

**PPL ELECTRIC UTILITIES**

**PROCEDURE #xxx**

**AWARDING CONTRACTS TO  
PA ACT 129 CONSERVATION SERVICE PROVIDERS**

Revision 0- 2/27/09

Effective Date: TBD upon PUC approval

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**PPL ELECTRIC UTILITIES  
ACT 129 PROCEDURE 100  
AWARDING CONTRACTS TO CONSERVATION SERVICE PROVIDERS**

**I. Scope & Applicability**

1. This Procedure defines the requirements for soliciting bids and awarding contracts for Act 129 Conservation Service Providers.
2. If an Act 129 EE&C Plan contractor is not designated as a Conservation Service Provider, then this Procedure does not apply.

Exceptions to this Procedure are not permitted unless they are reviewed and approved by the PUC.

**II. Definitions**

1. Conservation Service Provider (“CSP”) as defined by PA Act 129: “An entity that provides information and technical assistance on measures to enable a person to increase energy efficiency or reduce energy consumption and that has no direct or indirect ownership, partnership or other affiliated interest with an electric distribution company.”
2. Contract: a contract between PPL Electric Utilities (PPL Electric) and a CSP.
3. EDC: an Electric Distribution Company as defined in 66 Pa. C.S. Section 2803.
4. EE&C Plan: PPL Electric’s Energy Efficiency & Conservation Plan as defined by PA Act 129.
5. PPL Electric: PPL Electric Utilities Corporation
6. Procedure: This procedure
7. PUC: Pennsylvania Public Utility Commission
8. RFP: Request for Proposal

**III. Procedure**

1. PPL Electric shall follow all requirements of PA Act 129, The PUC’s Act 129 Implementation Order (Docket M-2008-2069887, dated 1/15/09), the PUC’s CSP Implementation Order (Docket M-2008-2074154, dated 2/5/09).
2. PPL Electric shall contract with one or more CSPs to implement all or part of the EE&C Plan.
3. Soliciting CSP Bids
  - a. PPL Electric shall competitively bid all contracts with CSPs in accordance with this Procedure.
  - b. PPL Electric shall solicit bids from at least three (3) CSPs. If less than three (3) CSPs are included on the bidder’s list, then PPL Electric will document (for review by the PUC prior to award) the justification for soliciting less than three (3) bids.
  - c. Where possible, all CSPs who perform the type of work specified in the Scope of Work section of the RFP shall be invited to bid. If there are more than 10 CSPs who perform this type of work, then PPL Electric may, at its

sole discretion, restrict the bidders list to the 10 CSPs who have the most relevant credentials (qualifications, geographic reach, or other factors).

- d. PPL Electric shall encourage efforts to acquire bids from CSPs who are “disadvantaged businesses.” These type of businesses include minority-owned, women-owned, persons-with-disability-owned, small companies, companies located in Enterprise Zones, and similar entities consistent with the PUC’s Policy Statements at 52Pa. Code §§ 69.804, 69.807, and 69.808.
- e. The RFP shall include, but not necessarily be limited to, the following.
  - 1. Scope of Work. This includes the work to be performed by the CSP, schedule of key activities, list of deliverables, technical and administrative requirements, quality assurance, monitoring progress & progress reporting, project documentation, how to measure performance, how to track quantities of service or products delivered and associated true-up procedures, how to identify and contact potential customers, process for resolving customer disputes.
  - 2. Bidders’ Instructions. This includes instructions for submitting the bid, information required to be provided with the bid, pricing structure and breakdown, identifying exceptions, bid due dates, certification that CSP is not affiliated with any Pennsylvania EDC, disclosure of potential conflicts of interest.
  - 3. Contract and Terms & Conditions. This includes legal terms and conditions such as contract duration, regulatory requirements, compensation structure including incentives and penalties, compliance, indemnification, contract dispute resolution process, qualifications & experience (PUC and additional requirements by PPL Electric), insurance, criminal and background checks, customer privacy requirements, requirement for PUC approval of Contract, warranty, payment terms, non-compliance, breach of contract, remedies, cancellation, contract modification (by PPL Electric or by PUC if programs are changed or canceled), certification that CSP is not affiliated with any Pennsylvania EDCs, disclosure of conflicts of interest (the contract will include specific examples to be avoided).

#### 4. CSP Bid Evaluation

- a. PPL Electric shall evaluate the bids using the following evaluation criteria and weighting which will be established before bids are received.
  - 1. Quality- 40% to 50%. This includes the quality of the proposed work plan or approach, the likelihood of achieving quality and technical objectives, prior performance, quality and experience of key personnel, depth of experience and staffing in the company, technical exceptions, and other factors.
  - 2. Schedule- 10% to 20%. This includes the timeliness of performance and the likelihood of achieving schedule objectives.
  - 3. Price- 20% to 40%. This includes the quoted price, terms of pricing, and any adjustments to reflect scope differences, costs borne by PPL Electric, cost risks/uncertainties, and costs adjustments between bids.
  - 4. Commercial and other- 5% to 10%. This includes exceptions or modifications to contractual terms, quality of the warranty or pay-for-performance terms, credit worthiness and financial strength of

the company, disadvantaged businesses, and other factors that are not in the above listed categories.

- b. PPL Electric shall prepare a written bid evaluation that, at minimum, lists the scores of each bidder (weight of each criteria multiplied by the score of the bidder for that criteria) and summarizes the reasons (major strengths, weaknesses, etc.) for the score. If PPL Electric determines a bid is unacceptable, it does not need to be scored. The unacceptable bid shall be rejected and PPL Electric shall describe why the bid is unacceptable on the bid evaluation.
- c. PPL Electric shall submit the written bid evaluation and the proposed Contract, including the Scope of Work and other attachments to the Contract, to the PUC for review before awarding or executing the Contract.

5. CSP Contract Award/Execution

- a. If the PUC has not commented upon or disapproved the bid evaluation or the proposed Contract with 45 days of submittal to the PUC, then PPL Electric is permitted to proceed with awarding the Contract without modification.
- b. If time is of the essence, PPL Electric can issue a notice-to-proceed (full or limited) after PUC approval but before issuing the executed Contract.