Memo

STATE OF RHODE ISLAND
ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL

To: Energy Efficiency & Resource Management Council
From: Mike Guerard and Sam Ross
CC: Becca Trietch/RI OER
Date: June 18, 2019
Subject: Market Potential Study Evaluator Recommendation

CONSULTANT TEAM

I.   Summary

In March 2019, the Rhode Island Energy Efficiency & Resource Management Council (EERMC) issued a Request for Proposals for an Energy Efficiency Market Potential Study (EE MPS) to be conducted in the second half of 2019 and early 2020, with results available in time to inform the upcoming three year planning cycle which will begin in early 2020. The RFP, administered by the Rhode Island Office of Energy Resources (OER), received four responses. Each of these responses reviewed and scored by each member of the EERMC's three-member Selection Committee (Chris Powell, Joe Garlick and Roberta Fagan) with EERMC Consultant Team support according to Rhode Island procurement guidelines, as described in the RFP. Scores are detailed in Section II.

The response review procedure begins with scoring according to technical features of the responses only, during which a maximum of 70 potential points can be awarded. Importantly, each Selection Committee member provides technical scores individually, and the average of the three scores in each scoring category is awarded in the final scoring for each proposal. The second scoring phase, in which cost and ISBE proposals are opened, awards a maximum of 36 additional points, 30 based on cost, and 6 based on ISBE. Importantly, to progress into the second phase, each response must earn at least 60 of the 70 available technical points.

In the case of the four responses to the EE MPS RFP, only two responses received an average score of at least 60 technical points. As a result, only these two proposals progressed into the second phase of the selection process and were awarded points based on their cost proposals. Both of these proposals met all the required minimum proposal requirements including:

- The proposal is responsive to the RFP
- A representative from the lead offeror of a proposal team called into the mandatory pre-proposal conference
- All required proposal components as listed in Section 4 of the RFP
- Proposal contains stated agreement to adhere to National Grid's data security protocol
- A bid alternate price is included in the cost proposal
- The conflict of interest form is included in the technical proposal and indicates no conflicts of interest

Of these two proposals, the winning proposal, with a total of 96 out of 106 possible points, was submitted by Dunsky Energy Consulting in partnership with ERS as a subcontractor.

The Selection Committee's review, conducted according to Rhode Island procurement procedure and RFP scoring processes, results in a recommendation to award the EE MPS contract to Dunsky Energy Consulting.

II.   Scoring

WITHOUT BID ALTERNATE

Scoring Category		*Technical Scoring*				*Cost Scoring*	*ISBE Scoring*	*Total*
Vendor	**Reviewer**	**Overview & Workplan - 35**	**Quals & Experience - 25 Points**	**Project Mgmt & Org - 10 Points**	**Technical Total - 70 Points**	**Cost Total - 30 Points**	**ISBE Total - 6 Points**	**Total Score - 106 Points**
AEG	Chris Powell	23.0	25.0	7.0	55.0	NA	NA	NA
	Roberta Fagan	21.0	22.0	7.0	50.0			
	Joe Garlick	22.0	20.0	8.0	50.0			
	Average	22.0	22.3	7.3	**51.7**			
Brightline	Chris Powell	26.0	22.0	7.0	55.0	NA	NA	NA
	Roberta Fagan	26.0	22.0	7.0	55.0			
	Joe Garlick	24.0	20.5	8.5	53.0			
	Average	25.3	21.5	7.5	**54.3**			
Dunsky	Chris Powell	32.0	23.0	7.0	62.0	30.0	0.9	**96.3**
	Roberta Fagan	34.0	23.0	9.0	66.0			
	Joe Garlick	34.0	24.0	10.0	68.0			
	Average	33.3	23.3	8.7	**65.3**			
Navigant	Chris Powell	34.0	18.0	10.0	62.0	18.2	6.0	**88.0**
	Roberta Fagan	34.0	23.0	9.0	66.0			
	Joe Garlick	30.5	25.0	8.0	63.5			
	Average	32.8	22.0	9.0	**63.8**			

WITH BID ALTERNATE

Scoring Category		*Technical Scoring*				*Cost Scoring*	*ISBE Scoring*	*Total*
Vendor	**Reviewer**	**Overview & Workplan - 35 Points**	**Quals & Experience - 25 Points**	**Project Mgmt & Org - 10 Points**	**Technical Total - 70 Points**	**Cost Total - 30 Points**	**ISBE Total - 6 Points**	**Total Score - 106 Points**
AEG	Chris Powell	23.0	25.0	7.0	55.0	NA	NA	NA
	Roberta Fagan	21.0	22.0	7.0	50.0			
	Joe Garlick	22.0	20.0	8.0	50.0			
	Average	22.0	22.3	7.3	**51.7**			
Brightline	Chris Powell	26.0	22.0	7.0	55.0	NA	NA	NA
	Roberta Fagan	26.0	22.0	7.0	55.0			
	Joe Garlick	24.0	20.5	8.5	53.0			
	Average	25.3	21.5	7.5	**54.3**			
Dunsky	Chris Powell	32.0	23.0	7.0	62.0	30.0	0.7	**96.0**
	Roberta Fagan	34.0	23.0	9.0	66.0			
	Joe Garlick	34.0	24.0	10.0	68.0			
	Average	33.3	23.3	8.7	**65.3**			
Navigant	Chris Powell	34.0	18.0	10.0	62.0	17.7	6.0	**87.5**
	Roberta Fagan	34.0	23.0	9.0	66.0			
	Joe Garlick	30.5	25.0	8.0	63.5			
	Average	32.8	22.0	9.0	**63.8**			

III. Detailed Notes

    a. AEG

        i. Summary: This report was the shortest and most generic. Omissions of RI-specific content in key areas, along with lack of clarity and specificity in discussion of methods, and inclusion of areas that RI policy and the RFP specifically note are not needed, indicates a 'copy and paste' approach to this proposal that does not effectively engage with the specific nature of RI, nor adequately address the challenges that may be associated with some of the areas of the Scope of Work, especially outside of efficiency. In addition, AEG's team is smaller, less experienced, and further away (both geographically and in terms of their recent project experience) than the teams in the other proposals. If the detail, specificity, and nuance of their proposal is an indication of the quality we could expect from the study should they lead it, we are not confident that we would receive a comparable product to what would be delivered by the other respondents.

        ii. Key Notes:

            1. The RFP is clear that we are interested in a report, and has a full list of deliverables included. AEG proposes to instead write a series of memos as unsolicited deliverables, and then 'weave' them together. We are not at all convinced that the oversight and reporting processes we delineate in the RFP would be improved by converting to this system, which seems to us both as an opportunity to spend time writing memos that are not needed, and risks a disjointed report at the end of the process.

            2. The discussion of program achievable potential clearly indicates lack of familiarity with RI BCA practices, and RI policy. For example, AEG indicates that we may want to explore a range of carbon costs, which misses the state-wide $100 price point which we will clearly be using throughout the analysis. In addition, their description of all types of potential is quite generic, and includes exploring different budget constraints, which again is specifically not of interest in RI due to the nature of least-cost procurement, which mandates pursuit of all cost-effective efficiency – i.e. it is the amount of efficiency in the state, not a pre-set budget, that represents the key constraint in our policy and programs. The fact that other areas do sometimes have budget constraints again indicates the boilerplate nature of this proposal.

            3. A number of methodological choices, such as a 'stock accounting model', are not adequately defined, nor defended as a best-practice approach.

            4. Overall, despite some clear limitations, and a low overall specificity to RI, the report does not even approach the page limit. The authors seem to have opted for a generic, lower-effort proposal rather than engage with RI's unique context, or adding detail and depth to the proposal in the remaining space.

b. Brightline
    i. Summary: This proposal sought to address many of the features requested in our RFP, but did so imperfectly and with insufficient attention to detail, especially with respect to the numerous instances where their methodological proposal specifically contradicted the methods described in the RFP, without stating that it was intentional and explaining why they made a different choice. In addition to more than a few grammatical errors, and a generally less crisp and clear proposal overall, these unexplained deviations are concerning, and as a result we are not confident that we would receive a comparable product to what would be delivered by the other respondents. In addition, the Brightline team, based out of Colorado, does not have nearly the same history, proximity, and experience in potential study work as do some of the other proposals.
    ii. Key Notes:
        1. The description of data disaggregation uses inconsistent language and does not provide definitions for key terms. Unclear writing and poor grammar sprinkled throughout indicate a lack of attention to detail and thorough review of the proposal prior to submission
        2. We specifically do not like calibrating potential study models to utility savings forecasts, as it tends to result in a study which more or less predicts that past performance is the most that can be achieved. In our view, one key purpose of a potential study is to estimate total potential savings irrespective of current program design and success, i.e. to seek out and identify ways in which current programs can be improved or expanded. If a study calibrates its savings estimates to the status quo, then all one can expect from the study is more of the same.
        3. Their proposed list of measure-level data does not include full 'minimum' list specified in the RFP.
        4. Brightline's proposed definition of technical potential conflicts with explicit text from RFP, which states that natural turnover cycles for the market-driven segment should be accounted for in technical potential.
        5. Similarly, in the CHP task, Brightline's methods directly contradict the RFP, which solicits a general screening of different installation sizes before engaging in market research to identify promising sites. Brightline disregarded this direction, and indicates clearly that they would screen for promising sites before assessing the economics of different installation sizes in RI, without explaining why or even acknowledging the divergence from the RFP.
        6. Lastly, it is concerning that they propose solely a 'bottom up' approach (i.e. counting the number of measure opportunities and adding up their savings) rather than a 'hybrid' approach, which also takes more explicit account of sales data and the average savings percentage that measures realize (the hybrid method essentially acknowledges that it is very difficult to accurately count all opportunities). This methodological choice strikes us as particularly risky given the explicit RFP text that there will be

no primary data collection for this study, which is often an important need in bottom-up studies.

c. Navigant

    i. Summary: This proposal was structured well, and did a good job, especially at the outset, of directly addressing some key features of the RI context. It is also worth noting that they have done recent, similar work for GRID in MA, which would assist them in spinning up quickly on this study. Conversely, their tool is proprietary and cloud-based, so unlikely that we would have access to the full methodology, and unlikely that we could get a copy to update for planning purposes at the outset of the second three-year planning cycle. Lastly, there were a few comments throughout that suggested they may be seeking to limit the degree of customization they are willing to commit to for this study, which we find concerning, though less so given their extensive potential study experience, and recent experience in nearby areas from which they would likely be able to pull relevant data.

    ii. Key Notes:

        1. Appreciate ability to leverage recent MA work, and specific notes on recent RI policy documents

        2. Clear, and thorough treatment of RI-specific aspects of the study

        3. Questioned the 'canned' measure list, with exclusion of many measures b/c they represent small savings potential. However, clear that they have a large data bank of measures to draw on.

        4. We disagree with the assessment that there is an aggressive study timeline, and thus disagree with their assertion that the timeline warrants limiting their customization of the measure list to 'limited' updates.

        5. Only a small number (3) of HE measures proposed in footnote 5.

        6. Their potential process includes primary data collection (Delphi Panel) as a core step, even though we specifically state no primary data in RFP. However, otherwise the description of data collection is cogent, clear, and connects well with the potential study methods described in the response.

d. Dunsky

    i. Summary: This proposal is clear, well structured, and well-written. In addition, many RI-specific considerations are directly addressed, and the approach to generating a measure list, as well as the description of how to tackle many of the non-EE areas (esp. the bid alternate task) are the best of the group. The inclusion of a range of 'value add' options is appreciated, as this structure keeps the core scope in mind without sacrificing the opportunity to suggest additional or alternative manners of tackling some areas. Also appreciate the ability to purchase, for a fixed price, a working copy of the model – this would be especially handy during the three-year planning cycle for 2024-2026, at which time the Council's C-team could simply update a few key model inputs, which would both be a cost-effective method of updating the potential estimate, and ensure an 'apples to apples' comparison between the two adjacent planning periods. The

Dunsky team is also strong on RI experience and recent potential study work. as well as recent potential study work in MA. The Dunsky team seems ready to hit the ground running rather than requiring much spinning up and context from the MPS Management Team.

ii. Key Notes:
1. Strong overall proposal, with attention to detail and polish throughout.
2. Having a standalone, functioning version of the model represents such a possible cost-saving opportunity in 2024-2026 planning cycle, that this remains a net positive for this proposal compared to others
3. Approaches 'stretch' areas not in scope by clearly delineating them using the 'Value Add' feature in the proposal strikes a nice balance between core scope (from RFP) and innovative ideas in proposal. E.g. there is an interesting optional financing program modeling option.
4. Great approach to building measure list – as large and comprehensive as possible, and then screen using RI specific data. Superior to 'canned measure list' approach, and specificity of description along with representative measure list gives confidence in this area
5. Strong description of optional renewable task, also solid descriptions of other non-EE areas.