b>	<b>25</b>
a. Bidder possesses demonstrated experience and expertise in sector(s) the proposed program will target.	15
b. Case study examples are applicable and sufficient.	5
c. Bidder team member roles and responsibilities are identified.	5
<b>3. Time Schedule</b>	<b>10</b>
a. Timetable is outlined and milestones are achievable.	10
<b>4. Cost Proposal</b>	<b>20</b>
a. Bidder proposes innovative, varied approach to achieve desired program performance goals while adding value.	20
<b>Total</b>	<b>100</b>

- d. Copies of all responses will be forwarded to the CSP selection team for review and recommendation. The Company may conduct on-site finalist interviews during any time in the review process. The CSP selection team will collectively evaluate each response based upon the established criteria in a Bidders' Evaluation Matrix and document their results.

The evaluation criteria as well as the final evaluation results will also be documented in PowerAdvocate.

#### **4. CSP Contract Award/Execution**

- a. Based upon the overall evaluation, the CSP selection team will recommend a proposed CSP(s) and finalize the proposed CSP contract negotiations.
- b. *The EDC will develop and file all proposed CSP contracts and contract amendments with the Commission, and relevant attachments for review and approval prior to awarding or executing the contract.*
- c. If the PUC has not commented upon or disapproved the proposed CSP contract within 45 days of submittal to the PUC, then the Company is permitted to proceed with awarding the contract without modification.

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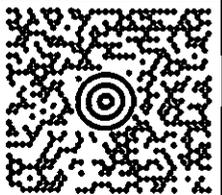
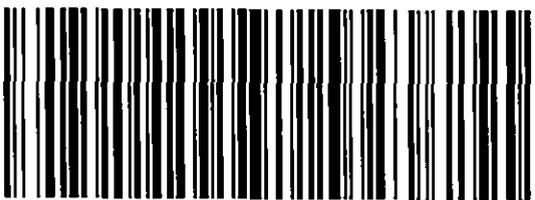
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TISHEKIA WILLIAMS 412-393-1541 DUQUESNE LIGHT 411 SEVENTH AVE PITTSBURGH PA 15219	<b>0.0 LBS LTR</b>	<b>1 OF 1</b>	
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