BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking for Oversight of Energy Efficiency Portfolios, Policies, Programs, and Evaluation.	Rulemaking 25-04-010

SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) SUBMISSION OF THE SEMI-ANNUAL INDEPENDENT EVALUATOR REPORT ON THE THIRD-PARTY SOLICITATION PROCESS

PUBLIC VERSION

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Dated: **December 29, 2025**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE

STATE OF CALIFORNIA

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PUBLIC VERSION

Pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission (Commission or CPUC), and in compliance with Commission's Decision D.18-01-004, Southern California Edison Company (SCE) submits, on behalf of the independent evaluators (IEs), this Semi-Annual Independent Evaluator Report on the Third-Party Solicitation Process of Southern California Edison Company. The Commission in D.18-01-004 required that the IEs, among other things, "shall also provide assessments of the overall third party solicitation process and progress, on at least semi-annual basis, to the Commission via reports filed in the relevant energy efficiency rulemaking (currently R.13-11-005)."[1]

Because the IEs are not parties to the energy efficiency proceeding, SCE is filing this semi-annual report regarding SCE's third-party solicitation progress (from April 2025 through

[1] D.18-01-004 at p. 38 and Ordering Paragraph 5(c). The Commission has since closed R.13-11-005 and opened a new energy efficiency rulemaking, R.25-04-010. Therefore, SCE is filing this and future reports in R.25-04-010, the "relevant energy efficiency rulemaking . . .".

September 2025) on behalf of the IEs, who prepared the report. Concurrent with the submission of the public version of the IEs' semi-annual report, SCE is filing the confidential version of the same report to the Commission through a Motion to File Under Seal.

Respectfully submitted,

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/s/ Ellen A. Berman

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Dated: December 29, 2025

Appendix A

Semi-Annual Independent Evaluator Report [PUBLIC VERSION]

Semiannual Report

SOUTHERN CALIFORNIA EDISON COMPANY

Third-Party Energy Efficiency Program Solicitations

PUBLIC VERSION

Reporting Period: April 2025 through September 2025

Prepared by Independent Evaluators:
Barakat Consulting, Inc.
Don Arambula Consulting
EAJ Energy Advisors
Great Work Energy
Merrimack Energy

December 2025

Disclaimer: This report includes sensitive and confidential information.

INDEPENDENT EVALUATORS' SEMIANNUAL REPORT

SOUTHERN CALIFORNIA EDISON COMPANY

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I. Overview

A. Purpose

The Independent Evaluators' (IE) Semiannual Report (Semiannual Report or Report) provides an assessment of Southern California Edison Company's (SCE or the Company) third-party energy efficiency (EE) program solicitation process and progress by SCE's 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 during the period from April 1, 2025, through September 30, 2025, unless otherwise noted. This Report is intended to provide feedback to SCE, the PRG, and other stakeholders on the progress of SCE's EE program solicitations in compliance with this CPUC direction.

These Reports will be filed periodically throughout SCE's entire third-party solicitation process. This Report identifies areas for improvement and highlights effective practices noted by the IEs based on SCE's current program solicitations. The Report does not replace the required Final IE Solicitation Reports provided to SCE and its PRG by the assigned IE after each solicitation.

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 (PA).[4]

In January 2018, the CPUC adopted Decision 18-01-004 directing the four California IOUs, SCE, San Diego Gas & Electric (SDG&E), Pacific Gas and Electric (PG&E), and Southern California

[1] Decision 18-01-004, Ordering Paragraph (OP) 2.
[2] Id, p. 38.
[3] Id, OP 5.c.
[4] Decision 16-08-019, OP 10.

Gas Company (SoCalGas), to assemble an EE PRG.[5] The IOU's PRG, a CPUC-endorsed entity, is composed of non-financially-interested parties, representing diverse stakeholder interests, as well as Commission staff, including the Public Advocates Office (Cal Advocates or CalPA). 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 briefs its PRG periodically[6] throughout the process on topics including Request for Abstracts (RFA) and Request for Proposals (RFP) language development, abstract and proposal evaluation, contract negotiations, and development of the program's Implementation Plan.

Minimum Threshold Requirement for Third-party Programs

The CPUC, in Decision 18-01-004, 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 requirement [8] 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 California Energy Data and Reporting System (CEDARS).[9]

Guidance Letter from the Energy Division

On March 11, 2020, the Energy Division provided additional guidance to the IOUs in response to concerns raised during the Semiannual CPUC-hosted public workshops about solicitation delays:

Solicitation Schedules

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

[5] Decision 18-01-004, OP 3.
[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.

RFA Guidance

- Adhere to the intent of the RFA stage explained in Decision 18-01-004.
- 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 commitments made in response to stakeholder requests.
- Provide non-advancing bidders notification if their abstracts/proposals didn't advance due to being incomplete or non-conforming, a violation, or an unmitigated conflict of interest.
- After the June 30 and September 30, 2020, deadlines were met, Energy Division encouraged the IOUs to make feedback available to bidders notified prior to the date of this letter that they did not advance to the next stage of solicitations.

Energy Efficiency Portfolio Segments and Total System Benefits

In Decision 21-05-031, the CPUC approved significant changes to energy efficiency policy, most notably adopting a new metric for energy efficiency programs called Total System Benefit (TSB) and segmenting the energy efficiency portfolios into programs whose primary purpose 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.[12]

- **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 Total System Benefits goals.
- **Market Support** – Programs with a primary objective of supporting the long-term success of the energy efficiency 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 or underserved customers and disadvantaged communities 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.

[10] Decision 21-05-031, OP 2.
[11] Id, OP 1.
[12] Decision 21-05-031, pp. 14-15.

Single or Two-Stage Solicitation Approaches

Effective February 3, 2023, the CPUC allows the 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 portfolio. The IOU is required to provide the rationale for conducting either a single or two-stage solicitation to its PRG.[13]

C. Overview of Solicitations

This Report represents a collection of individual IE assessments for each of SCE's active program solicitations. The Report 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 SCE has not yet released an RFA/RFP. Table C.1 lists SCE's third-party solicitations, assigned IE, and status.

Table C.1: Solicitations Overview

Solicitations	Assigned IEs	Status
Local Residential, Commercial, Industrial	MCR Corporate Services	Complete
Statewide Lighting	Barakat Consulting, Inc.	Complete
Statewide Emerging Technologies (Electric)	Barakat Consulting, Inc.	Complete
Local Agricultural	Don Arambula Consulting	Complete
Local Public	Don Arambula Consulting	Complete
Statewide Higher Education	MCR Corporate Services	Complete
Statewide Water and Wastewater Pumping	MCR Corporate Services	Complete
Local Equity Residential	Barakat Consulting, Inc.	Complete
Local Equity Small Medium Business	Barakat Consulting, Inc.	Complete
Local Industrial and Agricultural SEM	Great Work Energy	Complete
Local Commercial SEM	Great Work Energy	Complete
Local Commercial Food Services	Don Arambula Consulting	Canceled
Local Commercial Grocery	Don Arambula Consulting	Canceled
Local Large Commercial	Merrimack Energy	Canceled
Local MultiFamily	EAJ Energy Advisors	Complete
Local Industrial	ET Lowe Consulting[14]	Complete
Local Market Access Program	Great Work Energy	Complete
Local Residential Sector	Don Arambula Consulting	Complete
Local Comprehensive Commercial	Merrimack Energy	Complete
Statewide Midstream Plug Load & Appliance	ET Lowe Consulting	RFP

Legend
Pre-RFA: Activities conducted prior to RFA release.
RFA: Includes bid preparation and evaluation period.
Pre-RFP: Activities conducted prior to RFP release.
RFP: Includes bid preparation and evaluation period.
Contracting: Contract negotiations are being held.

[13] Decision 23-02-002, OP 7.
[14] Barakat Consulting, Inc. transferred IE responsibilities to ET Lowe Consulting during this solicitation.

Table C.1: Solicitations Overview		
Solicitations	Assigned IEs	Status
Contract Executed: Parties signed the Contract. **Complete**: All solicitation activities have been concluded and reported on 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 the third-party solicitation process in late 2018, SCE has executed the contracts listed in Table C.2. These executed contracts represent third-party programs that may be eligible towards SCE's minimum third-party program threshold requirement as directed by the CPUC in Ordering Paragraph 4 of Decision 18-05-041.

Table C.2: Solicitations to Meet Portfolio Goals					
Solicitation	Company	Program Name	Contract Agreement Signed	Contract[15] Amount	DBE%[16]
RCI – Residential	Enervee	Choice Engine	September 29, 2020	$19,006,236	0%
RCI – Residential	ICF Resources, LLC (ICF)	Residential Behavioral	September 29, 2020	$38,122,591	15%
RCI – Commercial	ICF	Commercial Behavioral	September 29, 2020	$6,530,297	
RCI -Residential	Willdan	Multifamily	September 29, 2020	$82,170,000	40%
RCI – Commercial	Willdan	Commercial	September 29, 2020	$387,600,000	
RCI – Industrial	Willdan	Industrial	September 29, 2020	$155,000,000	
Statewide Lighting	TRC Solutions	Statewide Lighting	September 29, 2020	$36,000,000	21.5%
Statewide Emerging Technologies	Cohen Ventures dba Energy Solutions	Statewide Emerging Energy Technology Program	September 14, 2021	$67,553,849	5%
Public Sector	CLEAResult Consulting	Public Energy Performance Program	December 14, 2021	$22,762,103	7.5%
Agricultural Sector	ICF	Agricultural EE Program	December 20, 2021	$11,499,813	15%
Statewide Higher Education	CLEAResult Consulting	Higher Education Efficiency Program	February 9, 2022	$12,571,286	9%
Statewide Water and Wastewater Pumping	Lincus, Inc.	Statewide WISE™ Program	May 2, 2022	$15,481,218	100%[17]

[15] All contract values as of September 30, 2025; final values will be reflected in Advice Letter filings and IE Final Reports.
[16] The Diverse Business Enterprise (DBE) spend is an estimate of the supplier-level pledge to show a percentage of the budget that is expected to be contracted and/or subcontracted with DBE firms that are CPUC Supplier Clearinghouse certified. DBE with a contract amount of 100% indicates the prime contractor (Company) is a certified DBE. Actual DBE spend will be reported by the IOU per General Order 156.
[17] Lincus is a Tier 1 DBE.

Table C.2: Solicitations to Meet Portfolio Goals					
Solicitation	Company	Program Name	Contract Agreement Signed	Contract[15] Amount	DBE%[16]
Local Residential Equity	CLEAResult Consulting	Residential Energy Advisement (REA)	March 28 and 29, 2023	$12,277,584	9%
Local Residential Equity	Global Energy Services	Disadvantaged Community Outreach Program	March 28, 2023	$4,275,000	100%[18]
Local SMB Equity	Resource Innovations	Simplified Savings Program	May 9, 2023	$14,551,739	17%
Local Industrial and Agricultural SEM	Cascade Energy	EnergyIMPRESS (Industrial and Agricultural)	January 26, 2024	$23,401,983	3.5%
Local Industrial and Agricultural SEM	CLEAResult Consulting	Industrial and Agricultural Energy Management Program	January 24, 2024	$29,949,001	4.6%
Local Commercial SEM	Cascade Energy	EnergyIMPRESS (Commercial)	January 26, 2024	$10,446,411	3.5%
Local Commercial SEM	CLEAResult Consulting	Commercial Energy Manager	January 24, 2024	$28,861,380	6.3%
Local Residential MultiFamily	Synergy Companies	Local Residential Multifamily	August 16, 2024	$20,000,000	0%
Local Market Access Program	Alternative Energy Systems Consulting	Market Access Program	November 13, 2024	$19,998,870	1%
Local Market Access Program	Mendota Group	Grid-enhanced Incentive Design	November 13, 2024	$19,998,998	100%
Local Residential	Oracle	Customer Home Engagement for Energy Reduction	January 27, 2025	$22,667,464	32%
Local Residential	Synergy Companies	Residential Energy Solutions	January 27, 2025	$33,000,000	50%
Local Comprehensive Commercial	Cascade Energy	Comprehensive Refrigeration Energy Savings and Training	January 28, 2025	$6,511,030	0%
Local Comprehensive Commercial	Resource Innovations	Commercial Energy Reduction Initiative	January 28, 2025	$19,991,497	0%
Local Comprehensive Commercial	Redwood Energy Services, Inc.	Refrigeration Efficiency and Leak Management	May 19, 2025	$4,999,900	0%
Local Industrial	Energy Solutions	Industrial Incentive Solutions	June 27, 2025	$13,531,012	0%
Total				**$1,138,759,262**	**30.20%**

[18] Global Energy Services is a Tier 1 DBE.

D. IE Assessment of Solicitations

The following are key observations from the individual IE reports on specific solicitations during the reporting period, as presented in Attachment II. Corresponding details are provided in Table D.1, including a summary of IE recommendations and outcomes. Other IE recommendations are presented in the individual IE reports.

Table D.1: Key Issues and Observations			
Topic	**Observation**	**IE Recommendation(s)**	**Outcome (IOU Action/Response)**
Bidder Form Agreement Review Attestation	It is important that bidders have a clear understanding of the EE Form Agreement provisions and the contractual obligations associated with serving as an implementer. If bidders do not consider these provisions when developing proposals, the proposals may not be evaluated equitably. Moreover, if bidders defer review of the Agreement until contract negotiations, it can lead to significant delays and require SCE to spend additional time explaining and negotiating standard terms.	To promote a more efficient and transparent process, SCE should require bidders to 1) attest to reviewing the EE Form Agreement or 2) submit proposed redlines with their proposal.	When an Agreement is available for review, SCE generally requires an Attestation that the Agreement has been reviewed. However, SCE no longer requires redlines.
Savings Forecast Review and Evaluation	Since bidders may submit Cost Effectiveness Test (CET) files with inaccurate measures and savings assumptions, SCE should be able to review and identify these deficiencies as part of the initial evaluation process. SCE considers the TSB and cost-effectiveness forecasts after the conclusion of contract negotiations based on the last, best, and final offer. However, if SCE completes a review of the CET and savings forecast during the evaluation phase, they can better evaluate proposals side by side based on the key program metrics.	SCE should consider an initial review/evaluation of the proposed TSB and energy savings forecasts in the original submission. This would require SCE to dive deeper into the CET and measure the mix to better understand the proposal and savings assumptions. Given that achieving savings is the critical component of these programs, it is important that SCE ensure accuracy and make selection decisions based on the savings values proposed.	SCE included a cost-effectiveness review as part of the complete and conforming review for Statewide PLA.

E. Effective Solicitation Practices

While monitoring their assigned solicitations, IEs observed effective practices that made the solicitation process more effective, efficient, or transparent. The IEs want to acknowledge SCE's successful effort and recommend that all the IOUs consider the practices identified in Table E.1 for their applicability to future EE solicitations.

Effective practices reported 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 only to resource acquisition solicitations) or were effective because of the circumstances of a particular solicitation. Where the practice reported has been proven to be broadly applicable and adopted by all IOUs, it has been added to the PRG Solicitation Guidelines, as noted.

Table E.1: Effective Solicitation Practices

Effective Practice	IE Analysis	First Reported
Collaborative Program Design	SCE has expanded collaborative discussions during contract negotiations. Such exchanges among parties will improve the final program design and delivery.	June 2025
Alternate IOU Scorer	SCE identified an alternative evaluator who served as a substitute if necessary. The IE regards SCE's practice of engaging alternative evaluators as effective and recommends its continuation in future solicitations.	December 2024
Increase Solicitation Experience of IOU Staff	SCE included three shadow scorers to provide a training opportunity to enhance the professional development of less experienced staff at SCE. These shadow scorers exclusively served as trainees, and their assessments did not factor into the evaluation process. This training initiative will equip SCE with a more extensive pool of potential evaluators for upcoming solicitations. The IE supports this innovative approach to familiarizing staff with SCE's procurement practices. The IE views this as a best practice that should be implemented as SCE introduces new staff to its solicitation process.	December 2024
Implementation Plan (IP) Development Process	SCE program staff effectively coordinated development of Implementation Plans by creating and managing schedules that incorporated multiple rounds of internal review, IE review of IP and Stakeholder Presentations and all other steps required to meet the filing deadlines.	December 2024
Score Team Composition	Diversity in roles and backgrounds on the Score Team is a notable strength in bid evaluation. Calibration discussions can cover and balance a holistic view of all the elements necessary for program success: effective customer engagement, effective program delivery and management, and effective monitoring and verification (M&V).	December 2023

Table E.1: Effective Solicitation Practices		
Effective Practice	**IE Analysis**	**First Reported**
Enabling Hybrid Implementer Compensation Structures	SCE modified RFP and contract documents to invite and enable hybrid compensation structures to be proposed, allowing Implementer-proposed Deliverables-based payment to complement SCE's preferred Pay for Performance. While useful in general, and especially critical for smaller Implementers, a hybrid structure is necessary for meter-based programs (Strategic Energy Management (SEM), Normalized Metered Energy Consumption (NMEC)) where savings claims may be delayed more than a year after program launch and cash flow is needed to support program operations.	December 2023
Continuous Improvement through Evaluator Feedback	Soliciting feedback from evaluators after each stage of the solicitation process allows for changes in future solicitations.	December 2022
Pre-Recorded Bidders' Conferences	SCE pre-recorded the presentations for the Statewide Higher Education Bidders' Conference and used a moderator to introduce each presentation. The result was smooth and freed up SCE's subject-matter experts during the conference so they could respond to bidder questions.	June 2021
Scorer Training	SCE developed a process for training the scoring team for each solicitation and held mock scoring sessions. This continues to be an effective way to ensure that all scorers have the same expectations and understanding of what they are scoring.	December 2020
Pre-Read of PRG Materials	SCE holds an internal "pre-read" to review all PRG materials one week before the PRG meeting. This allows the IEs and utility staff to provide feedback and prepare materials relevant to the SCE presentations.	December 2020
Real-Time Answers at Bidders' Conference	The Bidders' Conferences are being conducted on Microsoft Teams (MS Teams), with key subject matter experts (SMEs) available on another call simultaneously and behind the scenes to field questions and provide answers in real-time for bidders. The IOU provides all responses in writing or defers until after the conference.	December 2020
Transition Bidder Response Form to a Microsoft Word (MS Word)-based Form	The RFA and RFP bidder responses use a combination of Workbooks (to capture data) and MS Word-based forms (to capture narratives), and a word or page count. Preparation is likely much more straightforward in these formats. Offer evaluation is much more efficient.	December 2020
Reduced Number of Bidder Questions at the RFA Stage	Reducing the number of bidder questions at the RFA stage minimizes the burden on the bidder and the IOU while capturing enough information to evaluate the proposal.	December 2020

Table E.1: Effective Solicitation Practices		
Effective Practice	IE Analysis	First Reported
Hold Open Office Hours During Contract Review	SCE established a new practice on a trial basis of set "office hours" to provide the PRG with additional opportunities to ask questions during this contract review period. This approach was especially useful when the PRG reviewed multiple IOU contracts simultaneously.	December 2020
Multiple Rounds of Questions and Answers (Q&A)	SCE provides more than a single round of Q&A following bidders' conferences, allowing bidders to provide follow-up questions and affording bidders more opportunities to ask questions.	December 2020

F. PRG Feedback on Solicitations

For a more detailed discussion of the specific PRG and IE recommendations for each solicitation and the IOU's responses, refer to the individual IE solicitation reports in Attachment II.

G. Stakeholder Feedback from CPUC Workshops

2025 Annual Workshop[19]

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."[20] Decision 23-02-002 modified the requirement to at least once per year. The last stakeholder meeting was held on March 6, 2025, in Oakland, California, at PG&E's offices. It was an in-person/virtual meeting lasting from 10:15 a.m. to 3:00 p.m. with 38 in-person and 107 virtual attendees.

The workshop provided an opportunity for stakeholders to ask questions, provide comments, and receive updates on past and future solicitations and IOU 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.[21] 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 (ACC), Potential and Goals Study, Database for Energy Efficiency Resources (DEER), Custom Review Process improvements and

[19] While this meeting occurred outside of the reporting period, a summary is included in this report as a point of reference for issues discussed by stakeholders.
[20] Decision 18-01-004, OP 26.
[21] https://www.caeecc.org/cpuc-third-party-public-meetings

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 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
  - 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 updates
  - Other cost-effectiveness metrics

- Lessons learned from other states

Independent Evaluator Panel: 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 implementer.

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.

II. Attachments: Individual IE Semiannual Solicitation Reports

Energy Efficiency Independent Evaluators' Semiannual Report on the

Local Comprehensive Commercial Program Solicitation

Reporting Period: April 2025 – September 2025

Prepared by:
Merrimack Energy

Disclaimer: This report includes sensitive and confidential information.

Local Comprehensive Commercial Program Solicitation

1. Solicitation Overview

For the reporting period of April 2025 through September 2025, through the Phase 2 negotiations of the Local Comprehensive Commercial (LLC) RFP, SCE presented to the PRG and executed an agreement with Redwood Energy Services, Inc. (Redwood) for the Refrigeration Efficiency and Leak Management (REALM) program. Additionally, Merrimack reviewed and commented on the draft Implementation Plan, Program Manual, and M&V Process documents.

1.1 Overview

a. Scope

On August 17, 2023, SCE launched the LLC RFP seeking Offers for resource acquisition programs that serve customers with a peak annual demand greater than 500 kW in their energy efficiency needs. The annual budget for that solicitation was capped at $15M per calendar year with the final Program Year ending no later than December 31, 2028. SCE did not receive any offers at the Offer Submittal deadline on October 12, 2023. After internal deliberation and in consultation with the IE and PRG, SCE decided to suspend the RFP in order to conduct market research and additional outreach prior to re-launching.

On February 28, 2024, SCE re-launched the RFP, which was re-named the Local Comprehensive Commercial (LCC) RFP. The LCC RFP largely mirrored the original LLC RFP; however, SCE decided to remove the commercial Service Account size requirement of 500 kW so that all commercial Service Accounts would be eligible. The target budget remained the same at $60M total for program deliveries up to four calendar years and six months, with the final Program Year ending no later than December 31, 2029.

b. Objectives

The LCC RFP was launched to target a broad range of service accounts in the Commercial sector. Sectors not included in this solicitation are Residential, Agricultural, Industrial, and Public. SCE had initiated two smaller RFPs in Q2 2023, Local Commercial Grocery and Local Food Service, that received a very limited response. As a result, SCE canceled those solicitations and launched the LLC RFP to acquire resource acquisition programs from a broader range of Commercial sector customers. SCE received no offers in response to the original issuance of the LLC RFP in the fall of 2023 and, as a result, decided to suspend the RFP. SCE conducted market outreach and made various changes to the RFP process and requirements in order to improve market participation in the LCC RFP.[22]

[22] As described later in this report, as a result of Energy Division's feedback from the February PRG Meeting to discuss the re-launch of the LLC RFP documents, SCE expanded the scope of the RFP and changed the name of the RFP to the Local Comprehensive Commercial, LCC, RFP.

Specific objectives of the LCC RFP included:

- Total Resource Cost (TRC) ratio and TSB preferences of 1.15 and $86M, respectively.
- Offers should have a pay-for-performance compensation structure tied to claimable energy savings
- Offers should highlight innovative qualities of the proposed program

In addition, customer sector objectives that were considered included the following:

- Offers with effective data tracking and monitoring, such as Embedded EM&V
- Offers that reduce or eliminate Market Barriers and reduce or eliminate Free-ridership
- Offers that serve customers defined in this Solicitation and also maximize energy savings for customers defined as Hard-to-Reach or located in Disadvantaged Communities (DAC)
- Offers that assist the customer in leveraging financing opportunities, programs, and tools
- Offers that enhance and improve the customer experience from existing SCE offerings and improve customer satisfaction (e.g., ease of participation, technical support, level of service provided, value add of the program, etc.)
- Offers that support customers' greenhouse gas (GHG) emission reduction goals and desire to participate in the clean energy future by enabling energy choices

1.2 Timing

The solicitation re-launched on February 28, 2024. SCE's schedule for the LCC RFP allowed for almost two months for bidders to develop proposals, which is more than adequate for this type of solicitation. This report covers updated milestones through the successful completion of contract executions.

Table 1.1: Key Milestones

Milestones	Planned Completion Date	Weeks to Complete	Actual Completion Date
RFP Stage			
Solicitation Launch	February 28, 2024	~22 weeks	February 28, 2024
Bidder Conference	March 6, 2024		March 6, 2024
Offer Submittal Deadline	April 29, 2024		April 29, 2024
Shortlisting Notification	July 29, 2024		Phase 1 – July 29, 2024[23] Phase 2 – October 1, 2024

[23] As described later in previous reports, SCE shortlisted proposals and conducted negotiations in two separate phases.

Table 1.1: Key Milestones			
Milestones	**Planned Completion Date**	**Weeks to Complete**	**Actual Completion Date**
Selections & Contracting (Phase 1: Cascade Energy & Resource Innovations)			
Contracting and Negotiations Period	July 30, 2024 to November 4, 2024	~22 weeks	July 29, 2024 – November 19, 2024
Final Price Refresh	November 12, 2024		December 2, 2024
Contingent Selection Notification	October 1, 2024		November 29, 2024
Contract Execution	December 31, 2024		January 28, 2025
Selections & Contracting (Phase 2: [redacted] Redwood)			
Contracting and Negotiations Period	July 30, 2024 to November 4, 2024	~22 weeks	December 3, 2024 – March 21, 2025
Final Price Refresh	November 12, 2024		March 28, 2025
Contingent Selection Notification	October 1, 2024		December 3-4, 2024
Negotiation Terminations [redacted]			February 12, 2025 & February 27, 2025
Contract Execution (Redwood)	December 31, 2024		May 19, 2025

1.3 Key Observations

As identified in the LCC RFP IE Report, Merrimack has identified the following key issues and recommendations to improve RFP processes in the future.

Table 1.2: Key Issues and Observations			
Topics	**Key Observations**	**IE Recommendations**	**Outcomes**
Bidder Form Agreement Redline Submittal Requirements	It's important that bidders have a clear understanding of the Form Agreement provisions and the contractual obligations associated with serving as an implementer. If a bidder does not consider these provisions when developing its proposal, the underlying contractual assumptions remain unclear, resulting in proposals that are not evaluated on an equal footing. Moreover, if bidders defer review of the Form Agreement until contract negotiations, it can lead to significant delays and require SCE to spend additional time explaining and negotiating standard terms. To promote a more efficient and transparent process, SCE should require bidders to submit any proposed redlines with their proposals and consider incorporating those redlines into the evaluation process.	Merrimack thinks that SCE should require bidders to submit a redlined Form Agreement as part of their proposal submission. While Merrimack doesn't feel that it's overly cumbersome to require bidders to review the Form Agreement and submit comprehensive redlines, at a minimum, SCE could provide a term sheet for bidders to review where they can provide an issues list as part of their submission. Merrimack feels that this would be a substantial improvement to the process that could allow SCE to understand the assumptions an Offeror is making in their proposal and could substantially reduce the amount of time spent negotiating contracts.	No outcome to date. As SCE noted, SCE previously allowed bidders to submit optional redlines, but few utilized this option. Based on feedback from the EE PRG and Independent Evaluators, the process was considered cumbersome and was removed.

Table 1.2: Key Issues and Observations			
Topics	**Key Observations**	**IE Recommendations**	**Outcomes**
Savings Forecast Review and Evaluation	Bidders often submit CET files with inaccurate measures and savings assumptions, and SCE should be able to review and identify these deficiencies as part of the evaluation process. [redacted]	Merrimack recommends that SCE include an evaluation of the Offerors' TSB and energy savings forecasts in the original submission. [redacted]	No outcome to date. As SCE noted, this recommendation differs from prior guidance from the IE and PRG. SCE previously included an extensive CET review and curing process in its RFP evaluations, but it was removed after IEs and the EE PRG recommended shortening IOU scoring timelines.

Since commercial lockdown was achieved during the previous Semiannual reporting period, SCE's activity was fairly limited during this reporting period. As a result, Merrimack only has one effective practice to report as shown in Table 1.3.

Table 1.3: Effective Practices	
Effective Practice	**IE Analysis**
SCE did an effective job coordinating with Redwood to develop the Implementation Plan and with Merrimack to provide comments on the resulting documents.	It is essential that the Implementation Plan accurately reflects the negotiated contracts. Providing a thorough review and comments is therefore critical to ensure the program plans align with the agreements reached.

2. RFP Stage

The Proposal Selection process was described in a previous Semiannual Report.

3. Contracting Process

The contracting process for the Cascade Energy, Resource Innovations and Redwood Energy contracts were described in the previous Semiannual Report.

3.1 Collaboration on Final Program Design and Scope

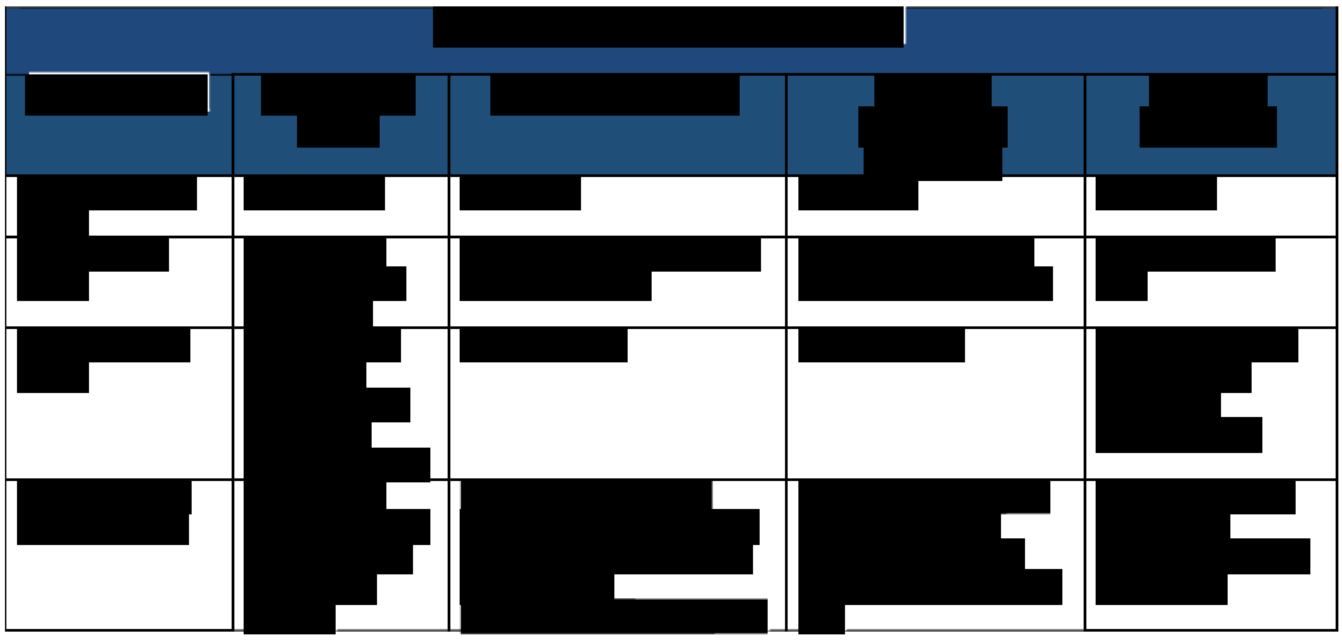
The collaboration on final program design and scope was described in the previous Semiannual Report.

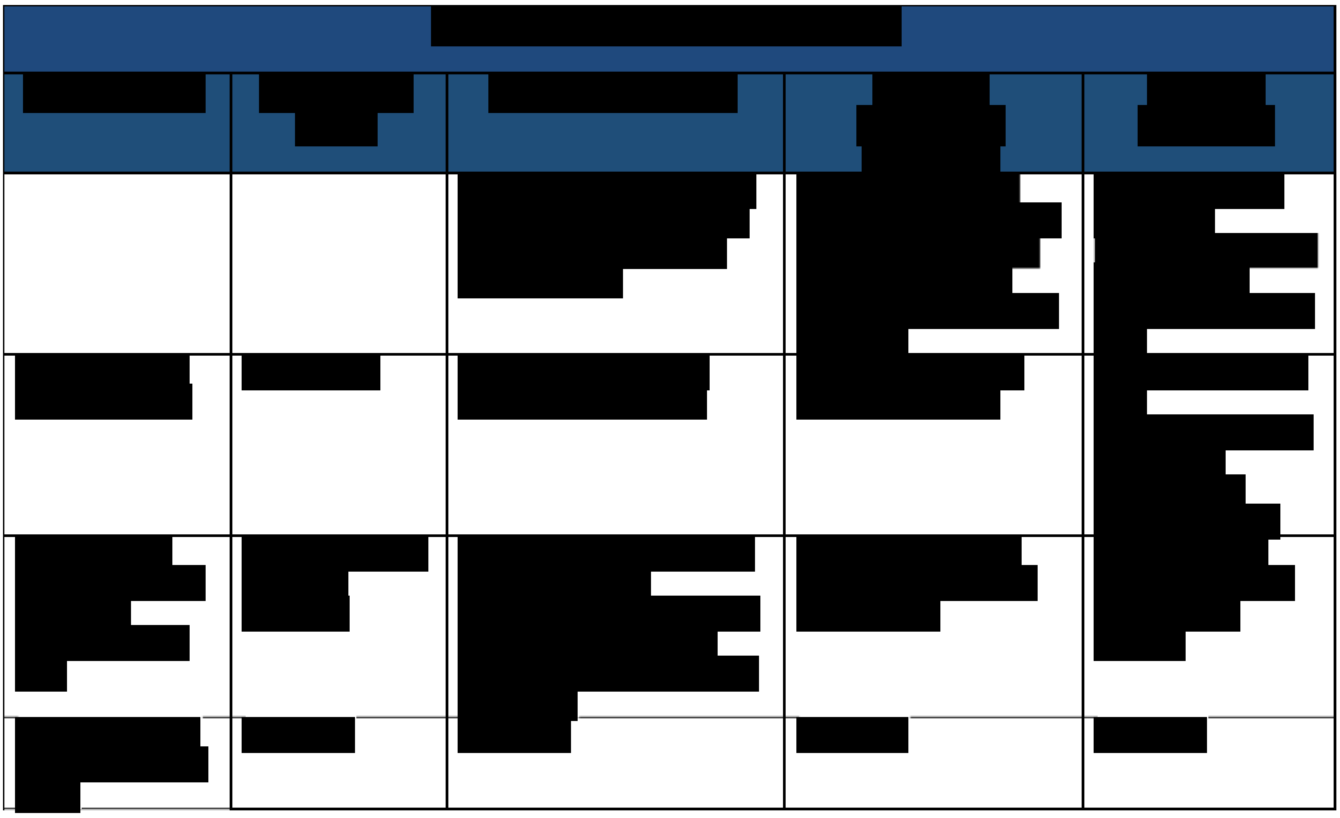
3.2 Fairness of Negotiations

The fairness of the final program design and scope was described in the previous Semiannual Report.

3.3 Changes to Contract Terms and Conditions

The CPUC standard terms are unmodified in the final contracts. As described in prior reports, there were a number of specific provisions that were discussed during the negotiation process. The most involved discussion topic for all counterparties was the payment structure. A hybrid compensation structure was mutually negotiated and incorporated into all three contracts. Table 3.1 provides a summary of [redacted]





3.4 Conformance with CPUC Policies and Objectives

As shown in Table 3.2, the two resulting contracts from Phase 1 and one contract from Phase 2 of the LCC RFP conform with CPUC policies and objectives for commercial programs and for contracting in third-party energy efficiency solicitations.

Table 3.2: Contract Alignment with CPUC Policies and Objectives

PRG Guidance and Other Considerations	IE Response
IOU should develop a standard contract template with CPUC standard terms to be compliant with applicable CPUC policies, decisions, or specific directives, consider PRG and IE feedback, and not use language/concepts that are inappropriate or typically not used in the EE industry. (PRG Guidance on Contracting, Section 6.1.1)	In March through May 2024, SCE undertook an effort to incorporate IE/PRG feedback and develop a standard form agreement. This was the basis for all negotiations in the LCC RFP.
The Contract must include all CPUC standard (non-modifiable) contract terms in the Contract (6.1.2)	All CPUC non-modifiable contract terms included.
The Contract includes CPUC modifiable contract terms as a starting point. (6.1.3)	CPUC modifiable contract terms were used as a starting point.
Other aspects of the contract template do not conflict with CPUC terms and conditions, policies, decisions, or direction. (6.1.4)	No conflicts identified.
IOU proposed Contract did not advocate for	In all three contracts, Bankruptcy is declared as

Table 3.2: Contract Alignment with CPUC Policies and Objectives	
PRG Guidance and Other Considerations	**IE Response**
altering the contract in the event of restructuring or bankruptcy (6.1.5)	an event of default for both parties (10.01(a)(ii)).
IE pool reviews the standard contract template and provides comments (6.1.6)	This occurred in April 2024. Feedback was incorporated into the contract template.
IOU must present its contracting negotiation process to the IE/PRG for review (6.2.1)	IE has been involved throughout all negotiations. The process has been reported at monthly PRG meetings.
While third-party programs are defined as those proposed, designed, and implemented by third parties, the CPUC anticipated that IOUs would negotiate with bidders to optimize the program design before the Contract was finalized. Negotiations included discussions to optimize the program design and delivery. (6.2.2)	Since Cascade and Resource Innovations have experience as program implementers, they did not need much assistance from SCE during negotiations. SCE assisted Redwood in program design during the negotiation process.
IEs monitored all bidder communications during the negotiation process (6.2.3)	Affirmative.
IOUs explained to the bidder their contracting process to the selected bidder, including the role of IE and PRG in negotiations. (6.2.4.a)	Affirmative.
IOU explained the steps in the negotiation and contracting process to the bidder, including the timeline. (6.2.4.b)	Affirmative.
IOU employed effective project management practices in review, revision and completion of contract documents. IOU provided a schedule acceptable to both negotiating parties that lays out the various documents and their current status, and reviewing and updating this in negotiation meetings is an effective practice to minimize confusion, rework and delays. (6.2.4.c)	SCE employed effective project management practices in completing contract documents. SCE was very communicative, organized, and transparent throughout the process.
Before execution, the assigned IE and PRG reviewed the final contracts for each program recommended for award. (6.3.1)	The IE has reviewed the final contracts. The PRG also had the opportunity to review and provide feedback on the contracts prior to execution.
Other Contract Considerations	
The proposed changes to the CPUC modifiable contract terms and conditions by the IOU and the bidder were reasonable and fair to both parties.	The proposed changes were reasonable and fair to both parties.
If the IOU proposed financial performance assurances in negotiations, did they present to its PRG and IE an analysis of the risk the contract may present to ratepayers and explain how a proposed performance security is appropriate to the contract size, scope, and associated risks?	There are no performance assurance provisions in the negotiated contracts.
Does the contract explicitly allow the Implementer to receive necessary customer data from the IOU consistent with CPUC's direction?	Yes.

Table 3.2: Contract Alignment with CPUC Policies and Objectives	
PRG Guidance and Other Considerations	**IE Response**
How does the contract demonstrate a balance of risk among program implementer, customer, and ratepayer regarding compensation structure?	[redacted] so SCE's customers are not at risk of any program costs if the implementer doesn't perform.
The contract includes a reasonable number of Key Performance Indicators (KPIs), and KPIs make sense in terms of measurement, scale, and timeframe.	Yes.
The contract clearly addresses IOU Support Services.	Yes, as described in Section 9.06 and Exhibit M.
The contract retains the bidder's proposed innovative aspects of the program.	Yes.
The contract includes Integrated Demand Side Management/Distributed Energy Resource (IDSM/DER) components consistent with CPUC guidance if applicable.	N/A
The contract includes EE/DR integration activities consistent with CPUC guidance, if applicable?	N/A
The contract ensures adequate measurement and verification data requirements, such that source data (e.g., customer names and addresses where installations occurred) can be tracked and verified.	Yes.

3.5 Uniformity of Contract Changes

As evidenced in Table 3.1, the negotiated provisions were generally uniform and followed the same structure for all three contracts. In particular, [redacted]

3.6 IE and PRG Feedback to Contracting

Merrimack conducted a detailed review of the Final Contract relative to the contract templates, including a review against the Standard & Modifiable contract terms. Since Merrimack was involved throughout the negotiation process and SCE conducted the negotiations in a fair and consistent manner relative to the CPUC's policies, Merrimack did not have any lingering concerns with the final negotiated contracts.

The IE did not have any critical concerns regarding SCE's approach to contracting with Redwood, as SCE was generally receptive to Redwood's concerns and implemented several changes to contract provisions as a result of the negotiations. SCE presented a summary of the Redwood Energy contract at the PRG meeting on April 29, 2025. The Energy Division staff reviewed the final

contract and asked one clarification question following the PRG meeting; however, there were no critical issues raised.

3.7 Final Selection

The negotiation process with Redwood was described in the previous Semiannual report, as well as in the IE Report for the LCC RFP process. Once SCE and Redwood reached commercial lockdown, Redwood provided a Last Best and Final Offer that was still determined to be cost-effective. As a result, SCE proceeded to contract execution with Redwood.

Table 3.3 provides a comparison of the proposed program characteristics compared to the final negotiated program details.

Table 3.3: Proposed vs. Final Agreement

	Proposed	Final
Bidder Name	Redwood Energy Services, Inc.	
Program Name	REALM	
Program Budget	[redacted]	$4,999,900
EE/DR Budget (if applicable)	[redacted]	N/A
Forecast TSB	[redacted]	$7,028,281
Forecast Energy Savings:		
kWh (net, annual)	[redacted]	3,420,000
kW (net demand)	[redacted]	0
Therms (net, annual)	[redacted]	0
TRC Ratio	[redacted]	1.46
Program Administrator Cost (PAC) Ratio	[redacted]	1.57
Cost-efficiency (Budget/TSB)	[redacted]	$0.6545
DBE Spend (Proposed)	[redacted]	Not Included in Contract

3.8 Contract Execution

SCE executed a contract with Redwood Energy for the implementation of the Refrigeration Efficiency and Leak Management (REALM) program on May 19, 2025. The contract was presented to the PRG at the monthly PRG Meeting on April 29, 2025.

3.9 Bidder Debriefs

As described in the previous Semiannual Report, SCE discontinued negotiations [redacted]. There were no formal debriefs conducted outside of the negotiation process.

4. Assessment of Final Contract

4.1 Bid Selection Respond to Portfolio Needs

Together, the Cascade Energy, Resource Innovations, and Redwood Energy programs provide SCE with a broad Energy Efficiency savings potential across diverse segments of the Commercial customer base utilizing NMEC savings methodologies. Cascade's program is relatively inexpensive in total budget terms and utilizes almost 100% NMEC for a targeted customer segment and measure types. Resource Innovations is a much broader program that will include multiple savings approaches to reach small and large commercial customers. Redwood's program has a modest budget with an almost entirely site-NMEC approach for a fairly innovative program that will achieve EE savings in addition to substantial greenhouse gas reduction. Table 4.1 provides a summary of program savings by savings methodology.

Table 4.1: Program Savings Methodology

Savings Type	Cascade Energy	Resource Innovations	Redwood Energy
NMEC	96%	44%	100%
Custom	3%	33%	0%
Deemed	1%	23%	0%[24]

4.2 Bid Selection Provides Best Overall Value to Ratepayers

The two resulting contracts from Phase 1 and one contract from Phase 2 of the LCC RFP conform with CPUC policies and objectives for commercial programs and for contracting in third-party energy efficiency solicitations. Table 4.2 addresses how the REALM program supports CPUC Policies.

Table 4.2: Program Supports CPUC Policies

Policy	Final Assessment
How does the program advance the CPUC objectives for Resource Acquisition, Equity, Market Support[25] and/or Codes & Standards segments of the EE portfolio?	The REALM Program is a Resource Acquisition program.
How is the Program innovative?	REALM's Per-site EE Model uses proven proprietary technology that has been in the marketplace for over 10 years, but customers lack the technical expertise required to build the Per-site EE Model and discover stranded opportunities on their own. REALM

[24] The current savings forecast for the Redwood Program is represented as 100% Site-Level NMEC. As Redwood begins to enroll customers in the program, particularly in HTR and DAC, there is the potential to support Deemed Measures, so it was requested to keep Deemed as an available option for the program in the contract; however, the savings forecast remains at 0% Deemed.

[25] Decision 21-05-031, pp. 14-15.

Table 4.2: Program Supports CPUC Policies	
Policy	**Final Assessment**
	provides the technical support needed to uncover the stranded savings and provides knowledge to the customer so that the customer can continue the process after the program ends. REALM combines existing refrigerant management technology with modeling software to deliver an exponentially valuable result: GHG savings combined with otherwise stranded EE opportunities.
How does the program address Equity Customers (Hard-to-Reach Customers / Disadvantaged Communities/ Underserved Customers), if applicable?	Out of the forty (40) total forecasted customers, Redwood plans to serve eight (8) Hard to Reach and eight (8) Disadvantaged Community Customers. The REALM program expects to direct more than 80% ($250,000) of the marketing budget as well as $100,000 in additional "kicker" incentives to engage and implement retailers in HTR/DAC. Because HTR/DAC sites are expected to fall into the Tier 3 incentive level (90% of project cost) and the DAC kicker adds a 10% bonus for DAC sites, up to 100% of the project cost (up to $50,000 per site) will be covered.
How does the program recruit Disadvantaged Workers, if applicable?	Since Redwood will not be installing measures or equipment at sites, they did not develop a plan to recruit Disadvantaged Workers in their Implementation Plan.
How does the program conform to the Workforce Standards, if applicable?	REALM's customer engagement agreement will include notification to the customer that the customer is required to comply, as a condition for receiving incentives for any and all HVAC and Lighting projects, with CPUC Decision 23-02-002.
How does this program support the implementer to meet and track CPUC-approved metrics and indicators (e.g., portfolio metrics, TRC metric for Resource Acquisition, Equity, Market Support indicators[26] etc.)?	The contract includes reporting requirements and KPIs regarding savings and portfolio metrics.
Does the program use meter-based energy savings methods for commercial and residential downstream resource acquisition retrofit programs, or what is the program's rationale for alternate methodology[27]?	Yes, all three programs utilize site-NMEC savings methodology in some capacity, as detailed in Table 4.1.
How does the proposed program comply with CPUC-approved guidance on Custom and Deemed measures, NMEC, SEM, and other energy savings methodologies?	Per Decision 23-06-055, all three programs will employ the Site-NMEC savings methodology.

[26] CPUC Resolution E-5351.
[27] Decision 23-06-055, OP 20.

Out of [redacted] included in the Phase 2 negotiation process, Redwood was the only company with a viable, cost-effective proposal. With this program being performed by a new implementer and supporting a majority of the CPUC policies and objectives, the program overall is a great portfolio fit for SCE.

a. Program Overview

Redwood Energy's REALM program seeks to identify stranded EE opportunities in refrigerant systems, in addition to other unrealized savings at whole-building level, for commercial food locations through the use of on-site monitoring and metering of the refrigerant systems. REALM will also target substantial GHG reductions through the management or change-out of high Global Warming Potential refrigerants.

The installed refrigerant monitoring system relies on precise and continuous measurement of system states (temperatures and pressures) that can be analyzed to identify and quantify the value of potential EE measures. Such EE opportunities are difficult or impossible to identify without the sensor data used to track refrigerant. When combined into a single Total System Benefit value, the refrigerant efficiency and the energy efficiency benefits return a very favorable cost to benefit ratio.

The REALM program aims to capture more than 8,306 MTeCO2 and more than 3,420,000 kWh in energy efficiency from about 40 supermarkets in the SCE service territory. The REALM program will also develop an Energy Practices Inventory (EPI) intern program designed to provide potential energy efficiency industry professionals with an opportunity to gain experience working with participants, contractors and other stakeholders.

b. Program Budget

Table 3.3 compares the key quantitative elements of the final contract with the original proposal. The program budgets will support the proposed program delivery throughout the contract term. The first year of the program entails mainly the launch payment to begin the enrollment of customers. The timeline to enroll customers, install measures, and conduct post-installation measurement and verification may be aggressive relative to the budget years presented in the table below. Table 4.3 shows the program budget by year and category.

Table 4.3: Program Budget Table

Cost Element	2025	2026	2027	Totals	% of Total
Administration	$100,000	$200,000	$200,000	$500,000	10%
Marketing/Outreach	$148,000	$152,000		$300,000	6%
Incentives		$1,600,000	$1,600,000	$3,200,000	64%
Direct Implementation	$200,000	$475,000	$324,900	$999,900	20%
Annual Total	**$448,000[28]**	**$2,427,000**	**$2,124,900**	**$4,999,900**	**100%**

[28] The 2025 budget includes a total of $400,000 in deliverables-based payments.

c. Program Performance and Goals

Program Goals by year are shown in Table 4.4.

Table 4.4: Program Goals				
Performance Metrics	2025 Program Year Totals	2026 Program Year Totals	2027 Program Year Totals	Total
TSB	0	$7,028,281	0	$7,028,281
TRC Ratio	0	1.46	0	1.46
Savings (kWh)	0	3,420,000	0	3,420,000
Number of Customers Served (if applicable)	0	40	0	40

d. Key Performance Indicators

The KPIs listed in the contract generally align with program goals. The primary savings indicator being tracked and determinant of program success are TSB Savings and TRC Ratio, which are included in the list of KPIs. Table 4.5 provides a list of the KPIs as described in Exhibit F of the executed agreement.

Table 4.5 Key Performance Indicators			
No.	KPI	KPI Source	Description
1	Energy Savings (kWh, kW, therms)	In accordance with Article 5	A comparison of net energy savings achieved vs. net energy savings required under the Agreement
2	Project Pipeline Target	Progress Report	A comparison of net energy savings associated with future project pipeline in relation to the net energy savings required under Agreement
3	TSB (Dollars)	In accordance with Article 1.03	Tracking TSB Achieved
4	Schedule Adherence	In accordance with Article 5	Expected TSB vs. Actual TSB; Expected TRC Ratio vs. Annual TRC Ratio
5	Cost Management (TRC Ratio)	Program Invoice	Incentive/non-incentive spend based on paid incentive/non-incentive spend vs forecasted incentive/non-incentive spend
6	Customer Satisfaction Rating	In accordance with Section 9.05(f)	Measurement of Implementer's ability to respond to customer needs, number of complaints, resolution of complaints, flexibility, reporting accuracy and timeliness

Table 4.5 Key Performance Indicators			
No.	**KPI**	**KPI Source**	**Description**
7	Safety Ratings	ISNetworld	Maintain ISNetworld (ISN) grade of B or better
8	Diverse Business Enterprise Spend	As defined in Section 4.05	To date, Diverse Business Enterprise spend as percent of total Program spend
9	Hard to Reach Customers	Deemed measure packages	Deemed measures implemented and corresponding savings
10	Disadvantaged Communities	Deemed measure packages	Deemed measures implemented and corresponding savings

5. Overall Assessment of Solicitation

The LCC solicitation and resulting selections will provide measurable benefit to SCE's overall Energy Efficiency portfolio. SCE's stated goals of the LCC RFP were to obtain Offers that result in claimable Energy Savings and are Cost-Effective, Cost-Efficient, Innovative, and that address Commercial Customer Sector Objectives. With the selection of the top two ranking proposals resulting in executed contracts from the Phase 1 negotiations and the additional contract from the Phase 2 negotiations, SCE has achieved each of the goals. Those include TSB, $/$ TSB, TRC, and a lower than anticipated budget.

Merrimack has the following observations after the conclusion of the Phase 1 and Phase 2 negotiations of the LCC RFP:

- SCE's LCC RFP process was executed in accordance with CPUC-adopted rules and PRG Guidelines for third-party EE solicitations, allowing for feedback and input from the IE and PRG throughout the process. Merrimack feels that SCE was very receptive to feedback and implemented changes throughout the process based on feedback provided.

- Merrimack did not observe any conflicts of interest or undue bias from SCE staff during any part of the LCC RFP process.

- The re-launch of the LCC RFP, following heightened outreach efforts and changes made to the RFP design, resulted in a robust and competitive response.

- SCE worked very collaboratively with all three of the Implementers on the final program design, payment structure and scope of work. Cascade, Resource Innovations, Redwood Energy, and SCE all demonstrated a willingness to negotiate fairly through some challenging issues in a respectful and professional manner.

- During the negotiation process, the SCE bid negotiation teams reviewed information received from bidders beforehand and consistently came prepared with questions or discussion topics for these meetings.

- The three contracts amount to approximately $31.5M in total program costs, which is roughly 53% of the $60M allocated to the LCC RFP. While some of the funding may have been shifted to the Mendota Group contract in the MAP solicitation, there's a substantial portion of the budget that was left unspent.

- Merrimack recommended the approval of the three negotiated contracts that are expected to generate cost-effective savings over their delivery terms. Cascade's program is not very costly and utilizes nearly 100% site-NMEC for a targeted customer segment and measure types. Resource Innovation's CERI program includes multiple savings approaches to reach small and large commercial customers. Redwood's program is cost-effective (high TRC, low $/$ TSB) and uses a unique modeling approach to identify measures for the almost entirely site-NMEC program.

The contracts selected effectively balance risk between SCE, the Implementers and SCE's Ratepayers. With a move toward more increased performance-based savings and payment metrics, there is an improved likelihood for success and reduced financial risk to SCE customers.

6. Implementation Plan Assessment

Merrimack provided review and two rounds of comments on the draft Implementation Plan, Program Manual, and M&V process. Overall, the Implementation Plan was comprehensive and provided thorough details on the REALM program operations. On the Program Implementation Plan and Program Manual documents, Merrimack included comments around the following topics:

- How Redwood plans to hire and train the Energy Corps in order to identify sites, implement projects, and obtain savings by 2026 (the year that all projected savings occur)
- The process flow diagram of the program (not provided)
- Clarifying the incentive tier structure
- How Redwood plans to identify and evaluate "Pre-Qualified Contractors"
- Details around the performance period data logging
- A developed NMEC M&V Plan with a metering and data collection timeline

After the first set of comments, Redwood addressed several but not all of Merrimack's original comments, so during our second review, we provided another round of comments. SCE passed along feedback to Redwood and continued to work with them on drafting these documents.

Table 6.1: Draft Implementation Plan Comparison with Executed Contract	
Topic	**Consistent**
Program Overview	✓
Program Summary (incl. budget, impacts, cost-effectiveness, sector, etc.)	✓
Program Delivery (incl. program offerings, target market)	✓
Program Design (incl. strategies, tools, methods, innovation, integrated demand side management, program logic model, etc.)	✓
Compliance (workforce standards, disadvantaged workers, etc.)	✓
Metrics and Indicators	✓
Program Rules (incl. customer eligibility, contractor eligibility, eligible measures, QA/QC Plan, etc.)	✓
Program Logic Model	✓
Customer Incentive Levels & Workpapers	✓
Workshop held on June 25, 2025	✓

Redwood held the public webinar for the opening of the REALM program on June 25, 2025, which Merrimack attended. There were a total of twenty-nine (29) attendees, fourteen (14) of which were non-SCE/CPUC/IE/Redwood representatives. There were a number of questions asked during the Webinar that centered around the following:

- Approach to achieving program savings
- Program focus on standard refrigerants compared to low/ultra Global Warming Potential
- Portion of program targeting HTR & DACs
- Refrigerant reclaim opportunities and process
- Recipient of incentives
- Customers targeted and eligible NAICS code
- Utilization of the Avoided Cost Calculator
- Measure expected useful life

Redwood was able to satisfactorily address all questions asked during the presentation.

Energy Efficiency Independent Evaluators' Semiannual Report on the

Local Large Industrial Program Solicitation

Reporting Period: April 2025 – October 2025[29]

Prepared by:
ET Lowe Consulting, LLC

Disclaimer: This report includes sensitive and confidential information.

[29] This report is extended through October 2025 to cover the Implementation Plan Stakeholder meeting held on October 27, 2025

Local Large Industrial Program Solicitation

1. Solicitation Overview

1.1 Overview

a. Scope

SCE sought Offers from developers of energy efficiency programs that include resource acquisition programs that serve Local Large Industrial (LLI) customers' energy efficiency needs. Bidders' proposals were to include the design, implement and deliver their program throughout SCE's service territory and comply with the CPUC-established energy efficiency policies.

b. Objectives

The single-stage resource acquisition RFP was launched to target Large Industrial[30] customers in the SCE service territory with energy usage over 500 kW. Proposals must be designed and implemented by the bidder throughout SCE's service territory and comply with the CPUC-established energy efficiency policies.

The budget for this solicitation was capped $100 million, with the final Program Year ending no later than December 31, 2029 (five years). SCE considered multiple implementers for this solicitation. SCE was open to selecting a single program offer if it was the best fit for the EE Portfolio, based on the Valuation and Selection criteria in Section 3.11 of the RFP Instructions. However, there was no exclusivity guaranteed. In addition, Offerors were allowed to propose Integrated Demand-Side Management (IDSM) strategies consistent with CPUC policies. If interested in pursuing funds specifically available for limited integration of EE/Demand Response (DR) strategies, Offerors could propose such strategies within this Solicitation consistent with the program duration presented above.

1.2 Timing

SCE's initial schedule for the LLI allowed over two months for bidders to develop proposals. After an extension request from one of the bidders, SCE granted an additional two weeks for proposals. The timing is shown in Table 1.1.

[30] Residential, Agricultural, Commercial and Public sectors are ineligible for this solicitation

Table 1.1: Local Large Industrial Solicitation Schedule		
Milestones	**Planned Start and Completion Dates**	**Actual Completion Dates**
RFP Launch (via Ariba)	December 11, 2023	December 11, 2023
Bidders' Conference (via MS Teams)	December 20, 2023	December 20, 2023
Proposal Submittal Deadline (Electronic via Ariba)	February 8, 2024, at 2:00 p.m. PPT	February 22, 2024, at 2:00 p.m. PPT
Calibration Session	April 8, 2024	April 8, 2024
Present Shortlist to PRG	April 30, 2024 (off-cycle PRG meeting)	April 30, 2024 (off-cycle PRG meeting)
RFP Shortlist Notification	Early May 2024	Early May 2024
Contract Negotiations	Mid-May 2024 to August 2024	Mid-May 2024 to August 2024
Last, Best & Final Offer	August 23, 2024	April 2025 (after several revised CET runs)
Contract Execution	October 2024*	June 27, 2025
Tier 2 Advice Letter Submission, if applicable	December 2024*	October 1, 2025 (approved AL)
Final Implementation Plan	Q1 2025*	November 2025
Program Launch (pending Advice Letter and Implementation Plan approvals, if applicable)	Q2 2025*	Q4 2025

*All contract signing and program launch dates were delayed due to CET Reruns that were performed at the request of the PRG to incorporate updated CPUC guidance and requirements.

1.3 Key Observations

Key observations reported by ET Lowe Consulting, LLC, to SCE and the PRG during the reporting period are captured in Table 1.2.

Table 1.2: Key Issues and Observations			
Topic	**Observation**	**IE Recommendation(s)**	**Outcome (IOU Action/Response)**
Net to Gross Challenges for Industrial Customers	The NTG challenge in the industrial sector was known prior to the solicitation being launched. Expecting a cost-effective program that	Given that this issue has been raised for years with the CPUC, the IE would like to understand what policies will	No clear response or action from the PRG/ED on this issue.[31]

[31] Note that in a 2024 PRG meeting, the ED shared that there were efforts under the Custom Project Review (CPR) Continuous Improvement efforts to explore the RP2.1 calculator as a tool to identify alternative calculations for custom projects that would impact NTG ratio. However, no clear actions, changes or improvements have been noted to date.

Table 1.2: Key Issues and Observations			
Topic	**Observation**	**IE Recommendation(s)**	**Outcome (IOU Action/Response)**
	focuses on custom project installations in this sector is not realistic.	be addressing the industrial NTG issue in the future.	
Cost-effectiveness Threshold	SCE received a very low bidder response to the solicitation. Based on registered bidder feedback, the IE perceived the inability to develop a cost-effective program for this market as a major obstacle for bidders.	To provide greater EE opportunities to the underserved sectors, SCE should be more flexible with its requirement that all industrial programs achieve a TRC ratio of 1.0 or greater.	SCE does not contract for RA programs that cannot forecast a TRC ratio of at least 1.0. SCE's position is that allowing non-cost-effective programs in the RA portfolio could jeopardize meeting the CPUC's requirement for a **portfolio-level** TRC ratio of 1.0
Measurement of Cost-Effectiveness	It is the IE's opinion that there are programs not being considered and proposals not being submitted or reviewed due to SCE's requirement of a cost-effectiveness of TRC of 1.0 at the program level. This is further impacted by the CPUC's TRC requirement at the portfolio level, utilizing the CET rather than other tools.	While TRC ratio has been the main focus in recent years, the IE would like to understand from the CPUC how PAC test is being considered when assessing cost-effectiveness. Does it make sense to consider PAC and TRC in these cost-effectiveness evaluation?	No action to date. This is a topic for further discussions between the IOUs, PRG and CPUC.[32]
Savings Forecast Review and Evaluation	The bidders submitted CET files with their proposals without administrative costs, so the submittals had elevated TRC ratios. SCE should be able to identify these deficiencies as part of the initial evaluation process. Instead, SCE considers the TSB and cost-effectiveness forecasts after contract	SCE should consider a review/ evaluation of the TSB and TRC ratio forecasts at the proposal stage. Given that achieving savings is the critical component of these programs, it is important that SCE ensure accuracy and make selection decisions based on the quantitative values proposed.	SCE included a cost-effectiveness review as part of the complete and conforming review for the next solicitation - Statewide Midstream PLA.

[32] Note that Decision 19-05-019 orders that starting July 1, 2019, all Commission activities that require cost-effectiveness analysis of DERs "shall also review and consider the results of the Program Administrator Cost test and the Ratepayer Impact Measure test."

Table 1.2: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
	negotiations based on the last, best, and final offer(s).		

2. RFP Development, Solicitation Outreach, and Bidder Response

RFP activities were covered in the prior Semiannual Reports.

3. Contracting Process

3.1 Collaboration on Final Program Design and Scope

There was collaboration throughout the program design process. Most notably, the parties agreed to expand the program to mid-size industrial customers (200 kW and above) and allowed for deemed measures to be offered as well. In general, the industrial programs have struggled for years, given the low (.55) Net-to-Gross ratio for this segment. The IE appreciates the creativity of the parties to be able to offer a cost-effective program, but is also concerned about the regulatory policies on the industrial segment overall.

3.2 Fairness of Negotiations

a. Timing of Negotiations

Negotiations were held with [redacted] starting May 30, 2024, and continued through July 2024. Commercial lockdown was on August 16, 2024, which means that all terms of the mutually agreeable contract were agreed to on that date. Based on the negotiated terms, last, best and final [redacted] on August 23, 2024. SCE reviewed the offers and scheduled [redacted] on September 17, 2024, to clarify changes in the budget and TRC ratio. [redacted] was then given until September 24, 2024, to provide rerun [redacted] CETs and reconsideration of the program elements in order to improve the cost-effectiveness [redacted]. Based on these final runs and additional information provided to SCE, SCE management was concerned about the low cost-effectiveness [redacted]

b. CET Reruns

[redacted]

Given that the industrial market has been a challenge to serve in recent years, this is not surprising. The 0.55 net-to-gross ratio has hampered the offerings to this segment. [redacted]

[redacted]

In early 2025, [redacted] bidders were informed that the process was still underway and that they had the option to resubmit their CET runs with new CPUC resolution impacts considered. [redacted] **resubmitted their CET runs** in February 2025, but following the submittals, it was determined that some errors needed to be addressed in the CET tool.

Following the Energy Division's addressing errors in the CET tool, the new CET runs were submitted in early April 2025, and the results are shown in Table 3.1.

Table 3.1: Comparison of Final Offers

	[redacted]	[redacted]
Program Budget		
Forecast TSB		
Forecast Energy Savings: (kWh, Net)		
TRC Ratio		

From the perspective of the IE, there is general concern about taking [redacted] through a long and arduous negotiation process (knowing that with the Net-to-Gross ratio for industrial being about 0.55 [redacted] While the requirement of a cost-effectiveness ratio of over 1.0 was communicated as a preference in the RFP, the CPUC cost-effectiveness policies apply to the portfolio, not each program.

c. Fairness

Overall, the negotiations were fair to bidders and to SCE, even though the process took much longer than standard solicitations, particularly given the multiple CET reruns. However, the rerun process was also critical for the bidders to be able to submit improved CETs for their proposed programs. Instead of simply rejecting the final offers from February 2025, SCE explored other options for improving the viability of the proposed programs.

3.3 Changes to Contract Terms and Conditions

No changes were made to the CPUC non-modifiable contract terms and conditions. Changes to the modifiable terms and SCE's original EE Form Agreement were negotiated and agreed upon by both parties.

3.4 Conformance with CPUC Policies and Objectives

The final contract addressed CPUC Policies and Objectives as outlined in Table 3.2.

Table 3.2: Contract Alignment with CPUC Policies and Objectives	
PRG Guidance and Other Considerations	**IE Response**
IOU should develop a standard contract template with CPUC standard terms to be compliant with applicable CPUC policies, decisions, or specific directives, consider PRG and IE feedback, and not use language/concepts that are inappropriate or typically not used in the EE industry. (PRG Guidance on Contracting, Section 6.1.1)	While the agreement does include CPUC standard terms, SCE's standard contract continues to be onerous and still includes language that is not appropriate for an EE contract. The language continues to be modified, mainly during the negotiation process, but could use additional streamlining.
The Contract must include all CPUC standard (non-modifiable) contract terms in the Contract (6.1.2)	Included
The Contract includes CPUC modifiable contract terms as a starting point. (6.1.3)	Included
Other aspects of the contract template do not conflict with CPUC terms and conditions, policies, decisions, or direction. (6.1.4)	No other conflicts
IOU proposed Contract did not advocate for altering the contract in the event of restructuring or bankruptcy (6.1.5)	No alterations in case of restructuring or bankruptcy included
IE pool reviews the standard contract template and provides comments (6.1.6)	Yes – the IE pool reviewed and provided feedback on the current template.
IOU must present its contracting negotiation process to the IE/PRG for review (6.2.1)	Included in this report
While third-party programs are defined as those proposed, designed, and implemented by third parties, the CPUC anticipated that IOUs would negotiate with bidders to optimize the program design before the Contract was finalized. Negotiations included discussions to optimize the program design and delivery. (6.2.2)	Negotiations included some modifications/improvements in program design.
IEs monitored all bidder communications during the negotiation process (6.2.3)	Yes – all meetings and correspondence were monitored by the IE.
IOUs explained to the bidder their contracting process to the selected bidder, including the role of IE and PRG in negotiations. (6.2.4.a)	Yes
IOU explained the steps in the negotiation and contracting process to the bidder, including the timeline. (6.2.4.b)	Yes
IOU employed effective project management practices in review, revision and completion of contract documents. IOU provided a schedule acceptable to both negotiating parties that lays out the various documents and their current status, and reviewing and updating this in negotiation meetings is an effective practice to minimize confusion, rework and delays. (6.2.4.c)	Yes
Before execution, the assigned IE and PRG reviewed the final contracts for each program recommended for award. (6.3.1)	Yes
Other Contract Considerations	

Table 3.2: Contract Alignment with CPUC Policies and Objectives	
PRG Guidance and Other Considerations	**IE Response**
The proposed changes to the CPUC modifiable contract terms and conditions by the IOU and the bidder were reasonable and fair to both parties.	Changes to the modifiable CPUC terms were mutually agreed upon by the parties.
If the IOU proposed financial performance assurances in negotiations, did they present to its PRG and IE an analysis of the risk the contract may present to ratepayers and explain how a proposed performance security is appropriate to the contract size, scope, and associated risks?	No financial performance assurances were included in the final contract.
Does the contract explicitly allow the Implementer to receive necessary customer data from the IOU consistent with CPUC's direction?	Yes
How does the contract demonstrate a balance of risk among the program implementer, customer, and ratepayer regarding the compensation structure?	The contract [redacted]
The contract includes a reasonable number of KPIs, and KPIs make sense in terms of measurement, scale, and timeframe.	Yes
The contract clearly addresses IOU Support Services.	Yes; see Article 9.06 addressing customer data sharing.
The contract retains the bidder's proposed innovative aspects of the program.	Yes
The contract includes IDSM/DER components consistent with CPUC guidance if applicable.	N/A: There are no IDSM/DER elements in the program
The contract includes EE/DR integration activities consistent with CPUC guidance, if applicable?	N/A: There are no EE/DR activities in the program
The contract ensures adequate measurement and verification data requirements, such that source data (e.g., customer names and addresses where installations occurred) can be tracked and verified.	Yes

3.5 Uniformity of Contract Changes

Not applicable. Only one contract was negotiated and executed.

3.6 IE and PRG Feedback to Contracting

There was no feedback on the final contracts from the IE or the PRG.

3.7 Final Selection

After receiving the last, best, and final offers, SCE maintained its position that it would not pursue a contract that was not cost-effective. Originally, SCE intended to move forward with [redacted]

Table 3.3 shows a comparison of the proposed and final numbers [redacted]

Table 3.3: Proposed vs. Final Agreement		
	[redacted]	
Program Budget		
EE/DR Budget (if applicable)		
Forecast TSB		
Forecast Energy Savings:		
kWh (net, annual)		
kW (net demand)		
Therms (net)		
TRC Ratio		
PAC Ratio		
Cost-efficiency (Budget/TSB)		
DBE Spend (Proposed)		

*Initial Offers were requested without Implementer Administrative costs, so TRC ratios were higher than final TRC ratios with Administrative costs.

3.8 Contract Execution

The contract with Cohen Ventures was executed on June 27, 2025. The final proposed contract was presented to the PRG at the April 29, 2025 PRG meeting.

3.9 Bidder Debriefs

Post-negotiations, CET re-runs and final offer submittals, SCE notified [redacted] July 3, 2025. that SCE would not be moving forward with their contract, and as part of the notification, [redacted] was offered a debriefing session. [redacted] on July 8, 2025. and indicated that they would be interested in a debrief, and the 30-minute session was scheduled for the afternoon of July 21, 2025.

[redacted] SCE shared that SCE management has a heightened awareness of cost-effectiveness and affordability and will not entertain programs that have a TRC ratio below 1.0. They also shared that there was a successful bidder who would present their Implementation Plan at a Stakeholder meeting, so they could understand more about the selected program. [redacted] asked questions about other criteria, including whether SCE considered [redacted] running of other programs and how they compared with other bidders. SCE stated that they do not consider other programs when evaluating bids; they cannot share comparisons; and that the driving factor for non-selection was the proposed TRC ratio.

4. Assessment of Final Contract

The final agreement includes all of the CPUC non-modifiable conditions. [redacted]

After months of negotiations, the final contract was mutually agreed upon by both parties. Both parties made concessions throughout the negotiation process, and the result was a contract that worked and is a reasonable outcome for both SCE and Cohen Ventures.

[redacted] However, **SCE was consistent** in applying the standard that any program must have a TRC ratio of 1.0 or higher and was clear [redacted] about this requirement.

4.1 Bid Selection Responds to Portfolio Needs

The bid selection conforms to SCE's stated solicitation needs to have a program that delivers energy savings and TSB to the Industrial sector and the portfolio as a whole.

4.2 Bid Selection Provides Best Overall Value to Ratepayers

The program will provide overall value to ratepayers by delivering cost-effective savings to Industrial Customers and delivering TSB. See Table 3.2 for quantitative elements of the final contract, while Table 4.1 addresses how the program supports CPUC policies.

Table 4.1: Program Supports CPUC Policies

Policy	Final Assessment
How does the program advance the CPUC objectives for Resource Acquisition, Equity, Market Support[33] and/or Codes & Standards segments of the EE portfolio?	The program delivers savings as required for a resource acquisition program

[33] Decision 21-05-031, pp. 14-15.

Table 4.1: Program Supports CPUC Policies	
Policy	**Final Assessment**
How is the Program innovative?	The program engages distributors, aggregators and trade professionals, offers GHG benefits and deemed measures to support smaller customers. **See the Innovation section of this Report for more details.**
How does the program address Equity Customers (Hard-to-Reach Customers / Disadvantaged Communities/ Underserved Customers), if applicable?	Addresses Disadvantaged Communities (DACs) by serving industrial customers located in DACs.
How does the program recruit Disadvantaged Workers, if applicable?	Yes – Article 4.10 of the EE Form Agreement
How does the program conform to the Workforce Standards, if applicable?	Yes – Article 4.06 of the EE Form Agreement
How does this program support the implementer to meet and track CPUC-approved metrics and indicators (e.g., portfolio metrics, TRC metric for Resource Acquisition, Equity, Market Support indicators[34] , etc.)?	The program delivers savings as required for a resource acquisition program.
Does the program use meter-based energy savings methods for commercial and residential downstream resource acquisition retrofit programs, or what is the program's rationale for alternate methodology[35]?	Meter-based savings approaches will be employed for office space areas of industrial facilities.
How does the proposed program comply with CPUC-approved guidance on Custom and Deemed measures, NMEC, SEM, and other energy savings methodologies?	The program complies with CPUC guidance on Custom, Deemed, and NMEC energy savings methodologies, which will be employed in the program.

a. Program Overview

Industrial Incentive Solutions ("IIS" or "Program") is an innovative and comprehensive approach to the industrial sector that comprises custom, normalized metered energy consumption (NMEC) savings, as applicable, and fuel substitution and midstream deemed savings. Mid-stream deemed measures will be led by Cohen Ventures and Custom Projects by Cascade Energy. Subcontractor Cascade Energy would focus on customer outreach, project

[34] CPUC Resolution E-5351
[35] Decision 23-06-055, OP 20

development, and inspections. The Program is forecast to serve 340 medium- and large-sized industrial customers and is expected to be cost-effective, with a TRC ratio of 1.01.

IIS will be delivered by the Program Team, consisting of Cohen Ventures and Cascade Energy. Custom projects, NMEC savings, fuel substitution, and industrial midstream, achieved through customer consulting and market actor outreach, will be strategically employed to overcome market barriers and achieve savings among 2,000 service accounts currently consuming 10.5 million MWh in the SCE territory. To expand the program, measures offered within the midstream approach will be offered to all eligible large and medium-sized industrial customers.

b. Program Budget

The Program budget supports delivery of the overall program, including administration and outreach, and also supports ramp up, implementation and ramp down of the program as shown in Table 4.2, which shows the program budget by year and category.

Table 4.2: Program Budget Table

Cost Element	2025	2026	2027	2028	2029	Totals	% of Total
Admin	$ 78,292	$ 70,054	$ 115,799	$ 142,953	$ 139,446	$ 546,544	4
Marketing/ Outreach	195,731	116,757	38,600	47,651	46,482	445,220	3
Incentives	0	101,275	456,275	628,775	563,775	1,750,100	13
Direct Implementation	1,143,665	1,542,598	2,444,542	2,797,449	2,860,893	10,789,148	80
Annual Total	$ 1,417,688	$ 1,830,684	$ 3,055,216	$ 3,616,828	$ 3,610,596	$ 13,531,012	**100**

c. Program Performance and Goals

While the key performance indicators are TSB and savings goals, the Program Team will provide monthly progress reports that will include the following performance metrics and content:

- Energy Savings (kWh, kW, Therms)
- TSB Achieved ($)
- Schedule Adherence (expected performance VS actual)
- Project Pipeline Data and Target (kWh, kW, Therms)
- Inspection Results
- Marketing Strategy
- Customer Satisfaction Survey Responses
- Risk Management
- Equity and the number of customers located in DACs

Program Goals by year are shown in Table 4.3.

Table 4.3: Program Year Goals						
Performance Metrics	2025	2026	2027	2028	2029	Total
TSB	$207,754	$2,433,321	$3,813,958	$4,719,804	$4,933,029	$16,107,866
TRC Ratio	0.23	1.04	1.04	1.04	1.09	1.01
PAC Ratio	0.24	1.33	1.26	1.32	1.38	1.15
Savings (kWh)	292,096	2,146,357	3,865,563	4,479,107	4,834,195	15,617,317
Savings (kW)	36	208	351	404	434	1,433
Savings (therms)	0	11,800	56,800	61,300	47,800	177,700

d. Key Performance Indicators

Key Performance Indicators (KPIs) are described in the Performance Section above and the schedule for delivering the KPIs is provided in Exhibit F of the Agreement.

e. Innovation

The IIS Program provides an innovative approach to achieving SCE goals by layering strategies intended to reach all industrial customers in SCE territory and through broadening opportunities for aggregators and industrial facilities. The Program will offer an industrial savings program that increases measure variety, broadens eligibility, and works for both medium and large industrial customers.

The Program is also innovative in the approach to industrial customers through deemed approaches/ measures and offerings to customers down to the 200 kW demand level. This expands the customer base to include more than just the large industrial customers.

Low-GWP Refrigerant Change Outs

IIS will pursue opportunities to promote and support change-outs to low global warming potential (low-GWP) refrigerants. Low-GWP refrigerant blends have evolved sufficiently in recent years to make refrigerant change-out projects feasible without significant capital investment. The Program will motivate participants to complete these projects with an attractive incentive that should, in many cases, cover the full cost of the change-out while producing significant TSB for the program.

These projects do not typically result in energy savings by themselves. However, they enable both environmental and TSB benefits (when claimed using the Refrigerant Avoided Cost Calculator) while helping program participants address upcoming phase-outs of prohibited refrigerants.

Additionally, any components that do get replaced during these change-outs can be upgraded to more efficient units.

Leveraging Electrical Distributors and Trade Ally Network

The Program Team will regularly gather intelligence from global, national, and regional market actors to keep tabs on the global distribution chain to inform the Program. The Program Team analyzes and shares this information through the monthly SCA (Supply Chain Assessment) Newsletter.

By reaching out to their manufacturer and distributor networks, the Program Team gains insights and open discussions with potential participants. Electrical distributors are looking to grow their product line in the midstream space and move products that have low adoption rates into facilities. These interviews expose the eagerness of electrical distributors to participate in programs beyond lighting. Electrical distributors have untapped measure potential in the industrial space.

Measures

Through administration of the Statewide Emerging Technologies Program and other efforts, the Program Team has the existing infrastructure to seek out and add new measures to programs, often writing the Measure Package that substantiates savings potential and helps secure regulatory approval of emerging technologies. In 2010, the Program Team was the first in the nation to model savings and develop Measure Packages for variable refrigerant flow systems, which enabled California IOUs to offer the first prescriptive rebates for these measures and addressed an issue that was limiting their ability to access energy savings. IIS will do the same for SCE's Industrial customers.

Large Industrial Customer Marketing

Because the Program Team already delivers programs to large industrial customers in SCE territory and the vendors that serve them, they have regular interactions and trusted relationships that can be leveraged. As a result, the Program Team is uniquely able to market the Program to large industrial customers cost-effectively. This approach is called "field intel-driven" because it relies on insights and leads from staff in the field rather than relying on a formal marketing and outreach campaign.

f. Integrated Demand-side Management and Distributed Energy Resources

There are no IDSM/DR elements in the program.

g. HTR, DAC and Underserved Communities

Disadvantaged Communities

Cohen has found that large food and beverage and other manufacturers are often located in DACs, and that many IIS participants will also be in DACs. An important benefit of increasing EE and reducing emissions from these businesses is improved air quality, especially important in these

communities.

DAC industrial customers of any size may face additional barriers to participation in the Program. At SCE's request, the Program Team can overlay CalEnviroScreen data with participant locations and report on DAC participation.

The Program Team will use a customer relationship management (CRM) database called Pipedrive to help track and report on program recruitment progress. Business analysts recently supplemented all Pipedrive customer records to identify those located in DACs and those that are certified diverse business enterprises (DBEs). Cohen proposes engaging customers and vendors located in DACs and using Pipedrive to track progress. With no additional historic focus on enrolling customers located in DACs, approximately 77 percent of all SCE and SoCalGas large industrial SEM participants to date have been in DACs. Cohen expects to see equivalent results with the IIS Program.

The Program Team will focus on identifying, supporting, and developing vendors (installers and inspectors) and distributors that are themselves located in DACs. With a program term of over four years, strengthening and retaining relationships with core vendors of certain systems will be valuable in the long term. From a savings perspective, Cohen also expects faster project implementation as some project types will be "prequalified" through these vendor relationships.

Hard-to-Reach Customers

The Hard-to-Reach (HTR) definition primarily includes those nonresidential customers that are defined as Small and Medium Businesses (SMBs). Because this solicitation is targeting medium and large customers, the Program will not include HTR customers as defined by the CPUC.

h. Implementer Compensation

[redacted]

i. Disadvantaged Workers Policy

IIS program participants will be required to adhere to the following workforce standards to participate in the program:

a. HVAC Measures: Participating aggregators must adhere to all requirements for workforce standards established by the Commission. As part of the program participation agreement process, aggregators affirm qualifications and licensure to perform the proposed work.

b. Advanced Lighting Control Measures: Participating aggregators must adhere to all requirements for workforce standards established by the Commission. As part of the

program participation agreement process, aggregators will affirm qualifications and licensure to perform the proposed work.

Workforce Standards are likely applicable for the subset of energy-saving projects that involve installation, modification, and maintenance of HVAC or Lighting systems as discrete standalone projects of $3,000 or more for HVAC projects and $2,000 or more for lighting controls projects per Decision 18-10-008, which will be followed by the Program Team. Customers must contract with qualified service providers for this work in order to be eligible to receive a rebate or incentive for the project. [redacted]

j. Workforce Standards Policy

CPUC Decision 23-02-002 does not specifically apply to this Program because it does not include direct installations, repair, or maintenance of equipment.

5. Overall Assessment of Solicitation

The process throughout the Local Industrial Solicitation has been challenging. There are regulatory challenges faced by this sector and as a result, it is underserved. With that in mind, **it is commendable that a contract was negotiated and signed with a TRC ratio of over 1.0.** In addition, it is notable that SCE allowed more time to consider CET changes that could benefit bidders and allowed flexibility for CET re-runs. [redacted]

To fully serve industrial customers, more changes will likely need to be made that are regulatory and policy-driven. Throughout the lengthy solicitation process, the IE has raised issues related to the Net-to-Gross (NTG) ratio requirements and other matters surrounding the industrial

sector that continue to hamper EE offerings to this sector. The IE has raised these concerns and other issues related to SCE and this solicitation in particular in monthly reports to the PRG:

- The NTG ratio challenge in this market was known prior to the solicitation being launched. Expecting a cost-effective program that focuses on custom project installations in the industrial market is not realistic. Given that this issue has been raised for years with the CPUC, the IE would like to understand **what policies will be addressing the industrial NTG ratio issue in the future**.
- [redacted] Given the budgets of the [redacted]
- [redacted] This solicitation started with a budget of $100 million and the one signed contract makes up less than 15% of that budget. [redacted]

2. [redacted]

6. Implementation Plan Assessment

The IIS Advice Letter was approved on October 1, 2025. The IE was provided a draft of the Implementation Plan and supporting documents on October 9, 2025.

Key themes of IE feedback on the first draft of the IP included the following:

1) Make sure fonts are consistent, page numbers are corrected, and acronyms are done once
2) Make sure names of "Program" "Program Team" are consistent,
3) Insert a lead in sentences/paragraphs to all tables and number/title each table - otherwise, there is no context for the tables
4) Ensure subheaders/sections are clear,
5) QC for all the information required from the IP template is in this document – for instance, the Innovation section is very weak compared to what is in other docs.

Most of the IE recommendations were accepted by SCE and the Implementer.

[36] Decision 19-05-019 orders the IOUs to review and consider the PAC and RIM tests, along with the TRC. Also, a PRG member suggested in the June 30, 2025 PRG meeting that SCE should consider the Affordability Ratio, which describes the impact an essential service bill has on a household budget. CPUC Decision 20-07-032 established the Affordability Ratio and two other metrics to assess the affordability of IOU services.

The IE was also provided with the IP presentation for review and feedback and made suggestions to improve the flow and content of the presentation. All of the IE recommendations were adopted and the draft IP was consistent with the executed contract, as shown in Table 6.1.

Table 6.1: 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 October 27, 2025	Yes

There was a maximum of 30 attendees at the October 27, 2025, stakeholder meeting, which was held from 9 a.m. to 10 a.m. The main presentation lasted about 30 minutes and covered all key aspects of the program by the program team of Energy Solutions and Cascade Energy. There were approximately 6 people from SCE and 9 from the Implementer team who attended. The rest were not identified or associated with other implementers, utilities and/or Energy Division.

Table 6.2: Stakeholder Meeting

Stakeholder Meeting Date	October 27, 2025
Number of Attendees	30

There were several questions in the meeting – in the chat and via audio, mainly focused on timing of payments (midstream vs NMEC), downstream delivery, tracking of projects in DACs, and coordination with/tracking of SEM leads through the SEM program that Cohen implements.

It is expected that the final Implementation Plan will be filed by November 26, 2025.

Energy Efficiency Independent Evaluators' Semiannual Report on the

Statewide Midstream Plug Load Appliance Program Solicitation

Reporting Period: April 2025 – September 2025

Prepared by:
ET Lowe Consulting, LLC

Disclaimer: This report includes sensitive and confidential information.

Statewide Midstream Plug Load Appliance Program Solicitation

1. Solicitation Overview

1.1 Overview

a. Scope

In this Solicitation, Southern California Edison (SCE), on behalf of itself, San Diego Gas and Electric Company (SDG&E), Pacific Gas and Electric Company (PG&E), and Southern California Gas Company (SoCalGas), (SCE, SDG&E, PG&E, and SoCalGas each individually referred to as an IOU, and collectively the IOUs) sought proposals (Offers) from third-party program providers (Offerors) that will serve the IOUs' residential customers (residential sector customer accounts classified as Single-Family, Multi-family or Manufactured Homes) through a Statewide Midstream Plug Load and Appliance Program.

b. Objectives

The primary objective of this solicitation was to identify innovative midstream programs to increase the development of midstream market actors and promote residential customer adoption of plug load EE technologies. The program may include resource (e.g., realization of claimable Total System Benefit (TSB)), non-resource (e.g., training participants, enhancing EE awareness, promoting underutilized EE technologies and products), or combined resource and non-resource activities. Offerors may propose promoting EE with other Demand-Side Management (DSM) offerings consistent with CPUC policies, including EE/Demand Response (EE/DR) technology integration strategies.

1.2 Timing

SCE's **initial** schedule for this solicitation allowed for a Request for Information (RFI) stage to inform the Request for Proposal (RFP) stage. The initial schedule (subject to change) with modifications following review and analysis of information from the RFI Stage is shown in Table 1.1.

Table 1.1: Statewide Midstream Plug Load Appliance Solicitation Schedule

Milestones	Planned Start and Completion Dates	Revised Dates
RFI Launch	February 25, 2025, at 12:00 p.m. (PPT)	February 25, 2025, at 12:00 p.m. (PPT)
Deadline to submit written questions prior to the Response Submittal Deadline	March 11, 2025, at 5:00 p.m. (PPT)	March 11, 2025, at 5:00 p.m. (PPT)

Table 1.1: Statewide Midstream Plug Load Appliance Solicitation Schedule		
Milestones	**Planned Start and Completion Dates**	**Revised Dates**
SCE Responses to Participant Questions Due	March 13, 2025	March 13, 2025
Response Submittal Deadline	March 19, 2025, at 2:00 p.m. (PPT)	March 19, 2025, at 2:00 p.m. (PPT)
RFP Launch	April 23, 2025, at 12:00 p.m. (PPT)	July 23, 2025
Bidders' Conference	April 30, 2025, at 9:30 a.m. (PPT)	July 30, 2025
Offer Submittal Deadline	June 17, 2025, at 2:00 p.m. (PPT)	September 9, 2025
RFP Shortlist Notification	August 6, 2025	November 26, 2025
Offeror Debriefing Sessions	Upon request, by August 20, 2025	October 2025
Contract Execution	December 17, 2025	April 16, 2026 (estimated)
Offeror Debriefing Sessions (if needed)	Upon request, by December 29, 2025	TBD
Tier 2 Advice Letter Submission, if applicable	January 2026	May 2026 (estimated)
Final Implementation Plan	Q1 2026	Q2-Q3 2026
Program Launch (pending Advice Letter and Implementation Plan approvals, if applicable)	Q1-Q2 2026	Q3 2026

*All dates subject to change

1.3 Key Observations

Key observations reported by the assigned IE, ET Lowe Consulting, LLC, to SCE and the PRG during the reporting period are captured in Table 1.2.

Table 1.2: Key Issues and Observations			
Topic	**Observation**	**IE Recommendation(s)**	**Outcome (IOU Action/Response)**
TRC Ratio Threshold Requirement at Bid Submission	While SCE is focused on cost-effective programs, its plan is currently to require a 1.0 TRC ratio as a threshold for an offer to be evaluated. Any offer submitted with a ratio below 1.0 will be dismissed during the complete and conforming	Requiring a ratio above 1.0 at the offer stage seems unfair and prevents potentially viable offers from being evaluated. In addition, since the SCE Agreement will not be provided with the RFP launch, companies are in the dark on the conditions that will be required in the final agreement. While the IE appreciates the need for some	While the topic was discussed, the PRG did not take a position on the issue, and SCE rejected the IE recommendation that required a 1.0 TRC ratio threshold for proposals to be evaluated. SCE has maintained that it does not contract for RA programs that cannot forecast a TRC of at

Table 1.2: Key Issues and Observations			
Topic	**Observation**	**IE Recommendation(s)**	**Outcome (IOU Action/Response)**
	review and will not be evaluated.	quantitative threshold at the complete and conforming stage, the IE proposed allowing a ratio of 0.85 or higher as the threshold for moving offers into evaluation.	least 1.0. Allowing non-cost-effective programs in the RA portfolio could jeopardize meeting the Commission's requirement for a portfolio-level TRC ratio of 1.0. In this case, SCE maintains that even a proposal with a ratio lower than 1.0 will not be considered.
Definition of Plug Load Appliance	It was evident from the detailed nature of some of the questions by potential bidders that there are concerns and questions about what measures qualify as plug load appliances. While the current Statewide PLA program offers heat pump water heaters in the program, SCE maintains that if the measure requires permitting, wiring and/or plumbing modifications, then it is not truly a "plug load".	Regardless of the participation level in this solicitation, the IE expects that measure requirements will be a topic for discussion with stakeholders to determine whether or not an expansion of SCE's new definition of plug load is appropriate to allow for additional cost-effective measures.	SCE indicated they chose to apply the Title 24 definition for what Plug Loads are. The PRG discussed whether that particular definition is the most appropriate to apply to this solicitation. This is a topic for further discussions between the IOUs, PRG and CPUC.
Measurement of Cost Effectiveness – TRC vs PAC Test	It is the IE's opinion that there are programs not being considered and proposals not being submitted or reviewed due to SCE's requirement of a cost-effectiveness of TRC ratio of 1.0 at the program level. This is further impacted by the CPUC's TRC ratio requirement at the portfolio level utilizing the CET rather than other tools.	While the TRC ratio has been the main focus in recent years, the IE would like to understand from the CPUC how the PAC test is being considered when assessing cost-effectiveness. Does it make sense to consider PAC and TRC in the cost-effectiveness evaluation within these solicitations?	No action to date. This is a topic for further discussions between the IOUs, PRG and CPUC.[37]

[37] One PRG member noted that Decision 19-05-019 orders that starting July 1, 2019, all Commission activities that require cost-effectiveness analysis of DERs "shall also review and consider the results of the Program Administrator Cost test and the Ratepayer Impact Measure test."

2. RFI Development, Solicitation Outreach, and Bidder Response

2.1 RFI Development

RFI Development was addressed in the October 2024-March 2025 Semiannual Report.

2.2 RFI Outreach

RFI Outreach was addressed in the October 2024-March 2025 Semiannual Report.

2.3 RFI Bidder Response

RFI Bidder Response was addressed in the October 2024-March 2025 Semiannual Report.

2.4 IE and PRG Feedback to RFI Process

a. Response to IE Feedback

As noted in the section above, given the limited scope of the RFI Response Form and the standardized approach to the Instructions document, the IE provided limited feedback and all comments were addressed adequately by SCE.

The IE suggested adding the following question with a one-page limit to the response, which SCE did include in the final RFI Qualitative Response Form:

> *Market Challenges: What are some of the challenges to delivering cost-effective savings in an SW PLA program, and what are some strategies for overcoming them?*

b. Response to PRG Feedback

The PRG requested additional information about data tracking in the RFI. SCE added an element to question one in the RFI. In addition, PRG members expressed support for the IE's recommendation to include a question about market challenges, which was added to the final RFI that was launched.

3. RFP Development and Bidder Response

Development of the RFP started during the RFI stage and then continued with various iterations, which ultimately resulted in a three-month delay of the launch of the RFP from April 23, 2025 to July 23, 2025. There were various iterations of the RFP materials – from Resource Acquisition (RA) to Market Support and back to RA. In the meantime, the SCE team was focused on assessments of the cost-effectiveness of the program and potential measures associated with the program.

3.1 RFP Development

The final RFP considered RFI information and an in-depth analysis of qualifying measures. The objective, scope, eligible measures, budget and term being considered were as follows:[38]

> **Objective:** The primary objective of the RFP was to identify innovative midstream Resource Acquisition programs to increase Residential customer adoption of energy efficiency and realize total system benefits for the IOUs' ratepayers. Offerors could propose promoting EE with other demand-side management offerings consistent with CPUC policies, including EE/Demand Response technology integration strategies.
>
> **Eligible Measures:** Eligible measure packages for the program can be found on the eTRM website. An eligible measure selection must: (1) utilize measures from class (a) or (b) presented below; and (2) comply with all the other Offer Eligibility Requirements (e.g., belong to the Residential sector). Note that certain measure packages may require additional Offer documentation and/or procedures to be followed during program implementation.
>
> a) eTRM Plug Load and Appliances measure package category – SWAPxxx
> b) eTRM measure package categories that fulfill the California Title-24 code definition of Plug Load: energy consumed by any appliance or electronic device that is plugged into a receptacle or receptacle outlet. Plug loads are not related to general lighting, heating, ventilation, cooling, and water heating, domestic and service water system, renewable power, information technology equipment, computer room electronic equipment, and electric vehicle charging.
>
> **Budget and Term:** The total budget for this solicitation is $40,000,000 to be allocated across four (4) calendar years (2026-2029), with the final year of the program ending no later than December 31, 2029. Additional funding may be available, depending on the program design, scope, and competitiveness of the Offers received.
>
> **Intent to Select One Program Offer:** SCE intends to select a single program offer from a single implementer or implementation team that is the best fit for the IOU EE portfolio based upon the Valuation and Selection criteria in Section 3.11 of the Solicitation Instructions; however, there is no exclusivity guaranteed. This Program is intended to replace the current Statewide Midstream Plug Load and Appliance Program administered by SDG&E on behalf of the IOUs.

[38] From the RFP Instructions.

3.2 Feedback to RFP Process

a. Response to IE Feedback

While most of the IE feedback was adopted or the IE agreed to the changes made by SCE, the main issue where there was not agreement between the IE and SCE was related to the requirement of a 1.0 TRC ratio for a proposal to be evaluated. [redacted]

b. Response to IOU Feedback

Since this is a statewide program, the other IOUs had a chance to review and provide feedback on the RFP Materials in early July 2025. There were two areas of clarification from SDG&E – one regarding budgets and one related to the need for implementers to work with each IOU separately for any customer data required.

c. Response to PRG Feedback

PRG comments on the RFP materials were as follows:

- ED staff had no comments on the SW PLA RFP and thanked the PRG for its comments and participation in developing the solicitation.
- ED staff were pleased that a bid with a submitted TRC ratio of 0.85 or greater will be cured, and those meeting the cured ratio threshold of 1.0 will be considered for contracting.

3.3 RFP Bidders' Conference

The Bidders' Conference was held on July 30, 2025, with seventeen representatives from thirteen potential bidders, SCE team members, one ED representative and the IE attending via MS Teams.

Two questions were asked during the Conference, and 23 questions were received after the conference, with one company asking the majority of the questions. Themes of the questions included the following:

- Solicitation processes (these two questions were asked during the conference)
- Measure mix requirements with a focus on allowing heat pump water heaters
- Concerns about the TRC test and the cost-effectiveness requirements of the solicitation
- Program budgets and payment structures
- Budgets and scope of marketing and outreach efforts
- Expected participation rates of distributors and customers
- Historical program performance
- Coordination with stakeholders, including the IOUs

- Key Performance Indicators

The SCE team was prompt and efficient in their responses to questions and included IE suggestions.

Table 3.1: RFP Bidders' Conference	
Bidders' Conference Date	July 30, 2025
Total Number of External (non-SCE) Attendees	19
Number of Potential Bidders Represented	13

3.4 RFP Responses

While there were over [redacted]

Table 3.2: RFP Bidder Responses	
Number of Proposals Received	[redacted]
Number of Proposals Disqualified	[redacted]
Number of Proposals Evaluated	[redacted]

A general summary of [redacted] is shown in Table 3.3.

Table 3.3 Proposal Advanced to Evaluation	
Bidder Name	[redacted]
Program Budget	[redacted]
Program Measures	[redacted]
Forecast TSB	[redacted]
Forecast Energy Savings:	
kWh	[redacted]
kW	[redacted]
Therms	[redacted]
TRC Ratio	[redacted]
PAC Ratio	[redacted]
Notes	[redacted]

3.5 Proposal Selection Process

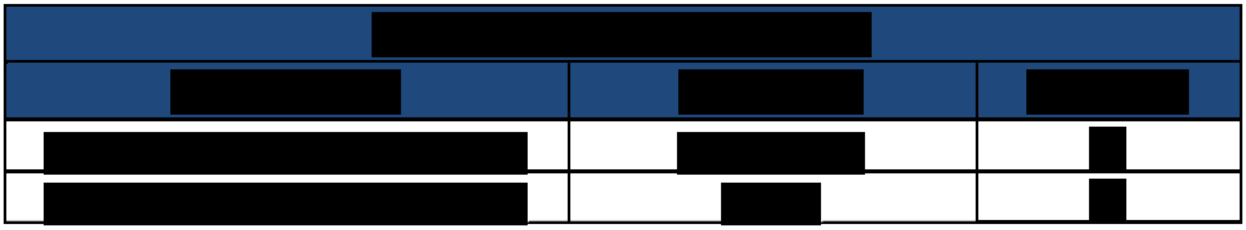
One proposal was advanced for evaluation.

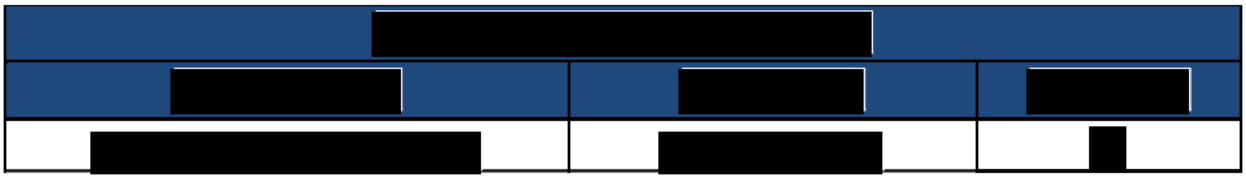
a. RFP Bid Screening Process and Management of Deficient Bids

SCE screened out the bids based on conformance with parameters, starting with a cost-effectiveness of over 1.0 with supporting documentation. [redacted] SCE went through a fair and appropriate conformance review.

b. Proposal Evaluation Team Profile and Evaluation Training

Evaluator training was held on September 22, 2025. Each of the evaluators and alternate scorers attended and was very engaged in the process. As part of the training, the solicitation lead reviewed the scoring criteria with the participants and then went through several of the questions, prompting the group to discuss potential scoring elements and issues that may arise in the proposal review. [redacted]





c. Proposal Scoring Rubric Design

The scoring rubric was developed by the SCE team and reviewed by the IE. After IE feedback and internal discussions, SCE modified the scoring weightings from typical downstream programs to better suit a Statewide midstream program. The IE worked with the Program Lead to develop and agree on appropriate categories, subcategories, and weightings shown in Table 3.5.

Table 3.5: Scoring Rubric

Category	[redacted]	[redacted]	[redacted]
Program Design & Customer Experience	[redacted]	[redacted]	[redacted]
Innovation	[redacted]	[redacted]	[redacted]
Mitigation of Program Risks	[redacted]	[redacted]	[redacted]
Offeror Experience	[redacted]	[redacted]	[redacted]
			[redacted]

d. Proposal Evaluation Process and Scoring Calibration

Evaluation of the proposal took place from September 29, 2025 through October 10, 2025. Calibration will take place on October 24, 2025, and the results will be shared in the next Semiannual Report.

e. Final Selection Process

Final selection will be addressed in the next Semiannual Report.

3.6 IE and PRG Feedback to Proposal Process and Selections

Final selection will be addressed in the next Semiannual Report.

4. Contracting Process

To be reported in a future Semiannual Report.

5. Assessment of Final Contract

To be reported in a future Semiannual Report.

6. Overall Assessment of Solicitation

To be reported in a future Semiannual Report.

7. Implementation Plan Assessment

To be reported in a future Semiannual Report.