

## ATTACHMENT 2A

### Scoring Criteria for SEP Solicitations

Municipal Financing Program, California Comprehensive Residential Building Retrofit Program, Municipal and Commercial Building Targeted Retrofit Program

Shared Criteria Included in All Three Solicitations:

- Leveraged Funding
  - Leveraged funds reflect commitment by all partners to actively participate & sustain program benefits into the future
  - Leverage funds are used to accomplish the program goals & successfully execute the program design
  - Leveraged funds are commensurate with the benefits gained by the funding partners and their constituents
  - Level of risk identified for each leverage funding source
  - Each type and source of leveraged funds is listed in the appropriate budget worksheets
  - Program activities with leverage funding shown in SOW
- Participant Recruitment and Program Communication
  - Strategies and resources are included in SOW to effectively market the retrofit installations to potential participants
  - A plan is included to educate consumers and recruit participation
  - The roles and activities of program partners will increase community and/or industry involvement to increase awareness of and demand for the energy efficiency retrofits
- Economically Disadvantaged Areas
  - Planned program activities will positively impact areas of the state that are economically disadvantaged
  - Activities that target economically disadvantaged areas are reflected in SOW
  - Unemployment rates for the targeted region are compared to that of other areas of the state & the statewide average unemployment rate
  - Other characteristics of economically disadvantaged areas, such as high foreclosure rates & low income levels, are justified, as appropriate
- Quality Assurance
  - Program implementation will ensure & demonstrate the quality of installed energy improvements (both energy efficiency and onsite renewable generation)
  - Quality assurance procedures will be undertaken to maintain the cost-effectiveness, energy savings and reputation of the program
  - Program ensures that measures are installed by well qualified contractors
  - Activities to achieve Quality Assurance are detailed in SOW
- Verification of Energy Savings

- Data collection & computation methods required to calculate the energy savings and demand reductions from the retrofit activities
  - Program activities that verify the actual energy savings and demand reductions due to the retrofits
  - A plan to collect & organize required M&E data from all retrofit program participants
  - Strategies to encourage retrofit participants to cooperate with ARRA SEP Program evaluations
  - Program activities to verify energy savings are reflected in SOW
- Sustainability / Lasting Changes in the Market
  - Program will accomplish DOE's SEP goal of strategic intervention that causes lasting changes in the market
  - The achievement of program objectives will continue to expand & accelerate beyond the ARRA SEP Program period
  - Requested ARRA SEP funding will make a difference in enabling this sustainability to occur
  - Activities to achieve Sustainability/Lasting Changes in the Market are detailed in SOW
- Program Cost Effectiveness
  - The cost effectiveness of program is provided in terms so that it can be compared to the DOE and ARRA goal of 10 million source Btus saved per \$1,000 of SEP money spent
  - Details that explain and justify the calculations
  - Requested funds are appropriate, relative to the goals & objectives of program
  - Requested funds are justified based on the resultant value to the State - such as number and type of jobs created, energy savings, demand reductions & sustainable market change
- Team Organizational Structure
  - Primary contact person for the program
  - Organizational chart of the entire program team
  - Short description of each subcontractor and partner, & their specific role in the program
  - Technical capabilities facilitate communicating with the Energy Commission and managing the program (e.g., web conferencing, web portal for document management and team collaboration)
- Workforce Development & Job Creation
  - Formula-based estimate of direct jobs created (divide the total investment in the program by \$92,000)
    - "Total investment" = ARRA SEP funding + leveraged funds
  - Each job type expected to be created or retained
  - Estimate number of direct jobs expected
  - Job training approach
  - Coordination with the Green Jobs Training Program, utility training centers, other regional workforce development efforts
  - Workforce development and job creation activities included in SOW

- Energy, Peak Demand and GHG Emission Reductions
  - Estimates of electricity savings expected
  - Estimates of natural gas savings expected
  - Estimates of peak demand reductions expected
  - *Note: The Energy Commission used California-specific emission factors to calculate the greenhouse gas emission reductions expected from the energy savings estimates provided by the Bidder.*
- Time Criticality
  - ARRA SEP funding will be expended to complete all planned energy retrofits by March 31, 2012
  - Plans to monitor implementation progress
  - Program schedule that delineates progress reports, Critical Program Reviews and other program milestones
  - Detail in SOW, including completion of the first Critical Program Review by June 30, 2010
- Program Transparency and Reporting
  - Compliance with transparency and reporting requirements of the Federal Government, State of California, Energy Commission, ARRA, and DOE for SEP programs
  - Details on how the Bidder will enforce these transparency and reporting requirements for sub recipients and vendors
  - Methods to collect project performance data, compute key project metrics, transfer data to the Energy Commission, publish project results
  - Methods are flexible enough to meet probable changes to ARRA SEP tracking and reporting requirements
  - Financial and accounting processes and procedures safeguard ARRA SEP funds from fraud, misuse and waste
  - Transparency & reporting activities included in SOW
- Program Team Qualifications & Experience
  - Team's qualifications suitable to conduct highly effective program
  - Nature and scope of prior work relate to goals, objectives, & strategies of RFP & tasks in the SOW
  - Bidder staff, subcontractor staff and partners are listed, including partners not receiving ARRA funding
  - Team member roles in completing each task
  - Job classifications, relevant experience, education, academic degrees, and professional licenses of all team members
  - Current resume for each team member
  - Percentage of time each team member will be available throughout the contract
  - Each team member's participation reflected in SOW & the appropriate budget worksheets
- Statement of Work
  - Clear plan to achieve goals & objectives of program
  - Sequence of tasks, milestones, sub-tasks and deliverables necessary to conduct the program activities, document progress and accomplishments

- SOW is logical and reasonably sequences tasks
- Subtasks added to the Program Delivery Task with detailed lists of contractor activities that demonstrate a clear, appropriate and complete plan
- Well-defined sets of intermediate and final deliverables within the subtasks
- Program partners involved in each subtask
- Each aspect of the program design is integrated into the list of subtasks, contractor activities and deliverables
- Potential risks identified and assessed
- Plans for mitigating these risks
- Program Budget
  - Budget & schedule for each task and subtask in SOW; Key personnel and subcontractors committed for proper hours and functions to accomplish activities in SOW
  - Budget information consistent with SOW & itemizes reasonable costs for personnel, subcontractors, materials, operating expenses, fees ... for each subtask
  - Appropriate ratio of direct versus indirect costs considering Indirect Overhead, General and Administrative and Profit percentage rates
  - Total program budget, ARRA SEP budget, and the leveraged funds budget for each task and subtask
  - Budget itemized by personal services, subcontractors, operating expenses, fees, and total expenditures

Criteria from Municipal Financing Program Only:

- Financing Plan
  - Provide details for the program's proposed financing
  - At minimum, answer questions in the PON regarding the program's financing plan
- Uses for Energy Commission Funds
  - Explain how the proposed program is expected to use Energy Commission funds
  - Describe effects Energy Commission funds are anticipated to have on the proposed program and energy use in the region
- Eligible Improvements
  - Fund 2nd and 3rd Tier Residential Program measures
  - Explain how program will strongly transition to increased uptake of 3rd Tier within one year, enabling more whole-house retrofits.
  - Fund targeted measures approved by Municipal and Commercial Program
  - May propose additional measures to the Energy Commission for coverage by the program
- Loading Order
  - Specify that program will require and offer financing for energy efficiency that achieves a 10% reduction in total energy use as a condition of financing onsite renewable generation

- Specify that HERS II Index will be used once HERS II Providers/Raters are available in region
- Propose methods to determine the 10% reduction for other buildings or in advance of HERS II
- Propose program requirements for greater than 10% total building savings
- Home Energy Ratings, Energy Audits, and Building Commissioning
  - How the program will meet and fund HERS I field verification for 2ndTier and HERS II whole-house energy audits/ratings for 3rdTier
  - How the program will ensure and fund commercial energy audits and the investigative phase of building commissioning projects
  - How the program will ensure and fund energy audits for multi-family buildings that may be outside the scope of HERS II and HPwES
- Property Qualifications
  - Methods the program will use to screen applicant properties for creditworthiness.
  - Explain how methods will protect the program from defaults and increase lender confidence
- Legal Considerations
  - Current and planned progress in establishing the legal status of the program, including
    - Resolutions by governing body
    - Status of future, pending, or already obtained unqualified legal opinions and validation actions
  - How program will address mortgage provisions restricting property owner's acceptance of priority liens for both residential and commercial properties
- Regional Approach
  - Geographical scope of the program including the population covered
  - Expected market penetration in terms of percentage of the total population and penetration within specific target populations or communities within the region

Criteria from California Comprehensive Residential Building Retrofit Program Only:

- Regional Approach
  - Explanation of how a regional approach is used to create a larger and more effective program
  - Commitments from organizations throughout the region that the program will be a regional priority
  - Identify all governmental organizations that are participating and actively supporting program.
  - Identify all organizations who will receive funding, all organizations that will actively coordinate.
- Conformance with California Law
  - How program will ensure building permits are pulled, and contractors are properly licensed.

- How Title 24 requirements for alterations and HERS I field verification will be ensured.
- How HERS II procedures will be ensured for 3rdTier, whole-house retrofits.
- Detail on processes in the SOW
- Collaboration with National and State Programs
  - How program will collaborate with national programs, including HPwES and HUD programs
  - How extensive whole-house training will be provided to contractors working with HPwES sponsors and BPI
  - How program will work with CPUC directed IOU programs, POU programs and other state programs
  - How program will advance CEC goal of HERS ratings at point-of-sale/in multiple listing services
  - Detail on activities in the SOW

Criteria from Municipal and Commercial Building Targeted Measure Retrofit Program Only:

- Targeted Retrofit Measures
  - Best practice technology
  - Market transforming features
  - Expected per measure energy savings & demand reductions are
  - Data collection and computation methods required to calculate the energy savings from the retrofit
  - Energy savings accounting methodology & data collection plan included as deliverables in SOW
- Public and Private Partnerships
  - Specific public and/or private partnerships have been established to implement the program
  - Partnerships bring specific benefits & contribute to the goals and objectives of program
  - Participation by each partner is explained
  - Partnership activities are reflected in SOW
- Collaboration with Existing Efficiency Programs
  - Public goods efficiency program resources that will be leveraged to deploy the retrofit technologies
  - How the proposed program contributes to the stated goals of *California's Long Term Energy Efficiency Strategic Plan*
  - All collaboration with existing efficiency programs included in the SOW

The criteria for the solicitations for the American Recovery and Reinvestment Act (ARRA) State Energy Program (SEP) program areas (Municipal Financing Program, California Comprehensive Residential Building Retrofit Program, and Municipal and Commercial Building Targeted Measure Retrofit Program) were expressly designed to

meet the goals stated in the Department of Energy's Funding Opportunity Announcement ([http://apps1.eere.energy.gov/wip/pdfs/sep\\_arra\\_foa.pdf](http://apps1.eere.energy.gov/wip/pdfs/sep_arra_foa.pdf), pgs. 23-25).

These goals are as follows:

- Stimulating the creation or increased retention of jobs
- Saving energy (kwh/therms/gallons/BTUs/etc.)
  - States should plan for and maximize efforts toward achieving the specific goal of reducing per capita energy consumption by at least 25 percent of the State's 1990 per capita energy use by 2012...this is a minimum goal; higher or more stringent goals are encouraged.
  - In choosing the specific programs or projects...states should choose those which will make the maximum contribution to achieving this overall goal.
- Increasing energy generation from renewable sources
- Reducing greenhouse gas (GHG) emissions
- Using ARRA funding not only to support current energy efficiency and renewable energy projects but also to seed sustainable programs and put in place long-term funding mechanisms such as revolving loans and energy savings performance contracting that will provide lasting benefits and lead to long-term market transformation
- Aligning with national goals:
  - increasing jobs
  - reducing US oil dependency through increases in energy efficiency and deployment of renewable energy technologies
  - promoting economic vitality through an increase in "green jobs"
  - reducing green house gas emissions
- Focusing on market transformation, defined as "Strategic interventions that cause lasting changes in the structure or function of a market or the behavior of market participants, resulting in an increase in adoption of energy efficiency and renewable energy products, services, and practices."
- Meeting goals of the SEP Strategic Plan:
  - Increase energy efficiency to reduce energy costs and consumption for consumers, businesses and government.
  - Reduce reliance on imported energy.
  - Improve the reliability of electricity and fuel supply and the delivery of energy services.
  - Reduce the impacts of energy production and use on the environment.
- Meeting DOE objectives:
  - Transform energy markets in partnership with states to accelerate near-term deployment of energy efficiency and renewable technologies.
  - Promote an integrated portfolio of energy efficiency and renewable energy solutions to meet U.S. energy security, economic vitality, and environmental quality objectives.

- Strengthen core state energy programs to develop and adopt leading market transformation initiatives.

We are providing a CD that includes all of the solicitations so that the Committee can observe all information submitted by applicants, including the number of jobs to be created by job type/classification for each applicant along with wage rates, benefits, and job training for each.