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

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

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

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 M) ENERGY EFFICIENCY
SEMI-ANNUAL INDEPENDENT EVALUATOR'S REPORT
PUBLIC VERSION**

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Dated: June 29, 2026

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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Pursuant to Decision (D.) 18-01-004, Ordering Paragraph (OP) 5, and on behalf of its independent evaluator (IE), Pacific Gas and Electric Company (PG&E) submits a public version of the Energy Efficiency Semi-Annual Independent Evaluators' Report (IE Report -Attachment A).

The IEs are required by D.18-01-004, OP 5(c) to submit a semi-annual report on the overall third-party solicitation process for PG&E, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company:

The IEs shall provide at least the following services:

- a. Consultation and support to the procurement review groups.*
- b. A report on each solicitation to be presented to the appropriate procurement review group.*
- c. A semi-annual report on the overall process and conduct of the third-party solicitations, to be filed in the relevant energy efficiency rulemaking proceeding.*
- d. An individual report on the solicitation process resulting in any contract award valued at \$5 million or greater and/or with a contract term of longer than three years, to be submitted along with the Tier 2 advice letter seeking Commission review of such contracts.¹*

The IE Report was prepared by Barakat Consulting, Inc., Don Arambula Consulting, EAJ Energy Advisors, Great Work Energy, and The Mendota Group, LLC. Although the IE report

¹ D.18-01-004, OP 5.

concerns PG&E's third-party solicitation process, PG&E provided minimal input in its preparation.

Respectfully Submitted,

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By: /s/ Eric Sezgen
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Date: June 29, 2026

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ATTACHMENT A

**(CONFIDENTIAL INFORMATION HAS BEEN REDACTED
FROM THIS ATTACHMENT AND WILL BE FILED UNDER
SEAL WITH THE COMMISSION'S DOCKET OFFICE)**

Energy Efficiency Independent Evaluators' Semiannual Report

Pacific Gas and Electric Company

Third-Party Energy Efficiency Program Solicitations

Reporting Period: October 2025 through March 2026

Prepared by:

Don Arambula Consulting

EAJ Energy Advisors, LLC

Great Work Energy

Tierra Resource Consulting

June 2026

Disclaimer: This Report includes sensitive and confidential information.

ENERGY EFFICIENCY INDEPENDENT EVALUATORS' SEMIANNUAL REPORT

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I. Overview

A. Purpose

The Independent Evaluators' (IE) Semiannual Report (Semiannual Report or Report) provides an assessment of Pacific Gas and Electric Company's (PG&E or the Company) third-party energy efficiency (EE) program solicitation process and progress by PG&E'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 from October 1, 2025, through March 31, 2026, unless otherwise indicated. This Report is intended to provide feedback to PG&E, the PRG, and other stakeholders on the progress of PG&E's EE program solicitations in compliance with this CPUC direction.

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

B. Background

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

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

¹ Decision 18-01-004, OP 2.

² Id, p. 38.

³ OP 5.c.

⁴ Decision 16-08-019, OP 10.

⁵ Decision 18-01-004, OP 3.

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

Minimum Threshold Requirement for Third-party Programs

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

Guidance Letter from the Energy Division

On March 11, 2020, the Energy Division issued additional guidance to the IOUs in response to specific market challenges. Participants raised these challenges during the semiannual CPUC-hosted public workshops focused on identifying process improvements. The guidance was intended to address recurring issues stakeholders highlighted during those workshops. The following list summarizes the areas targeted for improvement:

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 conducts multiple negotiations within the same solicitation, the program is complex, or the agreement addresses challenging contract elements.

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.

- Update the solicitation schedules in the next quarterly update.

RFA Guidance

- Adhere to the intent of the RFA stage explained in Decision 18-01-004.
- 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 in response to stakeholder requests.
- Provide non-advancing bidders notification if their abstracts/proposals didn't advance due to incomplete or non-conforming, a violation, or an unmitigated conflict of interest.
- After the June 30 and September 30, 2020, deadlines were met, the 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 Benefit

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

- **Resource Acquisition** - Programs with a primary purpose of, and a short-term ability to, deliver cost-effective avoided cost benefits to the electricity system. Short-term is defined as during the approved budget period for the portfolio. This segment should account for the bulk of the savings needed to achieve TSB 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 advancing 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.
- **Codes & Standards** - Programs with a primary purpose of advancing energy efficiency through codes and standards advocacy and compliance support.

¹⁰ Decision 21-05-031, OP 2.

¹¹ Id, OP 1.

Single or Two-Stage Solicitation Approaches

Effective February 3, 2023, the CPUC authorizes IOUs to use either a single-stage or a two-stage approach when soliciting third-party program design and implementation services for the energy efficiency portfolio. This flexibility allows each IOU to select the solicitation structure that best aligns with its portfolio needs. The IOU must provide its PRG with the rationale supporting its choice of a single- or two-stage solicitation. This requirement supports transparency and maintains PRG visibility into the IOU's solicitation strategy.¹²

C. Overview of Solicitations

This Report compiles the individual IE assessments prepared for each of PG&E's active program solicitations. It also provides an overview of solicitation activity and a high-level summary of issues and potential recommendations drawn from those assessments. The Report does not address any program solicitations that PG&E has not yet released.

Table C.1 presents the full listing of PG&E's third-party solicitations, including the assigned IE and the current contract status.

Table C.1: PG&E Solicitations Overview			
Solicitations		Assigned IEs	Solicitation Status
1.	Local Agriculture	Barakat Consulting, Inc.	Complete
	Local Commercial	EAJ Energy Advisors	
	Local Industrial	Great Work Energy	
	Local Public	Don Arambula Consulting	
	Local Residential	The Mendota Group	
2.	Statewide New Construction	The Mendota Group	Complete
		EAJ Energy Advisors	
		Barakat Consulting, Inc.	
3.	Local Government Partnerships	Don Arambula Consulting	Complete
4.	Statewide Codes & Standards (C&S) Coordinator	Barakat Consulting, Inc.	Complete
5.	Statewide C&S Title 20	Barakat Consulting, Inc.	Complete
6.	Statewide C&S Federal	Barakat Consulting, Inc.	Complete
7.	Statewide Career Connections K-12	Great Work Energy	Complete
8.	Statewide Career and Workforce Readiness	Great Work Energy	Complete
9.	Statewide California Partnership	Don Arambula Consulting	Complete
10.	Local Micro- and Small Business EE Equity	Great Work Energy	Complete
11.	Local C&S Compliance Improvement	EAJ Energy Advisors	Complete
12.	Statewide C&S Advocacy	Don Arambula Consulting	Complete
13.	Local Residential Equity and Electrification	EAJ Energy Advisors	Complete

¹² Decision 23-02-002, OP 7.

Table C.1: PG&E Solicitations Overview			
Solicitations		Assigned IEs	Solicitation Status
14.	Local C&S Code Readiness	EAJ Energy Advisors	Complete
15.	Local Res. Customer Energy Orchestration	Don Arambula Consulting	Complete
16.	Local Summer Reliability Platform Administrator	Great Work Energy	Complete
17.	Local Zonal Equity Electrification Pilot	Great Work Energy	Complete
18.	Local Commercial Strategic Energy Mgmt.	Great Work Energy	Complete
19.	Local Res. Electrification Single Point of Contact	Tierra	Canceled
20.	Statewide Career and Workforce Readiness	Great Work Energy	RFP
21.	Statewide All-Electric Nonres. HVAC Program	Tierra	RFP
Legend Pre-RFA: Activities conducted before RFA release. RFA: Includes bid preparation and evaluation period. Pre-RFP: Activities conducted before RFP release. RFP: Includes bid preparation and evaluation period. Contracting: Contract negotiations are being held. Contract Executed: Both parties signed the contract. Complete: All solicitation activities have been concluded and reported in this or prior Semiannual Reports. Suspended: Solicitation held until a later date. Canceled: Solicitation was withdrawn; scope may be included in a future solicitation.			

Since initiating the third-party solicitation process in late 2018, PG&E has executed the contracts listed in Table C.2. These executed agreements represent third-party programs that may qualify toward PG&E's minimum third-party program threshold requirements, as directed by the CPUC in Ordering Paragraph 4 of Decision 18-05-041.

Table C.2: Executed Third-Party EE Program Contracts					
Solicitation	Company	Program Name	Contract Agreement Signed	Contract Amount	Diverse Business Enterprise DBE% ¹³
Statewide C&S Advocacy	Cohen Ventures	C&S Federal	January 29, 2020	\$4,896,820	0%
		C&S Title 20	February 4, 2020	\$4,896,820	0%
	2050 Partners	C&S Title 20	February 11, 2020	\$4,900,077	0%
		C&S Federal	February	\$4,899,619	0%

¹³ The Diverse Business Enterprise (DBE) spend is an estimate from the contracts to show the percentage of the contract amount 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.

Table C.2: Executed Third-Party EE Program Contracts					
Solicitation	Company	Program Name	Contract Agreement Signed	Contract Amount	Diverse Business Enterprise DBE% ¹³
			11, 2020		
	Cohen Ventures	Program Coordinator	March 12, 2020	\$960,000	0%
Local Government Partnerships	San Joaquin Valley Clean Energy Organization	Central California Energy Watch	June 8, 2020	\$1,965,027	0%
	City and County Association of Governments	San Mateo County Energy Watch	June 9, 2020	\$972,000	0%
	The Energy Coalition	Central Coast Leaders in Energy Action Program	June 9, 2020	\$748,000	0%
	Redwood Coast Energy Authority	Redwood Coast Energy Watch	June 9, 2020	\$765,727	0%
	Sierra Business Council	Sierra Nevada Energy Watch	June 10, 2020	\$1,826,958	0%
	County of Marin-Community Development Agency	Marin County Energy Watch	June 16, 2020	\$972,000	0%
	City and County of San Francisco	EnergyAccess SF	June 19, 2020	\$2,450,262	0%
	Sonoma County	Sonoma Public Energy	June 19, 2020	\$855,000	0%
Local Public	Willdan Energy Solutions	Government and K-12 Schools Program	June 19, 2020	\$9,990,000	8%
	Alternative Energy Systems Consulting	RAPIDS Wastewater Optimization Program	June 19, 2020	\$4,205,579	22%
Local Residential	TRC Solutions	Multifamily Energy Savings Program	June 20, 2020	\$11,886,674	6%
Local Industrial	Cascade Energy	Industrial Systems Optimization Program	June 22, 2020	\$15,316,931	0%

Table C.2: Executed Third-Party EE Program Contracts					
Solicitation	Company	Program Name	Contract Agreement Signed	Contract Amount	Diverse Business Enterprise DBE% ¹³
	CLEAResult	Business Energy Performance	June 24, 2020	\$22,299,520	0%
Local Commercial	KW Engineering	Smart Labs Program	June 27, 2020	\$4,378,800	0%
		Grocery Comprehensive Retrofit and Commissioning	June 27, 2020	\$5,962,525	0%
	Ecology Action	NetOne	December 1, 2020	\$17,203,245	0%
	Nexant	Healthcare Energy Fitness Initiative	December 1, 2020	\$6,077,598	0%
		Advanced Energy Program for The High Tech & Biotech Industries	December 1, 2020	\$7,187,397	1.5%
Local Agriculture	TRC Solutions	Agricultural Energy Savings Action Plan	June 27, 2020	\$34,414,615	2%
Statewide New Construction - Commercial	Willdan Energy Solutions	Nonresidential New Construction (Mixed Fuel)	December 2, 2020	\$60,164,150	3%
		Nonresidential New Construction (Electric only)	December 2, 2020	\$39,796,892	4%
Local Residential	Oracle America	Continuous Energy Feedback Program	March 2, 2021	\$47,326,436	0%
Statewide Career Connections K-12	The Energy Coalition	Energy is Everything	May 18, 2021	\$3,094,000	0%
Statewide Career and Workforce Readiness	Strategic Energy Innovations	Energize Careers	May 21, 2021	\$5,962,555	100%
Statewide California Partnership	Alternative Energy Systems Consulting	Statewide State of California Energy Strategy and Support	June 8, 2021	\$18,883,821	15%

Table C.2: Executed Third-Party EE Program Contracts					
Solicitation	Company	Program Name	Contract Agreement Signed	Contract Amount	Diverse Business Enterprise DBE% ¹³
Statewide New Construction: Residential Sector	TRC Solutions	California Energy-Smart Homes – All-Electric	July 2, 2021	\$39,593,669	3%
		California Energy-Smart Homes – Mixed-Fuel	July 6, 2021	\$12,725,453	3%
Micro- and Small Business EE Equity	Resource Innovations	Simplified Savings	October 11, 2022	\$9,992,829	17%
Statewide C&S Advocacy	McHugh Energy Consultants	State and National Building Codes Advocacy Support	May 15, 2023	\$1,873,772	0%
	Cohen Ventures	State Appliance and National Codes Advocacy, Program Lead	August 9, 2023	\$19,010,132	0%
	2050 Partners	State Appliance and National Codes Advocacy	July 28, 2023	\$19,745,805	6.31%
	Frontier Energy	State Building Codes Advocacy	February 20, 2024	\$3,378,000	0%
	2050 Partners		March 14, 2024	\$9,500,260	5%
	Cohen Ventures		March 27, 2024	\$10,196,570	0.4%
	TRC Solutions		March 28, 2024	\$6,996,036	0%
Local C&S Code Readiness	2050 Partners	Codes and Standards Code Readiness	June 6, 2024	\$34,700,000	50%
Local Summer Reliability Platform Administrator	Alternative Energy Systems Consulting	Measured Savings Program for Summer Reliability	June 24, 2024	\$30,000,000	1%
Local Zonal Electrification Equity	Resource Innovations	Powerful Neighborhoods	July 8, 2024	\$6,138,708	27%
	QuEST	Sustainable Energy Home Improvement Program	August 23, 2024	\$5,609,545	100%

Table C.2: Executed Third-Party EE Program Contracts					
Solicitation	Company	Program Name	Contract Agreement Signed	Contract Amount	Diverse Business Enterprise DBE% ¹³
Local Residential Equity and Electrification	Resource Innovations	Residential Equity Program	August 2, 2024	\$8,983,134	19.2%
Local Residential Customer Energy Orchestration	TRC, Inc.	Residential Customer Energy Orchestration Pilot	January 24, 2025	\$5,700,000	2%
Local Commercial Strategic Energy Management	Stillwater Energy	Commercial Strategic Energy Management (SEM)	January 30, 2025	\$14,996,501	0%
Total				\$584,399,462	8.08%

D. IE Assessment of Solicitations

Table D.1 provides a detailed summary of selected IE recommendations and outcomes during the reporting period, drawn from the individual IE reports included in Attachment II. The recommendations summarized in Table D.1 may not reflect the views or conclusions of all IEs. A complete accounting of all IE recommendations issued during this reporting period is provided in the individual IE reports in Attachment II.

Table D.1: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
Scored Criteria	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
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	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]

E. IOU Effective Practices

The effective practices reported in Table E.1 reflect each IE’s individual assessments of their assigned solicitations and do not represent consensus recommendations across all IEs. Some practices apply only to certain solicitation types; for example, cost-effectiveness requirements typically pertain only to resource acquisition solicitations. Other practices were effective because of the specific circumstances of a particular solicitation and may not translate universally. When a practice proves broadly applicable and is adopted by all IOUs, the PRG incorporates it into its Solicitation Guidelines. These Guidelines provide IOUs with a consolidated set of recommendations for conducting solicitations. They serve as a reference for practices the PRG expects IOUs to consider when designing and administering future solicitations. The adoption of widely accepted practices helps maintain consistency and strengthen the quality of solicitations across IOUs.

Table E.1: Effective PG&E Solicitation Practices		
Effective Practice	IE Analysis	First Reported in Semiannual Report
Setting Expectations for Timely Bid Review and Scoring	Advising the score team to block out half of their work hours for bid review enabled them to complete all assessments within three weeks, even with an unexpectedly large number of proposals.	June 2026
Use Bidder Interviews to Clarify Information on Leading Bids Before Finalizing Scores	Using bidder interviews only to clarify information on leading bids after calibration helps the scoring team better understand and differentiate those proposals, strengthening the basis for final scores.	June 2026
Incorporating Stretch Targets and Bonus Compensation in Third-party Contracts	PG&E introduced a new concept: a stretch TSB target with an associated Implementer bonus. This new compensation element provides powerful motivation for the Implementer to exceed TSB targets, using a carrot rather than a stick to incentivize performance. For years, some PG&E IEs have recommended this as a preferred compensation approach to drive performance and enable implementers to exceed expectations.	December 2024
PG&E Pre-populated the Initial Draft Contract Based on the Bidder’s Proposal	At the start of contract negotiations, PG&E pre-populated the initial contract template with the bidder’s proposed scope of work to demonstrate where the content goes within PG&E’s contract template. This enabled more efficient and timely progress during negotiations.	December 2024

Table E.1: Effective PG&E Solicitation Practices		
Effective Practice	IE Analysis	First Reported in Semiannual Report
SEM CET Presentation at Bidder Conference	PG&E provided a Cost-effectiveness Tool (CET) presentation to support both bid preparation and evaluation of the submissions. PG&E reminded attendees about publicly available resources for general introductory CET information, which are also included in the RFP materials. The CET presentation focused on relevant reminders for more advanced practitioners regarding common errors to avoid in SEM CET runs and the importance of documenting assumptions in their narrative response. PG&E should repeat this presentation at future Bidders' Conferences for any solicitation that includes meter-based measurement and verification (M&V). Little published information exists on this topic, so recording it and/or developing written materials that could be referenced in future RFPs for meter-based programs would also be helpful in the long term.	June 2024
Provide a Debrief to the Alternate Bidder Earlier	PG&E's flexible approach in this solicitation was more effective than its current standard practice of waiting until negotiations conclude. Whether negotiations are successful is usually clear within the first two months. The PG&E solicitation lead should have the authority to decide when negotiations are on track for success and trigger the Alternate's dismissal and debrief at that time.	June 2024
Timely Debriefs	Providing debriefs immediately after notifying the unsuccessful bidder helps bidders apply what they have learned from the debriefing sooner.	June 2024
Timely Proposal Evaluations	PG&E conducts timely evaluations of the bidders' proposals, usually within a 2-4 week period.	June 2024
Calibration Meeting Management	During the calibration meeting, PG&E reviewed scores across questions rather than by proposal. This approach enabled evaluators to calibrate scores for the same question across bidder proposals.	June 2024
Preparing the Score Team for Interviews	Before interviews with bidders, PG&E briefed all Score Team members on the process and protocols (Dos and Don'ts). All bidders received thoughtful, clarifying questions from Score Team members during the interviews. There were no awkward moments, missteps, or risks to fairness.	December 2023

Table E.1: Effective PG&E Solicitation Practices		
Effective Practice	IE Analysis	First Reported in Semiannual Report
Request for Information (RFI)	PG&E's decision to release an RFI before the RFP should be considered an effective practice when market input is needed to refine a solicitation's scope and gauge third-party interests.	December 2023
NMEC CET Information Provided at Bidder Conference	PG&E provided a CET presentation at the Bidder Conference, focusing on directly relevant reminders for more advanced practitioners on common errors to avoid in Normalized Metered Energy Consumption (NMEC) CET runs and the importance of documenting assumptions in their Narrative response. This will help with bid preparation and PG&E's evaluation of the submitted materials.	December 2023
Eliminating Redundancy in RFA and RFP Scoring Criteria*	PG&E's new approach of testing discrete criteria in either the RFA or RFP stage, but not in both, reduced effort and time for all parties. This approach yielded shorter, more focused abstracts and proposals, and the time required to review and score them was cut in half. After the RFP, PG&E ranked the bids and developed the shortlist based on weighted scores from the combined RFA and RFP. This ensured that essential criteria tested only at the RFA stage (program design, innovation, and team qualifications) were appropriately incorporated into the final negotiations.	June 2022
Eliminating Delays Between Stages*	PG&E accelerated the internal solicitation development process to reduce the time between the RFA and RFP stages and between RFP selection and contracting/negotiations. PG&E completed the development and revision of the RFP package in time to present it for PRG review, along with the RFA shortlist for the first time. As a result of these efforts, there was no lag between the shortlist notification and the RFP launch. The contract templates were prepared and presented to PRG along with the RFP shortlist recommendation and are ready for distribution as negotiations begin. These efficiencies in the solicitation development and PRG review process reduced the overall solicitation timeline by two to three months compared to past practice.	June 2022

Table E.1: Effective PG&E Solicitation Practices		
Effective Practice	IE Analysis	First Reported in Semiannual Report
Provide Bidder Feedback After RFA Stage *	PG&E provided rapid feedback to all RFA bidders immediately after the shortlist notification, rather than waiting until the solicitation concluded months later. This included providing feedback on abstracts for those advancing to RFP, to support them in improving their bids between stages. In addition to directly addressing the call for better, more timely feedback, PG&E's decision to provide an RFA debrief to advancing bidders appeared to yield greater engagement and stronger proposals.	June 2022
Improved Project Management Practices Support Negotiations and Contracting	PG&E developed a matrix laying out the proposed schedule for bidders' and PG&E staff's review, revision, and completion of each contract document. The weekly negotiation meeting reviewed and updated the schedule for either party's turnaround of deliverables as needed. Bidders appreciated the information and actively used it to manage their review and feedback to PG&E.	June 2021
Running Two Similar Solicitations in a Joint Process May Reduce Overall Solicitation Costs and Effort*	PG&E managed the two WE&T solicitations' processes behind the scenes as a single, joint process. This reduced complexity for bidders participating in solicitations and improved the quality and consistency of solicitation materials developed and evaluation processes. It also significantly reduced effort and time for PG&E staff, the assigned IE, and the PRG compared with what would have been required if these two similar solicitations had been run as separate processes.	June 2021
Evaluation Team Check-in Meetings *	PG&E's evaluation teams meet weekly during the evaluation period to provide updates on the progress of their reviews. These check-in meetings also allow evaluators to ask clarifying questions on properly applying the scorecard and ensure that evaluation team members follow protocols (such as not sharing bid information outside the evaluation team).	June 2021
Allow Bidders to Cure Cost-Effectiveness Showings	As the last step in its RFP process, PG&E provides bidders with feedback on their cost-effectiveness test submissions and allows them to cure identified issues. Bidders are not permitted to change budgets or program designs at this point.	June 2021
Providing Bidders a List of CPUC-Approved EE Measures	PG&E provides bidders with a list of CPUC-approved measures and corresponding assumptions (aka Measure Picklist).	June 2021

Table E.1: Effective PG&E Solicitation Practices		
Effective Practice	IE Analysis	First Reported in Semiannual Report
IOU and IE Check-in Meetings *	PG&E held weekly check-in meetings with the evaluation team. These meetings encourage team members to manage their evaluations at a reasonable cadence throughout the review period. These check-in meetings also allowed evaluators to ask clarifying questions on the proper application of scoring criteria as they conducted their evaluations.	June 2021
Map CPUC Standard Contract Terms in the Final Contracts	PG&E integrates the IOU's proposed additional terms and conditions and the CPUC's terms and conditions into one contract template. Mapping the CPUC standard contract terms to the contract templates and final contracts makes it easier for IEs and the PRG to review and confirm the inclusion of the CPUC terms. This mapping process provides clear information about the starting point for negotiating these terms with bidders.	December 2020
Use Detailed Scoring Sheets for RFA and RFP Respondents	PG&E constructed detailed, three-layered scoring sheets with clear scoring criteria and weightings for evaluating responses. PG&E was very open to and accepted input from in-house subject matter experts (SMEs) and IEs. These open dialogues led to a more objective and transparent scoring process and results. PG&E also developed a methodology to identify when individual evaluators were outside the consensus scores, prompting detailed discussions and further analyses of responses.	December 2020
User-Friendly Response Format for Qualitative Questions*	PG&E uses a Microsoft Word-based response format for qualitative bidder questions. The IEs and PRGs support this approach, which was later included in the PRG Guidelines.	December 2020
Contract Summary Presentations to the PRG	PG&E has developed an effective model for presenting contract summaries to the PRG, which is included in the PRG Guidelines. The PRG believes all IOUs should adopt this model.	December 2020
Request Bidder Questions Before Bidder Conference	Requesting that bidders submit questions before the Bidders' Conference allows PG&E to incorporate answers to initial bidder questions into the Bidders' Conference.	December 2020
* - Indicates the Effective Practice is recommended by the PRG as presented in the PRG Guidelines.		

F. PRG Feedback

Individual IE reports reflect specific PRG feedback and the IOU's responses. For a greater discussion of the PRG and IE recommendations, refer to the individual IE solicitation reports in Attachment II.

G. Stakeholder Feedback from CPUC Workshops

Annual Stakeholder Workshop¹⁴

The CPUC, in Decision 18-01-004, requires that the Energy Division (ED) 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."¹⁵ Decision 23-02-002 later modified the requirement to at least once per year. The most recent stakeholder meeting was held on April 15, 2026, at SCE's Irwindale offices as a hybrid in-person and virtual event, running from 9:30 a.m. to 3:45 p.m., with 53 in-person attendees and approximately 50 participating virtually.

The workshop provided an opportunity for stakeholders to ask questions, offer comments, and receive updates on past and future solicitations, as well as on IOU and CPUC plans. Participants included PRG members, IEs, CPUC ED staff, IOUs, program implementers, prospective bidders, and other stakeholders. The meeting materials, including presentations, agenda, and notes, are available on the California Energy Efficiency Coordinating Committee (CAEECC) website.¹⁶ The topics presented included the following:

Energy Efficiency Policy Updates

ED staff provided an update on relevant EE policies and resources for Implementers. ED staff also provided an update on the recently filed 2028-2035 Business Plans, which included, among other requests, the following IOU policy proposals:

Third-Party Outsourcing Percentage

- SoCalGas: Change 60% requirement to 60% target
- PG&E: Reduce 60% requirement to 50% (soft target of 60%)
- SCE: Reduce 60% requirement to 20%

Third-Party Definition (currently "proposed, designed, implemented, and delivered")

- PG&E: Change the definition of "third party" to be implemented and delivered by non-utility personnel
- SCE: Change the definition of "third party" to "third-party delivered" by third parties

¹⁴Although this meeting occurred outside of the reporting period (April 2026) a summary is included here due to the timeliness and critical importance of the issues discussed by stakeholders.

¹⁵ Decision 18-01-004, OP 26.

¹⁶ <https://www.caeccc.org/cpuc-third-party-public-meetings>

Third-Party Solicitation Process Changes

- SoCalGas: Sunset PRGs and IE roles, replace with ED-led oversight with each IOU
- SCE: Solicitations valued under \$25 million should undergo a streamlined PRG review
- SCE: Adjust PRG scope, clarify IE roles, and reduce the frequency of semiannual IE reports to annual IE reports
- SCE: Modify the Tier 2 Advice Letter trigger so programs valued at \$25 million or more require an Advice Letter

Statewide Outsourcing Percentage

- SCE: Eliminate the statewide percentage requirement

IE Presentation on the Semiannual Reports

An IE representative from the IE pool presented a set of effective practices identified in the most recent Semiannual Reports covering October 2024 through September 2025.

IOU Portfolio Updates and Upcoming Solicitations

Each of the four IOUs provided updates on solicitation schedules and outlined proposed changes to the third-party program process reflected in their recently filed Business Plans. They also highlighted innovative features emerging from executed third-party contracts and discussed the ongoing challenges of fostering innovation within Resource Acquisition programs, particularly those delivered by third-party implementers. Some stakeholders asked whether the IOUs remained committed to investing in energy efficiency, given their proposed funding reduction for the future 2028-2031 funding cycle. Each IOU affirmed a continued commitment. Several IOUs highlighted an ongoing focus on cost-effective energy efficiency investments. That focus was framed as a core obligation to ratepayers who invest in these programs.

Program Implementer Panel

A panel of third-party program implementers used a stakeholder survey and their own experiences to discuss challenges, recommendations, and policies with the current solicitation process, as well as how implementers can have greater influence on policy development.

Barriers described by the panel included the following:

- **High Program Implementer Risk** - Implementers face financial, performance, and timing risks due to delayed approvals and shifting policies beyond their control.
- **Inconsistent Policy Application** - Unpredictable policy interpretations and subjective reviews lead to conservative savings estimates, thereby reducing program impact.
- **Lengthy Review Timelines** - Extended review cycles delay implementation, disrupt cash flow, and increase financing costs without improving savings accuracy.
- **Contract Amendment Delays** - Slow contract amendments hinder responsiveness and stall programs, limiting effective management and adaptation.

Policy areas that the panel discussed could benefit from program implementer feedback, and insights included the following:

- **Feasibility and Risk Insights** - Implementers provide valuable insights on policy feasibility, risk, and real-world delivery challenges based on practical experience.
- **Cost-Effectiveness Feedback** - Implementers critically inform how policies affect market behavior, customer choices, and project viability through cost-effectiveness methodologies.
- **Attribution and Verification** - Implementer feedback improves net-to-gross ratio attribution and measurement accuracy, reducing the barriers posed by blanket assumptions.
- **Contract and Equity Design** - Engaging implementers in contract structures and equity-focused program design ensures realistic incentives and better participation outcomes.

Areas of action recommended to improve program delivery included the following:

- **Rebalance Implementer Risk** - Improving review timelines, policy stability, and amendment responsiveness reduces uncertainty, lowers costs, and encourages innovation.
- **Reform Cost-Effectiveness Frameworks** - Updating frameworks to reflect full customer savings, infrastructure benefits, and long-term value expands program offerings. Participants identified two significant barriers to advancing cost-effective programs: most IOUs apply a 1.0 TRC ratio threshold at the program level, despite CPUC policy applying cost-effectiveness only at the Resource Acquisition portfolio level, and the TRC test itself is imbalanced because it counts total customer project costs while excluding all customer project benefits.
- **Implement Feedback Channels** - Creating safe, continuous channels for candid implementer feedback fosters early issue resolution and constructive improvements.
- **Enhance Policy Alignment** - Aligning energy efficiency policy with practical realities improves savings, equity, and grid reliability.

Cross-Cutting Panel

As recommended in the 2025 survey responses, the meeting convened a cross-cutting panel consisting of two IOU representatives, two implementers, and one IE (with an IE moderator). The panel was asked to address Balancing Trade-offs and Barriers to Achieve a Successful EE Portfolio. The panel focused on the following:

- Trade-offs among affordability, equity, innovation, and meeting CPUC requirements, such as cost-effective TSB or equity metrics
- Effects, alternatives, and proposed solutions

The discussion was robust, identifying barriers and potential solutions. The post-workshop survey indicated that respondents were interested in diving deeper into the issues and potential solutions in a follow-up workshop.

Custom Process Review Update

ED staff presented on the Custom Project Review Continuous Improvement Initiative, which is intended to streamline the process overall. The majority of the session focused on gathering stakeholder feedback, with implementers and IOUs sharing past experiences with the current review structure. Participants were generally encouraged by the updates, though concerns remained about the time and cost of the process or the need for it. A follow-up Initiative workshop is scheduled for June 16, 2026.

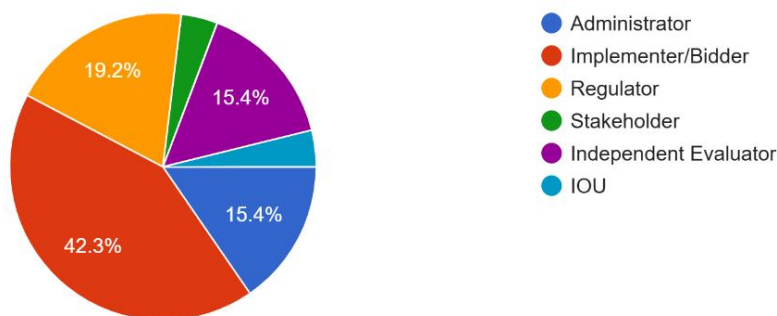
Post-Workshop Survey

Twenty-seven individuals completed the post-event survey, and responses were highly supportive of both the event and the information shared. Participants expressed strong support for each session, the overall timing, and the pre-event networking opportunity. Survey feedback also indicated interest in continued discussions on the role of Integrated Demand Side Management (IDSMS) and energy efficiency, along with other topics raised during the Implementer Panel and Cross-Cutting Panel. The next Stakeholder meeting has not yet been scheduled, but it is expected to occur in early 2027.

Figure G.1 - Post Workshop Participant Survey Results

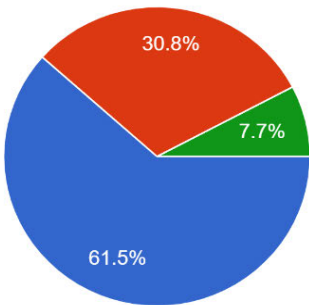
What is your role in EE Solicitations?

26 responses



How productive do you think the meeting was?

26 responses



- Very productive: Very relevant topics and well presented
- Somewhat productive: Relevant topics and presentations, but room for improvement
- Neutral: Interesting information, but didn't change what I already knew
- Somewhat unproductive: I got very little useful information from the meeting
- Very unproductive: Not useful at all. Didn't get anything out of the meeting

Attachment II: Individual EE Independent Evaluators' Semiannual Reports

Energy Efficiency Independent Evaluators' Semiannual Report on the

Statewide Career and Workforce Readiness

Reporting Period: October 2025 through March 2026

Prepared by:
Great Work Energy LLC



Disclaimer: This report includes sensitive and confidential information.

Statewide Career and Workforce Readiness Solicitation

1. Solicitation Overview

This report covers the period from October 2025 – March 2026. The report addresses the RFP and part of the contracting stages of the solicitation, from bid evaluation through the beginning of negotiations, which are still in process as of March 31, 2026.

The Scope and Objectives of the solicitation described below were communicated to potential bidders in the RFP.

1.1 Overview

a. Scope

The single-stage (RFP only) solicitation seeks proposals from prospective third-party implementers to design and implement a statewide Workforce Education & Training (WE&T) Career and Workforce Readiness (CWR) program. The purpose of the program is to advance the participation of Disadvantaged Workers in the California clean energy workforce.

PG&E is ideally seeking to contract with a single third-party Implementer for this statewide program. The total budget available is up to \$6.7 million over a contract term of 41 months, including 3 years of program implementation plus launch readiness and close-out periods.

b. Objectives

The program is categorized as an Equity segment program, which targets and serves Disadvantaged Workers by preparing them for and placing them in energy efficiency and electrification jobs. Disadvantaged Worker (DW)¹⁷ is defined as an individual who meets at least one of the following criteria:

- lives in a household where total income is below 50 percent of Area Median Income is a recipient of public assistance
- lacks a high school diploma or GED
- has previous history of incarceration for one year or more following a conviction under the criminal justice system
- is a custodial single parent
- is chronically unemployed
- has been aged out or emancipated from the foster care system
- has limited English proficiency

¹⁷ Decision 18-10-008, Ordering Paragraph 5

- or lives in a high unemployment ZIP code that is in the top 25 percent of the unemployment indicator of the CalEnviroScreen

PG&E prefers that the CWR Implementer will target, identify and track other qualifying attributes of participating Disadvantaged Workers, beyond just the zip code definition listed last.

The CWR Program is expected to leverage (and not duplicate) existing training organizations that are preparing the incoming energy workforce. They will collaborate with and leverage workforce development organizations for services, including wraparound services and non-technical/soft skills training.

At a minimum, the proposed Program includes the following:

- Statewide delivery of the program across the four IOU territories.
- Job training to develop and expand energy efficiency and electrification knowledge and skills. The program must provide some electrification training to all Participants.
- Job placement and 12-month employment retention in jobs where the Participant applies energy efficiency and/or electrification knowledge and skills.
- Based on Participant need and where feasible, providing or coordinating the delivery of wraparound and other support services that will help Participants enter and remain in the Program.

The primary CWR program targets (quantifiable outcomes to be achieved and reported) are:

- Participants: Number of Disadvantaged Workers enrolled in the program.
- Employment: Number of Participants placed in EE/electrification jobs.
- Retention: Number of participants who retain EE/electrification employment for 12 months.

1.2 Timing

The key milestones for the solicitation are shown in Table 1.1.

Table 1.1: Key Milestones		
Milestones	Completion (Expected) Date	Duration
RFP Stage		
1. RFP Released	July 17, 2025	As planned/ published in RFP: 19 weeks from RFP release to bidder notification of selection for negotiations.
2. Bidders' Conference	July 23, 2025	
3. Bidder Questions Due	August 25, 2025	
4. Responses to Bidder Questions	August 27, 2025	
5. Proposals Due	September 11, 2025	
6. Proposal Review and Evaluation	September 12 – November 2025	
7. Optional Bidder Interviews	November 17, 2025	
8. Bidders Notified	December 17, 2025	

Table 1.1: Key Milestones		
Milestones	Completion (Expected) Date	Duration
9. Bidder Debriefs	January 26 – February 12, 2026	As executed: 22 weeks from RFP release to bidder notification.
Contracting Stage		
1. Contract Negotiations Begin	January 8, 2026	As planned/ published in RFP, 18 weeks from negotiations to contract execution
2. Contract Negotiations Conclude	Still in process as of March 31, 2026; estimate completion in June 2026	
3. Contract Execution	(August 2026)	
4. Company's Advice Letter Filing, if Required	(August 2026)	
5. Notice to Proceed (Expected CPUC Approval)	(October 2026)	
6. Implementation Plan uploaded to CEDARS	(December 2026)	

1.3 Key Observations

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

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]

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

Table 1.3: Effective Practices	
Effective Practice	IE Analysis
Advising the score team to block out half of their work hours for bid review enabled them to complete all assessments within three weeks, even with an unexpectedly large number of proposals.	Setting appropriate internal expectations about the level of effort and focus that is required to serve on a score team allows for faster, deeper and ultimately more effective evaluation of proposals.
Using bidder interviews only to clarify information on leading bids after calibration helps the scoring team better understand and differentiate those proposals, strengthening the basis for final scores.	Incorporating interviews only if they are needed to complete bid evaluation and only inviting the leading bids into interviews saves time and effort for all parties.
The scoring rubric, instructions and bid evaluation processes effectively supported fair, consistent and transparent scoring and selection amongst widely divergent proposals.	PG&E's standard approach to scoring third-party EE program proposals is well-designed to support fair evaluation of very different program designs, market strategies and teaming approaches within a single solicitation.

2. RFP Stage

2.1 RFP Development

RFP development was addressed in the April 2025 – September 2025 Semiannual Report.

2.2 RFP Outreach

RFP outreach was addressed in the April 2025 – September 2025 Semiannual Report.

2.3 RFP Bidders' Conference

The Bidders' Conference was addressed in the April 2025 – September 2025 Semiannual Report.

2.4 RFP Responses

RFP responses were addressed in the April 2025 – September 2025 Semiannual Report and are summarized in the table below. The CWR RFP received [REDACTED] the market of potential bidders [REDACTED]

Table 3.2: RFP Bidder Responses			
Number of Proposals Expected		[REDACTED]	
Number of Proposals Received		[REDACTED]	

Table 3.2: RFP Bidder Responses	
Number of Proposals Disqualified	

2.5 Proposal Evaluation Process

a. RFP Bid Screening Process and Management of Deficient Bids

The bid screening criteria and process were addressed in the April 2025- September 2025 Semiannual Report. None of the bids received were screened out for noncompliance, all were passed through for evaluation by the Score Team.

b. Proposal Evaluation Team Profile and Evaluation Training

The proposal evaluation team profile and training were addressed in the April 2025 – September 2025 Semiannual Report.

c. Proposal Scoring Rubric Design

The appropriateness of the RFP scoring rubric and instructions were addressed in the April 2025 – September 2025 Semiannual Report. The scoring rubric is included below as context for the proposal evaluation, scoring and selection process described in this report.

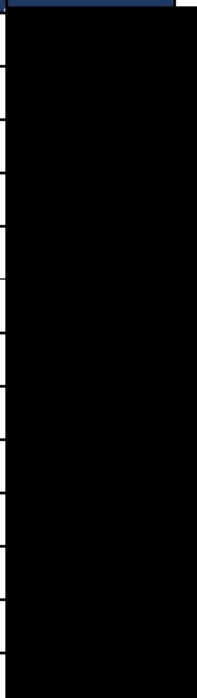
Table 2.5: Scoring Rubric			
Category	Weight	Sub-Category	Weight
Program Design		Program Design	
		Leveraged Resources	
		Career Pathways	
		Training	
		Geographic Distribution	
		Innovation	
		Market Understanding	
		Customer Acquisition	
		Participant Experience	
Program Performance & Feasibility		Program Evaluability & Data Collection	
		Program Targets	
Team Qualifications & Experience		Team Composition and Qualifications	
		Prior Experience	

Table 2.5: Scoring Rubric			
Category	Weight	Sub-Category	Weight
Cost Structure	■ ■	Compensation Structure	
		Program Budget	
Total			

d. Proposal Evaluation Process and Scoring Calibration

PG&E’s proposal evaluation methods and review process were executed in alignment with the plans they had communicated to the IE and PRG during RFP review. These bid evaluation methods and processes effectively incorporated lessons learned and successful practices from prior PG&E third-party energy efficiency solicitations. Throughout the process, PG&E’s score team utilized the methods and scoring instructions consistently and fairly to evaluate all the proposals received. Their independent assessments of the bidder’s response for each scored criteria effectively surfaced the strengths and weaknesses of each proposal and supported identification of lower and higher quality bids.

Individual Scoring

Individual scoring began on September 15 and continued through October 3, 2025. The score team’s diligence in completing full review, evaluation

This was well-supported by the PG&E solicitation lead’s early setting of expectations around the level of effort and focus that would be required, including a recommendation that the scorers should block out at least half of their work hours for bid review during the individual scoring period. This combined with the training and tools provided to the score team and effective project management of the process led to this positive outcome.

Scoring Calibration

two scoring calibration sessions were held on October 9 and October 17, 2025. These calibration discussions supported score team members’ clearer understanding of key elements of each proposal and explored differences in their perception of the merit of bidder submissions tied to each scored criterion. The calibration meetings were effectively facilitated to enable fair and constructive consideration of all bids received, without impinging on individual scorers’ independent assessment.

Following calibration, the score team members independently re-reviewed their scores, ensuring alignment between the scoring instructions, the information that bidders had submitted and their assessment of it. Where a score was changed, the score team member updated the notes accompanying their scores to reflect why. This post-calibration re-scoring was completed on October 24, 2025.

Interviews

[REDACTED]

PG&E prepared for interviews by soliciting clarifying questions from the score team members, including questions that [REDACTED]

[REDACTED]

60-minute interviews with each bidder occurred on November 17, 2025. [REDACTED]

[REDACTED] Score team members [REDACTED] thoughtful, clarifying follow-up questions about their presentation and proposal. Following each interview, the solicitation coordinator facilitated [REDACTED]

e. Proposal Selection Process

PG&E analyzed the final scores, [REDACTED]

[REDACTED]

Final post-interview [REDACTED]

[REDACTED]

[REDACTED]

2.6 IE and PRG Feedback to Proposal Process

GWE IE reviewed and monitored all plans and steps of the proposal evaluation and selection process, confirmed data quality and accuracy in scoring spreadsheets, provided questions or feedback to PG&E's solicitation lead and reported key observations and findings to the PRG in meetings and monthly reports.

GWE IE shadow-scored the bids, participated in calibration sessions and attended interviews. Utilizing the same methods and scoring instructions that the score team used supported IE analysis of the fairness and efficacy of the bid evaluation and selection process and provided insight into the proposals submitted.

IE observations and findings regarding the proposal evaluation and selection process that were reported to PRG included:

- It was a consistently fair process.
- There was no conflict of interest with any scorer.
- There were no major differences of opinion on the scoring team, they were fairly well-aligned on the bids' strengths and weaknesses.
- Score team members demonstrated adequate understanding of the scoring criteria and instructions, and this improved in calibration meetings and re-scoring.
- Bid review and scoring did not reveal any omissions or lack of clarity in the RFP package. All bidders were clearly able to follow and respond to the RFP instructions.
- PG&E used a well-structured interview process to clarify aspects of the [REDACTED]
- [REDACTED]

While there were common themes running through most, the specifics of the proposals submitted reflected a very wide range of program design, market strategy and teaming approaches to meet the CWR solicitation's overarching objective of increasing the number of Disadvantaged Workers working in energy efficiency and building electrification in California. It was noteworthy that PG&E's scoring rubric, scoring instructions and bid evaluation processes were effective for fairly, consistently and transparently scoring and selecting amongst such widely divergent proposals.

a. Response to IE Feedback

PG&E responded quickly and appropriately to IE feedback or concerns raised during the bid evaluation and selection process. Topics addressed included:

- [REDACTED]
- GWE raised this concern with the solicitation lead and during calibration session discussions, [REDACTED]
- Interview questions were reviewed with GWE IE before finalizing. GWE review focused on ensuring that all questions asked were aligned with the RFP, that they were directly tied to the scored criteria and that they were fair [REDACTED]
- [REDACTED]

Because of the complexity of the CWR concept, there is a need to clarify and collaborate to improve some aspects of the finalist's proposed program in negotiations before these could be finalized in a contract and implementation plan. [REDACTED]

b. Adherence to PRG Guidance and Feedback

PG&E's actions during the reporting period were well-aligned with all PRG guidelines for bid evaluation, interviews and shortlisting.

PG&E's shortlist recommendation was provided for PRG review and feedback on December 2, 2025. The bid summaries for all submitted proposals provided an accurate high-level description of each program proposed.

PG&E presented information about the bid evaluation process and its outcomes at the PRG meeting on December 4, 2025, and recommended [REDACTED] PRG members did not express concerns with the proposed selection, but asked clarifying questions about the selected program, which were addressed by PG&E. In the week following the PRG meeting, CPUC ED staff submitted additional questions and feedback via email to all PG&E PRG members and attendees, which PG&E responded to. Following these exchanges, ED staff communicated that

they had no further questions or concerns about PG&E’s shortlist recommendation. PRG questions and PG&E responses are reflected below.

1. There is a focus on building electrification. All the IOUs are paying into funding this program since it’s statewide. Is this an electrification program?

PG&E response: We expect this program to focus on both EE and electrification jobs. It’s not an electrification-only program as some of our other PG&E programs are.

2. [REDACTED]

PG&E response: [REDACTED]

- [REDACTED]

[REDACTED] Each bidder’s program may be very different, and what they’re using (leveraged resources, etc) will all need different funding.

4. How does the finalist bidder propose to deliver a program statewide across California (and not just in PG&E territory), addressing varied market needs across the State?

PG&E response: The Program will offer [REDACTED]

[REDACTED]

5. How does the finalist bidder plan to collaborate with other IOU, Regional Energy Networks (RENs), and Community Choice Aggregators (CCAs) local WE&T programs to avoid overlap and duplication?

PG&E response: There are three opportunities to avoid overlap and duplication: 1) PG&E will schedule a publicly-noticed meeting for the Implementer to present their Implementation Plan; 2) Once per year, PG&E will hold a publicly-noticed Stakeholder Engagement Forum where the Implementer will provide program updates; and 3) On an ongoing basis, through Joint Cooperation Memos and regularly scheduled meetings, PG&E and the other IOUs will collaborate with CCAs and RENs to avoid overlap and duplication with CWR.

6. ED Staff encourage PG&E and their selected implementer to consider further collaboration efforts that can be made with other PA's, RENs, and CCA's on WE&T efforts.

PG&E response: PG&E will continue to consider feasible collaborations with other PA's, RENs, and CCA's on WE&T efforts including the CWR program.

7. [REDACTED]

PG&E response: [REDACTED]

2.7 Bidder Debriefs

PG&E sent notification letters to all CWR Bidders regarding their proposal's status on December 17, 2025. All bidders whose proposals were not accepted were offered an optional debrief. Most accepted PG&E's invitation, and their 30 minute debrief meetings were held between January 26 – February 12, 2026.

PG&E followed their standard, structured practice for bidder feedback, which includes:

- Conveying ground-rules for the bidder feedback session, including clearly communicating what will not be addressed, such as information about other bids or bidders, the number of bidders selected to advance and specific solicitation details such as scoring weightings, names of score team members.
- Reminding bidders about the evaluation criteria that were scored and offering to explain more about how the criteria were defined and scored if the bidder has questions.

- Explaining the feedback methodology and providing feedback on their bid’s scoring outcomes in two dimensions:
 - On an **absolute scale**. Scores above a certain threshold (ex: 4 or greater) are a Strength, below a certain threshold are a Weakness (ex: 2 or less) and those that fall between are communicated as neither a strength nor a weakness.
 - On a **relative scale**, as compared to the pool of bids evaluated, using analysis of standard deviation across the entire bidding field for each scoring criterion. PG&E communicates each score as Significantly Lower, Slightly Lower, No Material Difference, Slightly Higher or Significantly Higher as compared to the entire bidding pool.
- Allowing time for questions and feedback from the bidder about the solicitation.
- Informing bidders about the future Advice Letter and Implementation Plan for this solicitation, as a source of additional information regarding the program that PG&E will ultimately contract for.

most bidders expressed appreciation for the solicitation process and for the information provided by PG&E in the debrief meetings. Examples of positive bidder feedback included:

- The meeting with PG&E was the most structured, comprehensive proposal debrief we’ve ever received.
- In putting our team together for this proposal, we built new partnerships that are opening up other near-term business opportunities for our organization.
- PG&E did a great job with the RFP materials, Q&A and communications. This was our first time bidding to PG&E. Based on the information PG&E shared, we just need to get better.

3. Contracting Process

The only Contracting step completed during this reporting period was Contract Template Review, which is addressed below. As of March 31, 2026, contract negotiations that kicked off on January 8, 2026 were still underway. Based on progress to date, parties are now expected to reach negotiated final contract scope and terms in June 2026. The full negotiations and contracting process and its outcomes in the final contract will be addressed in the next Semiannual Report.

3.1 Contract Template Review

PRG Guidelines require that the assigned IE and PRG review the contract templates that will be used as the starting point for a solicitation’s negotiations. To reduce lags between solicitation stages and improve timelines, PG&E developed the CWR contract templates and presented them to PRG in December 2025 at the same meeting where they presented their shortlist recommendation.

PG&E provided the CWR contract template for IE review in November 2025 and provided sufficient time for thorough IE review of all contract template documents, thoughtful PG&E response to all IE feedback and productive dialogue with PG&E on these topics.

The CWR contract template is based on PG&E's current standard Contract Template (reviewed by the IE pool in February 2023). It includes the Program Implementation Agreement (PIA), Attachment 1 Program Requirements, Attachment 2 Narrative (Scope of Work) and Attachment 2 Data Form. These were updated to incorporate CWR-specific objectives and requirements from the RFP and relevant CPUC decisions, mostly in the Attachment 1 and Attachment 2 documents.

GWE identified ten material comments during review, which were entered into the Comment Tracker. Seven of these comments recommended changes, while the other three sought clarification from PG&E or were added to the Comment Tracker for PRG awareness. PG&E considered and responded to all IE comments and accepted all but one IE recommendation, noted in the list below. GWE review of the revised contract template and confirmed that all IE concerns were resolved or adequately addressed in the version provided to PRG for review.

IE comments and recommendations addressed:

- Intellectual property ownership and associated revised language added to CPUC Modifiable Term H(2)(b)(c).
- Employee Dishonesty Insurance coverage requirements
- Flexibility of annual budgets
- Leveraged resources
- CWR participant eligibility requirements
- Data collection plan & program evaluability
- Inapplicability of Program Participation Agreement (PPA) template and terms
- Annual Stakeholder Forum for Equity programs
- Terminology: Recommended alternative to using the words "Participant Incentives" to describe DINI budget used to motivate or reward participants for actions recommended by the program. (Not Accepted by PG&E)

The revised CWR contract templates provided for PRG review met all applicable PRG Guidelines, as reflected in the Checklist provided to PRG to support their review and in Table 3.1 in this report. PG&E appropriately addressed GWE IE feedback and recommendations, as documented in the IE-confirmed Comment Tracker provided to PRG. They were well-aligned with the CWR RFP and all applicable policies and provided an appropriate starting point for contract negotiations.

PRG members had no questions or feedback on the CWR contract templates at or following the PRG meeting on December 4, 2025.

3.2 Collaboration on Final Program Design and Scope

Negotiations are in still in process as of the end of this reporting period. The final program design and scope will be addressed in the next Semiannual Report.

After a kickoff meeting on January 8, 2026, active negotiations with the finalist commenced and have continued productively. Seven negotiation meetings have been held over the ten-week period, with clear agendas and purposes for each meeting developed collaboratively through messages exchanged on the Wood Mackenzie platform. Both parties consistently provided, reviewed and responded to comments and redlines in contract documents, action items coming out of meetings and additional requests for information in writing.

Turns of contract documents paused for ~one month starting in mid-February while parties clarified key aspects of the proposed program's scope and design. [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Parties exchanged questions and written explanatory documents and held multiple meetings to discuss these complex program design and strategy topics. As of the end of this reporting period, these things are becoming clearer, although there remain many details to work out and document contractually before the program design and scope is final.

3.3 Fairness of Negotiations

Negotiations are in process. This will be addressed in the next Semiannual Report.

3.4 Changes to Contract Terms and Conditions

Negotiations are in process. This will be addressed in the next Semiannual Report.

3.5 Conformance with CPUC Policies and Objectives

PG&E's actions during the reporting period were well-aligned with all relevant PRG guidelines for the contracting stage of the solicitation.

Table 3.1: 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)	Confirmed.
The Contract must include all CPUC standard (non-modifiable) contract terms in the Contract (6.1.2)	Confirmed
The Contract includes CPUC modifiable contract terms as a starting point. (6.1.3)	Confirmed
Other aspects of the contract template do not conflict with CPUC terms and conditions, policies, decisions, or direction. (6.1.4)	Confirmed
IOU proposed Contract did not advocate for altering the contract in the event of restructuring or bankruptcy (6.1.5)	Confirmed
IE pool reviews the standard contract template and provides comments (6.1.6)	PG&E's current standard third-party contract template was reviewed by the IE pool in January 2023 and is the basis for the CWR contract template, which was reviewed by the assigned IE.
IOU must present its contracting negotiation process to the IE/PRG for review (6.2.1)	Confirmed.
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)	Yes, and negotiations are still in process.
IEs monitored all bidder communications during the negotiation process (6.2.3)	Yes, and negotiations are still in process.
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, at negotiations kickoff meeting on January 8, 2026.
IOU explained the steps in the negotiation and contracting process to the bidder, including the timeline. (6.2.4.b)	Yes, at negotiations kickoff meeting on January 8, 2026.

Table 3.1: Contract Alignment with CPUC Policies and Objectives

PRG Guidance and Other Considerations	IE Response
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)	Partially – PG&E has employed effective project management practices in review and revision of individual contract documents, including clearly communicating turns and due dates, but has not shared a detailed schedule laying out all the various documents and their status.
Before execution, the assigned IE and PRG reviewed the final contracts for each program recommended for award. (6.3.1)	Negotiations in process, will be addressed in next Semiannual Report.
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.	Negotiations in process, will be addressed in next Semiannual Report.
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?	Not applicable. There is no performance assurance in PG&E's contract templates, and it will not be introduced in negotiations.
Does the contract explicitly allow the Implementer to receive necessary customer data from the IOU consistent with CPUC's direction?	Negotiations in process, will be addressed in next Semiannual Report.
How does the contract demonstrate a balance of risk among program implementer, customer, and ratepayer regarding compensation structure?	Negotiations in process, will be addressed in next Semiannual Report.
The contract includes a reasonable number of key performance indicators (KPIs), and KPIs make sense in terms of measurement, scale, and timeframe.	Negotiations in process, will be addressed in next Semiannual Report.
The contract clearly addresses IOU Support Services.	Negotiations in process, will be addressed in next Semiannual Report.
The contract retains the bidder's proposed innovative aspects of the program.	Negotiations in process, will be addressed in next Semiannual Report.
The contract includes Integrated Demand-Side Management (IDSM)/ Distributed Energy Resources (DERs) components consistent with CPUC guidance if applicable.	Not applicable, CWR program is non-resource.

Table 3.1: Contract Alignment with CPUC Policies and Objectives	
PRG Guidance and Other Considerations	IE Response
The contract includes EE/Demand Response (DR) integration activities consistent with CPUC guidance, if applicable?	Not applicable, CWR program is non-resource.
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.	Negotiations in process, will be addressed in next Semiannual Report.

3.6 Uniformity of Contract Changes

This will be addressed in the next Semiannual Report.

3.7 IE and PRG Feedback to Contracting

This will be addressed in the next Semiannual Report.

3.8 Final Selection

This will be addressed in the next Semiannual Report.

3.9 Contract Execution

This will be addressed in the next Semiannual Report.

4. Assessment of Final Contract

This will be addressed in future Semiannual Reports.

5. Overall Assessment of Solicitation

This will be addressed in future Semiannual Reports.

6. Implementation Plan Assessment

This will be addressed in future Semiannual Reports.

Energy Efficiency Independent Evaluators' Semiannual Report on the

Statewide All-Electric Nonresidential Heating, Ventilation, and Air Conditioning Solicitation

Reporting Period: October 2025 through March 2026

Prepared by:
Tierra Resource Consultants



Disclaimer: This report includes sensitive and confidential information.

Statewide All-Electric Nonresidential Heating, Ventilation, and Air Conditioning Solicitation

1. Solicitation Overview

This report covers the period from October 2025 through March 2026 and addresses the Statewide All-Electric Nonresidential Heating, Ventilation, and Air Conditioning Program (SW Nonresidential HVAC Program or Program). The report covers activities through the shortlisting phase of the RFP stage.

1.1 Overview

a. Scope

The total budget available is up to \$30 million over a 4-year contract term, 2027- 2030. This is a single-stage (RFP-only) solicitation that seeks proposals from prospective third-party implementers to design and implement a midstream/downstream SW Nonresidential HVAC Program. This is a resource acquisition program with the primary purpose of delivering cost-effective Total System Benefits (TSB).

b. Objectives

The Program's key objectives are to (1) deliver cost-effective energy savings that maximize Total System Benefit (TSB), (2) accelerate all-electric heat pump adoption in the nonresidential sector by increasing installer-driven demand. Specific objectives include:

- Address specific commercial market segments and target audiences, including program midstream participant size, program downstream participant size, North American Industry Classification System (NAICS) codes, and geographies served.
- Provide a statewide approach with consideration for differences in HVAC performance by geographic reach and program delivery components that will be the same or very similar throughout the IOUs' service territories but allow for delivery components that will differ across the IOUs' service territories.
- The Program consists of two components:
 - Midstream Component – HVAC distributors serving as the midstream participant; and
 - Downstream Component – HVAC installation contractors serving as the downstream participant.
- As a resource acquisition program, the CPUC measures the portfolio's effectiveness in the resource acquisition segment via two distinct metrics, which bidders are asked to forecast and report throughout the Program implementation period:

- Total System Benefit (TSB) measured in dollars; and
- Cost-effectiveness is measured through the Total Resource Cost (TRC) test and the Program Administrator Cost (PAC) test.

1.2 Timing

The intent of this solicitation changed throughout the RFP development cycle from a Market Support to a Resource Acquisition solicitation. The Market Support solicitation was defined for the PRG in June 2025, and the Tierra IE submitted comments on the Narrative and General Instructions for this solicitation in July 2025. This solicitation was planned for launch in August of 2025, with an advice letter approval expected in July of 2026. PG&E continued its internal review of the solicitation and, on September 10, 2025, informed the IE that the RFP was being changed to a resource acquisition solicitation, presenting an overview of the revised program to the PRG in September 2025.

The RFP stage milestones completed during this reporting period for the resource acquisition solicitation include launch through bidder interviews, completed in February 2026, presenting approximately 19 weeks. The timing of key milestones completed during this SAR reporting period is shown in Table 1.1.

Table 1.1: Key Milestones		
Milestones	Completion (Expected) Date	Duration
RFP Stage		
1. RFP Launch / Close	October 22, 2025 / December 17, 2025	Approximately 20 weeks from RFP release to bidder notification of selection for negotiations.
2. Bidders' Conference	October 31, 2025 (Actual date) October 29, 2025 (Scheduled date in RFP General Instructions document)	
3. Bidder Questions Due	November 5, 2025	
4. Responses to Bidder Questions	November 12, 2025	
5. Proposals Due	December 17, 2025	
6. Optional Bidder Interviews	All bidders interviewed throughout February 2026	
7. Bidder(s) Notified	April 13, 2026 [REDACTED] April 13, 2026 [REDACTED]	
Contracting Stage		
1. Contract Negotiations Begin	April 17, 2026	Approximately 36 weeks from the beginning of contract negotiations through upload of the Implementation Plan, expected December 2026
2. Contract Negotiations Conclude	June 2026 (Tentative date)	
3. Bidder Debriefs	June 2026 (Tentative date)	
4. Contract Execution	October 2026 (Tentative date)	
5. Company's Advice Letter Filing, if Required	October 2026 (Tentative date)	
6. Notice to Proceed (CPUC Approval)	November 2026 (Tentative date)	
7. Implementation Plan uploaded to CEDARS	December 2026 (Tentative date)	

1.3 Key Observations

Key observations by the IE during this reporting period are shown in Table 1.2. These observations are itemized below by phase of the solicitation.

RFP development phase:

1. Mid-market approach limits effectiveness.
2. Need for additional focus on barriers to electrification.
3. Need for additional KPIs defining progress in the electrification market.
4. Need for additional focus on IDSM.

Proposal review and scoring phase:

5. Relationship with the statewide commercial new construction program.
6. Gas baseline for packaged terminal heat pumps (PTHP).
7. Defining effective use of NMEC for screening projects and reporting claims for commercial HVAC fuel substitution programs.

The key observation provided in Table 1.2 for the RFP development phase is further discussed in Section 3.5.a, Response to IE Feedback.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Midstream Approach Limits Effectiveness	Early versions of the Market Support and Resource Acquisition RFP designs were primarily focused on the midstream.	IE recommended a solicitation focused on the downstream market, primarily installers. More details are provided in Section 3.5.a.	The final Resource Acquisition RFP included substantial focus on supporting installers to drive HVAC electrification.
Need for Additional Focus on Barriers to Electrification	Commercial HVAC fuel substitution (FS) is a new market initiative and has barriers not present in the commercial HVAC program, which has historically focused on energy efficiency.	IE presented details on differences between EE and FS projects and recommended various metrics to assess the FS attributes of proposals. More details are provided in Section 3.5.a.	[REDACTED]

Table 1.2: Key Issues and Observations

Topics	Key Observations	IE Recommendations	Outcomes
Need for Additional KPIs Defining Progress in the Electrification Market	The standard KPIs included in Resource Acquisition projects have limited application in assessing how the program is transforming the commercial HVAC FS market.	IE suggested that additional metrics be included in the solicitation, requesting bidders to address the FS market specifically. More details are provided in Section 3.5.a.	[REDACTED]
Need for Additional Focus on IDSM	[REDACTED]	[REDACTED]	[REDACTED]
Relationship with the Statewide Commercial New Construction Program	[REDACTED] in the commercial new construction (NC) market.	[REDACTED]	[REDACTED]

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Absence of a Gas Baseline for Packaged Terminal Heat Pumps (PTHP)	[REDACTED]	[REDACTED]	[REDACTED]
Defining Effective Use of NMEC for Screening Projects and Reporting Claims for Commercial HVAC FS Projects	[REDACTED] commercial FS applications.	[REDACTED]	[REDACTED]

The IE did not find effective practice recommendations applicable to the third-party solicitation process. Table 1.3 presents recommendations related to using the Program to advance NMEC use cases and increase the use of IDSMS to improve grid reliability and customer energy cost control.

Table 1.3: Effective Practices	
Effective Practice	IE Analysis
Define effective use of NMEC in the broader C&I segments	The SW HVAC Program can help to define or refine the effective use of NMEC in other

Table 1.3: Effective Practices	
Effective Practice	IE Analysis
	commercial and industrial sector applications.
Increase the requirement for the application of IDSM	IDSM represents California’s resource loading order and is an increasingly cost-competitive and effective approach to achieve grid reliability and customer cost control.

2. RFP Stage

The engagement between PG&E and the IE has complied with all components of the PRG Guidelines Checklist, including clearly defining the PRG/IE roles and review process and checklist elements presented in the RFP, including items related to RFP development, CPUC rules and policies, cost-effectiveness, bidder payment terms, optional IOU support services, program-level M&V, and RFP scoring criteria.

2.1 RFP Development

The IOU’s solicitation documents were well defined, including:

- Clearly defining the intent of the solicitation.
- Providing bidders with adequate details on what the response should include without limiting the bidder's ability to deliver innovative solutions.
- Providing clarity on what information was required for a fair and robust evaluation process.

The solicitation was consistent with existing business plans as of the date of the RFP release, understanding that the 2028-2035 energy efficiency business plan and the 2028-2031 portfolio plan were filed by PG&E in March 2026 and may contain new information and directives related to electrification that might further shape the role of the Program during the 2027 to 2030 performance period.

2.2 RFP Outreach

Notification about the RFP was posted to PG&E’s “Active and upcoming solicitations webpage,”¹⁸ instructing potential bidders to register at Wood Mackenzie through an intermediate link to access RFP documents.¹⁹ The Contract Opportunity Announcement was also posted to CAEECC, PEPMA, PG&E’s Bid Opportunity website, and additionally, it was communicated to PG&E supply

¹⁸ <https://www.pge.com/en/about/doing-business-with-pge/solicitations.html>

¹⁹ https://www.poweradvocate.com/compiled/supplier-registration/app/index.html?companyKey=aX738OR9AGE%3D&okey=235653&pubEvent=true&locale=en_US

management vendor lists. A total of 60 firms registered at Wood Mackenzie platform and had access to the RFP documents.

2.3 RFP Bidders' Conference

The Bidder Conference webinar was held on October 31, 2025. Tierra counted 27 bidder representatives in attendance and identified 8 potential bidder firms. All information presented was accurate and aligned with the RFP documents, and there were no issues, missteps, or errors. As has been their standard practice, PG&E did not answer Bidder questions during the Bidder Conference, and bidders were instructed to submit their questions via the Wood Mackenzie system.

Table 2.1: RFP Bidders' Conference	
Bidders' Conference Date	October 31, 2025
Number of Attendees	27

Bidders submitted 21 written questions to PG&E by the deadline of November 3, 2025. PG&E provided final answers for all questions submitted to all registered bidders on November 12, 2025, via Wood Mackenzie. The Tierra IE reviewed and provided feedback on PG&E's draft answers before these were finalized. The IE feedback focused on the accuracy and clarity of answers, including their alignment with the RFP. PG&E appropriately addressed all IE feedback and recommendations prior to sending answers to bidders.

Table 2.2: IE Categorization of Bidder Questions	
Topic Area	Question Count
Customer Eligibility	8
EM&V	3
Qualifying Products	3
Branding and MEO	2
Market Support Overlap	2
Data Access	1
Deemed vs NMEC approach	1
Incentive Recipient	1
Program Administration	1
Program Budget	1
Program Data Tracking	1
Qualifying Products	1

2.4 RFP Responses

As summarized in Table 2.3, [REDACTED] received by the due date of 3 pm on December 17, 2025, which was in line with the expected response from the market, and none of the proposals were disqualified. [REDACTED]

Table 2.3: RFP Bidder Responses			
Number of Proposals Expected		[REDACTED]	
Number of Proposals Received		[REDACTED]	
Number of Proposals Disqualified		[REDACTED]	



2.5 Proposal Selection Process

None of the proposals received had material deficiencies or were non-conforming, and all three were evaluated.

a. RFP Bid Screening Process and Management of Deficient Bids

The IOU assured bid conformance through effective use of the Wood Mackenzie platform. Specifically, reminders were regularly sent to all bidders regarding upcoming deadlines, and the responses to specific bidder questions were provided to all bidders.

b. Proposal Evaluation Team Profile and Evaluation Training

Scoring team training meetings were held on December 8, 2025, including [REDACTED] January 6, 2026, including the IE and [REDACTED] PG&E staff were trained on the scoring method and tools provided by the PG&E solicitation lead. The final team [REDACTED] staff were fully trained and understood the duties related to scoring bidder submissions, including IOU's conflict-of-interest policies and code of conduct related to information sharing. This team participated throughout all scoring discussions and submitted final scores consistent with the template provided by the PG&E solicitation lead.

[REDACTED]

[REDACTED]

c. Proposal Scoring Rubric Design

Table 2.6 provides the final scoring rubric provided at an off-cycle PRG meeting held on October 10, 2025, including the score category and weight, and the subcategory and weight.

[REDACTED]

[REDACTED]

[REDACTED]

Table 2.6: Scoring Rubric			
Category	Weight	Sub-Category	Weight
Program Design & Market Understanding	[REDACTED]	Program Design	[REDACTED]
		Market Understanding	
		Installer Strategy	
		Innovation	
Implementation & Feasibility	[REDACTED]	Program Implementation & Schedule	[REDACTED]
		Program Benefits & Targets	

Table 2.6: Scoring Rubric			
Category	Weight	Sub-Category	Weight
Program Budget & Compensation		Budget	
		Compensation Structure	
Program Team Qualifications & Experience		Team Composition and Responsibilities	
		Prior Implementation Experience	
Total			

d. Proposal Evaluation Process and Scoring Calibration

PG&E provided █
 █
 █
 █

Program Design & Market Understanding

PG&E provided the IE with a detailed RFP Scorecard Scoring Criteria template for review and comment prior to the start of scoring team training on December 8, 2025. The template provided clear definitions on how information requested in the RFP Narrative Form was to be scored for each of the following proposal elements:

- Program Design and Market Understanding
- Program Implementation & Feasibility
- Program Budget and Compensation
- Program Team Qualifications & Experience

The █
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2.6 Proposal Selection Process

Once proposals were scored independently, the selection process began with scoring team calibration meetings between January 20, 2026 and February 2, 2026, prior to bidders' interviews. Bidder interviews were conducted between February 18th and 23rd, followed by two additional team scoring

discussions on February 23rd and March 2nd. Final scores were submitted on March 5th followed by two shortlist discussions on March 12th and 17th.

Table 2.7: Scoring Scale				
1	2	3	4	5
Unacceptable	Fair/ Below Average	Good/ Average	Very Good	Exceptional
Does not meet established criteria and deficiencies identified would require major improvements.	Partially meets established criteria and deficiencies could be addressed with moderate improvement.	Mostly meets established criteria and deficiencies could be addressed with minor improvement.	Meets all established criteria with no key deficiencies identified.	Meets all established criteria and exceeds established criteria in key areas.

[REDACTED]

[REDACTED]

2.7 PRG and IE Feedback to Proposal Process and Selections

The [REDACTED]
[REDACTED]
[REDACTED] None of the
IE recommendations were rejected without clear explanations from PG&E.

a. Response to IE Feedback

Mid-Market Approach Limits Effectiveness

IE Observation: The initial solicitation design did not place sufficient emphasis on the critical role HVAC contractors will play in the success of the program. HVAC installation contractors are identified as “downstream” market participants in multiple CPUC decisions (e.g., D.15-10-028 and D.16-08-019) and rulings (e.g., R.13-11-005). The initial design appeared to be focused on distributors,

who have been defined as midstream market actors. IE recommended revising the solicitation to increase the focus on installation contractors and ensure the subsequent scoring process evaluated how bidders proposed to engage and support both distributors and installation contractors.

Response to IE Feedback: The final RFP reflected this discussion, including:

- Recognizing installers as the key conduit from manufacturers to customers.
- Allowing HVAC installers to co-exist in both midstream and downstream roles.
- Create a dual-participation framework where installers simultaneously act as supply chain influencers and end-customer service providers.
- Require clearly defined roles, participation criteria, and incentives for installers.

Need for Additional Focus on Barriers to Electrification

IE Observation: RTU fuel substitution (FS) projects are more complex than like-for-like fuel replacements because they require additional design, engineering, and installation steps. This introduces added cost, scheduling, and implementation risks for installers, often resulting in higher installation costs and scheduling issues [REDACTED]

Response to IE Feedback: [REDACTED]

Need for Additional KPIs Defining Progress in the Electrification Market

IE Observation: This solicitation represents California's first statewide commercial HVAC FS program and presents an opportunity to better understand the emerging commercial electrification market. Almost all previous public purpose funded programs focused on energy efficiency from like-for-like equipment replacement projects, including Comfortably CA, the current statewide commercial HVAC program being replaced by this solicitation, or the statewide commercial new construction program, the California Energy Design Assistance program (CEDA). Other market support initiatives, such as the California Market Transformation Administrator's (CalMTA) market transformation efforts, continue to focus on increasing RTU heating and cooling efficiency.

Response to IE Feedback: [REDACTED]

Need for Additional Focus on IDSM

IE Observation: [REDACTED]

[REDACTED]

Response to IE Feedback: [REDACTED]

[REDACTED]

b. Adherence to PRG Guidance and Feedback

The PRG provided feedback and questions regarding program design at various points during the RFP development, including an email exchange between PG&E and the Energy Division occurring in October 2025, discussed below. PG&E provided timely responses and addressed questions adequately.

October 16, 2025 E-mail from CPUC’s Energy Division

Summary of Energy Division Comments: The comments seek clarification on how cost-effectiveness is incorporated into the proposal evaluation, including [REDACTED]

[REDACTED]

Summary of PG&E Responses: PG&E explains that cost-effectiveness is embedded within [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

NMEC Discussions and Themes

In addition to written comments, during engagements with the PRG during this SAR reporting period, PG&E expressed concern about [REDACTED]

[REDACTED]

- The program leverages existing, Energy Division-approved measure packages, which allow for streamlined implementation with minimal administrative overhead. This approach ensures timely deployment and reduces complexity in both tracking and reporting.
- As the program contains the midstream delivery channel, midstream has limited post-installation engagement with end-use customers, making them poorly suited for NMEC.

- Electrification measures, particularly those involving HVAC FS, generate substantial gas savings. However, PG&E has encountered significant challenges in developing viable NMEC models for gas savings.

- [REDACTED]

3. Contracting Process

On March 26, 2026, PG&E staff presented the program contract template and supporting documents to the PRG and subsequently posted these to PG&E's Electronic Secure File Transfer (ESFT) for review. Documents posted include:

- Program Implementation Agreement (PIA)
- 3P RA SW HVAC CWR Attachment 1
- 3P RA SW HVAC Attachment 2
- 3P SW HVAC Attachment 2 Data Form
- Matrix of CPUC Standard Terms aside PG&E's Terms
- Matrix of CPUC Modifiable Terms aside PG&E's Terms
- Comment Tracker
- PRG Guidelines Checklist