

**Developing an Economic Framework for Future Electricity
System Investments and Tariff Rate Designs**
Request for Proposals (RFP) 3065

Proposals Due: February 25, 2015 by 5:00 PM Eastern Time*

The New York State Energy Research and Development Authority (NYSERDA) seeks proposals from organizations or individuals interested in conducting research and analysis to develop a comprehensive and consistent economic framework for future electricity system investments and tariff rate designs in New York. First, a Benefit/Cost Analysis (BCA) framework will be an important tool to support various aspects of the NYS Public Service Commission's (NYS PSC) Reforming the Energy Vision (REV) Proceeding, Case 14-M-0101. It is envisioned that the BCA framework will be broad-based and will account for aggregated, system-wide benefits and costs, including those related to investments in Distribution System Platforms (DSPs) and Distributed Energy Resources (DERs). Benefits and costs will include those that account for: weather-related resiliency; electric system reliability; risks associated with climate impacts; the expected useful life of electric system assets; and other societal cost factors. Another component of this solicitation involves using the BCA framework developed under this project to assist in identifying, proposing, and evaluating options for the design of successor tariff options that provide an approach for pricing and valuing DER resources that recognizes their benefits in accordance with the principles enunciated in REV. A third component of this solicitation involves the identification of market, regulatory, and network or platform pricing issues, and the development of structures that could provide the foundation for a more transactive, competitive retail market for electricity and value-added services (such as dynamic load management).

The solicitation differentiates the development of a BCA framework, the tariff design work, and the regulatory and market development component into three separate tasks, which enables proposers to bid on any one or all of the tasks. Therefore, one, two, or three contractors (or teams of contractors), may be selected to meet the three task requirements of this solicitation. Awards for all three tasks may not be made. Limited funds are available.

Proposal Submission: Electronic submission is preferable. NYSEDA will also accept proposals by mail or hand-delivery. If submitting electronically, proposers must submit the proposal in either PDF or MS Word format with a completed and signed Proposal Checklist and Disclosure of Prior Findings of Non-Responsibility, in PDF format. Proposal PDFs should be searchable and should be created by direct conversion from MS Word, or other conversion utility, rather than scanning. For ease of identification, all electronic files must be named using the proposer's entity name in the title of the document. Proposals may be submitted electronically by following the link for electronic submissions found on this RFP's webpage, which is located in the "Current Opportunities" section of NYSEDA's website (<http://www.nyserda.ny.gov/Funding-Opportunities/Current-Funding-Opportunities.aspx>). Instructions for submitting electronically are located in that section as Attachment E to this RFP.

If mailing or hand-delivering, proposers must submit (2) paper copies of their proposal with a completed and signed Proposal Checklist, along with a CD or DVD containing both a PDF and MS Word digital copy of the proposal, following the above guidelines. Mailed or hand-delivered proposals must be clearly labeled and submitted to:

Roseanne Viscusi, RFP 3065
NYS Energy Research and Development Authority

**17 Columbia Circle
Albany, NY 12203-6399**

If you have technical questions concerning this solicitation, contact Christopher Hall at (518) 862-1090, ext. 3383 or Christopher.Hall@nyserda.ny.gov. If you have contractual questions concerning this solicitation, contact Elsyda Ahmed at (518) 862-1090, ext. 3232 or elsyda.ahmed@nyserda.ny.gov.

No communication intended to influence this procurement is permitted except by contacting Christopher Hall at (518) 862-1090, ext. 3383 or Christopher.Hall@nyserda.ny.gov. Contacting anyone other than this Designated Contact (either directly by the proposer or indirectly through a lobbyist or other person acting on the proposer's behalf) in an attempt to influence the procurement: (1) may result in a proposer being deemed a non-responsible offerer, and (2) may result in the proposer not being awarded a contract.

* Late proposals will be returned. Incomplete proposals may be subject to disqualification. It is the proposer's responsibility to ensure that all pages have been included in the proposal. Faxed or e-mailed proposals will not be accepted. Proposals will not be accepted at any other NYSERDA location other than the address above. If changes are made to this solicitation, notification will be posted on NYSERDA's web site at www.nyserda.ny.gov.

I. Introduction

On April 25, 2014, the NYS Public Service Commission issued an Order Instituting Proceeding in Case 14-M-0101, Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision (REV). Ordering Clause 2 of that Order stated, “[t]he proceeding, as described in this order, shall examine how existing practices should be modified to establish Distributed System Platform Providers (DSPP), actively managing and coordinating distributed energy resources and providing a market enabling customers to optimize their energy priorities, provide system benefits, and be compensated for providing such system benefits.”

On August 22, 2014, the Department of Public Service (DPS) Staff filed its Straw Proposal on Track One Issues in the REV Proceeding. In that proposal, Staff discussed the necessity of developing an overall consistent BCA framework:

BCA is currently used to varying degrees and in multiple applications to guide and evaluate electricity system choices in New York. In its order establishing rates for Con Edison in February 2014, the Commission stated its expectations for benefit cost analyses for future capital investment, seeking analysis that differs “from a typical utility capital expenditure analysis and assesses the relative benefits and costs of resilience of existing utility infrastructure and alternative resilience approaches such as microgrids. The risks and probabilities of future climate events, the expected useful life of assets, the impact of outages of varying duration on affected customers, and the potential risk to critical facilities, among other societal cost factors, should be considered, and should be monetized to the extent that reasonable values can be established and will be of practical relevance. This approach should harmonize the comparison of traditional utility system and alternative solutions and investments. We expect to develop a single, consistent cost/benefit approach for use in the Energy Efficiency Portfolio Standard proceeding, and in the anticipated comprehensive generic regulatory framework proceeding [REV Proceeding] we announced in December 2013.” As New York’s electricity system evolves to one that is more integrated and market-based, it will be increasingly important that investment decisions are evaluated on a consistent, portfolio basis to ensure equivalent comparisons and accurate system-level optimization.

The BCA framework to be developed should be applied at multiple scales with accompanying adjustments to the level of detail required. At a high level, the BCA framework will be used to guide overall policy decisions and to fairly compare substitutes, accounting for system-wide, aggregated benefits and costs. The primary application of the BCA framework, though, is expected to be used by utilities in planning their distribution systems, including DSP investments and DER, to meet overall system cost efficiency, reliability, resiliency, security, and societal goals. Finally, the BCA framework will be used at its most granular level to inform pricing of DER products. (pp. 43-44)

The DPS Staff Straw Proposal also suggested principles and guidance on key parameters in developing such a BCA framework. Finally, the DPS Staff Straw Proposal suggested a process in which:

...[t]he BCA framework developed should include further specification of what benefits and costs to include, methodologies used to value those benefits and costs, input assumptions to be used, and the application of the BCA framework. Further, it should reflect where reasonable quantifications of benefits and costs are possible, a discussion of qualitative benefits and costs where reasonable quantification is not possible, and a recommendation for ways to assess risks faced by potential deviations in the value of those benefits and costs. (p.49)

Related to monetizing the value of DER resources, the DPS Staff Straw Proposal stated:

The end-state market should be transparent, providing all market participants with the data required to understand what values different DER products could provide in different circumstances and locations and with clear information on how compensation will be provided for those values (p. 16)... A BCA framework

consistent with the above could be used to arrive at appropriate tariff rates for certain products and services to be offered by the DSP. In addition, the same assessment could be applied to any competitive bidding, bilateral contracts, or negotiation used to procure DER. This analysis should be applied at the specific product or service level when not part of larger portfolio analysis. The utility would determine the appropriate benefits resulting from those investments to include from the suggested list. The results of this assessment can then be used to set a tariff rate or to evaluate a DER procurement offer. (p. 49)

Separately, on December 15, 2014, the NYS Public Service Commission issued the *Order Raising Net Metering Minimum Caps, Requiring Tariff Revisions, Making Other Findings, and Establishing Further Procedures*, in Cases 14-E-0422 and 14-E-0151 noting that:

...it is important that the retail markets fully value distributed energy resources, including solar resources. While this is a matter that fits within REV, there is no reason for that docket to be completed in order to explore market enabling alternatives to accommodate continued penetration and innovation in DER markets. Thus, in addition to developing the interim measures described above, the Commission directs Staff in consultation with NYSERDA to develop for comment and consideration an approach for pricing and valuing DER resources that recognizes their benefits in accordance with the principles enunciated in REV. In addition to fulfilling the REV principles, the Commission expects Staff to coordinate its work on successor tariffs with the work on [Dynamic Load Management] DLM tariffs. (p. 30)

On December 15, 2014, the NYS Public Service Commission issued the *Order Instituting Proceeding Regarding Dynamic Load Management and Directing Tariff Filings* in Case 14-E-0423, noting that:

...distribution-level demand response programs, by reducing peak loads, have the potential to provide substantial benefits to customers, the electric system, electric distribution utilities, and the state as a whole. These benefits include reduced energy and capacity costs, deferral of the need for new generating capacity or transmission and distribution infrastructure, a more efficient use of available generation, and reduced emissions. There is a role going forward for both the use of rate structures which are dynamic in terms of time and location, and demand response programs which give the utility additional ability to exercise load shifting and curtailment measures (p.4)... In addition, the Commission expects Staff to coordinate its work on dynamic load management with work in related proceedings, including work related to successor tariffs. (p.6)

Given the above direction from the Commission in various proceedings, the overall objectives of this solicitation are:

1. To develop a BCA framework in accordance with the concepts, principles, and guidance discussed in the various NYS PSC Orders referenced above;
2. to identify, propose, and evaluate options for the design of "Value of Resource" tariff rates pertaining to DER and the design of future delivery service rates based on this BCA framework; and
3. to identify market and regulatory issues and develop structures that could provide the foundation for both competitive market opportunities and appropriate revenue opportunities for utilities in a REV environment.

The purpose of this solicitation is to solicit technical and analytical consulting services to achieve these objectives in a timely fashion

II. Program Requirements

A. Services Requested

The selected Contractor(s) for this solicitation will work with NYS DPS Staff, in consultation with NYSEERDA (the "Project Management Team"), to create the initial DPS Staff proposal presenting the economic framework discussed above. Some or all of the work products may be provided to participating parties in the REV Proceeding through a formal public comment process. The selected Contractor(s) may also be asked to explain and defend its work products in stakeholder technical conferences associated with the REV proceeding; work with the Project Management Team to modify the proposal based on these collaborations; and assist in preparing materials, as directed by the Project Management Team, to be filed for consideration by the NYS PSC.

Task 1, Task 2, and Task 3 below correspond with the creation of Part 1, Part 2, and Part 3, respectively, of a single Document ("the Document") that will describe:

- the initial DPS Staff position on the framework for evaluating future electricity system investments including DSP technologies and systems, distributed generation, energy efficiency, and dynamic load management resources;
- a framework for designing future electricity delivery service rates; and
- possible market and regulatory structures that are optimized for the proposed framework.

Project Management services required by the selected Contractor(s) will include:

- Coordinate the work of the Contractor's employees and those that are undertaking tasks described herein;
- Conscientious management of the project budget and strict adherence to the project schedule; and
- The provision of all project reporting to DPS Staff and NYSEERDA as specified herein.

The Contractor(s) will conduct a bi-weekly call with the Project Management Team to provide verbal status reports. Each Contractor shall submit an informal bi-weekly budget report showing a breakdown of the hourly work undertaken or completed in the prior two weeks. This shall include an estimate of the hours worked, and the hourly rate, by employee and task for the two week period. Each Contractor shall also submit a formal monthly budget and progress report to the Project Management Team or provide progress reports in another manner as prescribed by the Project Management Team. The Progress Reports shall include information on the following subjects, in the order indicated, with appropriate explanation and discussion:

- Name of Contractor;
- Title of the project;
- Agreement number;
- Reporting period;
- Project progress including a summary of progress, findings, data, analyses from all tasks carried out in the covered period;
- Planned work for the next reporting period;
- Identification of problems;
- Planned or proposed solutions to problems described in (0.1.7) above;
- Ability to meet schedule, reasons for slippage in schedule;
- Analysis of actual costs incurred in relation to the budget. For each employee, and each task worked on by each employee, show the hours worked, the hourly rate, and the total costs for the month.

For example:

Month: January
Employee: Sarah Smith

Task	Hours	Hourly Rate	Total Cost
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Document Reviews	10	\$150	\$1,500
Meetings/Calls with Staff	6	\$150	\$900
Drafting Chapter 3	8	\$150	<u>\$1,200</u>
			\$3600

Employee: Jason Jones (etc.)

Project Kick-off meeting: The Contractor(s) shall hold a project kick-off meeting within seven days from the contract execution date. The Contractor(s) shall coordinate with the Project Management Team to arrange the meeting at a mutually convenient time. The Contractor(s) is/are encouraged to invite representatives of sub-Contractors, if applicable. The purpose of this meeting shall be to finalize the strategies for accomplishing the objectives of this work. In a timely manner, Each Contractor shall submit to the Project Management Team a brief report summarizing the issues discussed and decisions made, if any, during this meeting.

Project Completion Meeting: The Contractor(s) shall conduct a project completion meeting, in-person, which shall occur within seven days following the submission of the draft final Document. The Contractor(s) shall coordinate with the Project Management Team to arrange the meeting at a mutually convenient time and place. Each Contractor shall submit a brief report summarizing and addressing issues discussed at the project completion meeting.

Task 1 – Develop Comprehensive BCA Framework

- 1.1. The Contractor shall review all REV Proceeding (Case 14-M-0101) documents relevant to the development of a comprehensive BCA framework, including those submitted by parties in response to the DPS Staff Track One Straw Proposal, and identify potential value components.
- 1.2. The Contractor shall review recently completed NYSERDA studies proposing BCA methodologies for microgrids¹, as well as other studies relevant to the development of a comprehensive BCA framework, including but not limited to, those that:
 - 1.2.1. serve to identify various value components that could be included in the overall Benefit/Cost evaluation of distribution level generation and dynamic load management resources; and
 - 1.2.2. inform the process of considering alternative payment mechanisms for such resources in New York or for determining future rate designs for delivery service.
 - 1.2.3. The Contractor shall consider the extent to which particular analytical approaches could be applicable in New York State.
- 1.3. The Contractor, in consultation with the Project Management Team, shall create Part 1 of the Document, which shall describe the initial DPS Staff position on the framework for evaluating investments including DSP technologies and systems, distributed generation, energy efficiency, dynamic load management resources, and for designing future electric delivery service rates.
 - 1.3.1. The Contractor, in consultation with the Project Management Team, shall identify the various value components that would comprise the total value provided by the various investments. Such potential value components are discussed on pages 44-47 of DPS Staff’s Track One Straw Proposal². A particular emphasis should be given to distribution level benefits and costs,

¹ <http://www.nyserda.ny.gov/Cleantech-and-Innovation/Smart-Grid/Electric-Power-Delivery-Reports>

² <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7BA201344C-12CE-48A3-BB4C-2F8259628FF3%7D>

differentiated by location and time, to the extent practicable.

- 1.3.2.** The Contractor, in consultation with the Project Management Team, shall determine which value elements should be estimated quantitatively by the Contractor and presented in the Document; which elements will not be quantified initially, but for which a quantification methodology, including example calculations, will be described in the Document for implementation by others later; and which elements should not be quantified, but considered qualitatively. For the latter category of benefits and costs, Contractor shall provide suggested approaches for considering these items qualitatively.
- 1.3.3.** The Contractor, in consultation with the Project Management Team, shall provide options regarding the locational and temporal granularity with which the various values are quantified and the associated pros and cons of each. Each option should include a description of the means by which the values would be updated, the frequency with which the updates would need to occur to allow the values to reflect system and market changes, and a relative ranking or assessment of the level of effort needed to support the maintenance and evolution of each option.
- 1.4.** As directed by the Project Management Team, the Contractor shall present a summary of Part 1 of the Document to stakeholder parties (e.g. by PowerPoint overview) in an initial Technical Conference, respond to stakeholder questions, and provide the rationale supporting the decisions. The Contractor shall help represent DPS Staff in soliciting feedback from stakeholder parties in this and any subsequent technical conferences, if necessary, and by reviewing and summarizing any written stakeholder comments provided.
- 1.5.** As necessary, the Contractor, in consultation with the Project Management Team, shall modify Part 1 of the Document in response to stakeholder comments and help to prepare materials supporting a final DPS Staff proposal for the economic framework to be filed with the NYS PSC for consideration and decision-making.
- 1.6.** The Contractor shall provide the Project Management Team with all data and documentation of calculation methodologies used, including all workbooks and other technical documents.

Task 1 Deliverables:

- Conduct Kick-off Meeting;
- Submit written summary of issues discussed at Kick-off Meeting;
- Submit initial draft of Part 1 of the Document ;
- Create and present PowerPoint presentation at Technical Conferences in Case 14-M-0101;
- Participate in stakeholder process Case 14-M-0101;
- Work with the Project Management Team to modify Part 1 of the Document based on stakeholder collaborations; and assist in preparing materials, as directed by the Project Management Team, to be filed for consideration by the NYS PSC;
- Provide all data and documentation of calculations methodologies used, including all workbooks and other technical documents;
- Conduct Completion Meeting;
- Submit written summary of issues discussed at Completion Meeting.

Task 2 – Identify, Propose, and Evaluate Options for Tariff Rate Designs

- 2.1.** The Contractor, in consultation with the Project Management Team, shall create Part 2 of the Document, which will describe the initial Staff position on the framework for designing successor tariff options for DER resources (e.g. distributed generation, energy efficiency, dynamic load management) and the design of

future delivery service rates.

- 2.1.1. The Contractor shall coordinate with the Project Management Team to identify the landscape of potential successor tariff options. This work should reflect and analyze the extent to which available/recommended options change or expand from the initial stages of the market, to later stages of a more mature market.
- 2.1.2. For successor tariffs based on the value elements from Task 1, the Contractor shall present all relevant design options and possibilities, describing all known pros/cons. These options should recognize any relation to wholesale costs and provide the utility with the ability to reduce those costs, for example by submitting price responsive bids into the NYISO day ahead energy market. Such Options should include a comparison of the pros and cons of more granular pricing reflecting marginal costs and frequent dynamic updating for price signal accuracy vs. price stability for developers. To the extent possible, alternative proposals for balancing these issues should be made.
- 2.1.3. For delivery service tariffs, the Contractor shall present options to move from bundled delivery rates (customer charge, kWh, and/or kW charges) to rates that reflect a two-way exchange of value and services between the utility and customer. This set of alternative rate design options should include a discussion of any technologies and/or data access and provision capabilities that would be required to support each option. Options could include unbundling of current delivery rates into charges for network access, transaction services (e.g. scheduling, control and dispatch, energy balancing, use of the DSP platform by third parties), and reliability services (e.g. regulation and frequency response, reactive supply and voltage control, operating reserves, black start), with possible differentiation by time and location. Options could be based on modeling the loads, capacities and costs of the distribution system at various levels of DER penetration to inform proposed rate design changes in the near-term and longer-term phases of REV implementation. The Project Management Team will work with Contractor to recognize and incorporate the technology landscape and technical standards being discussed by other Work Groups in the REV docket.
- 2.2. As directed by the Project Management Team, the Contractor shall present a summary of Part 2 of the Document to stakeholder parties (e.g. by PowerPoint overview) in an initial Technical Conference, answer questions, and provide rationale for choices made. The Contractor shall help represent Staff in soliciting feedback from parties in this and subsequent technical conferences, if necessary, and by reviewing and summarizing any written comments provided.
- 2.3. As necessary, the Contractor, in consultation with the Project Management Team, shall modify Part 2 of the Document in response to stakeholder comments and help to prepare materials supporting a final DPS Staff proposal for the economic framework to be filed with the NYS PSC for consideration and decision-making.
- 2.4. The Contractor shall provide the Project Management Team with all data and documentation of calculation methodologies used, including all workbooks and other technical documents.

Task 2 Deliverables:

- Conduct Kick-off Meeting;
- Submit written summary of issues discussed at Kick-off Meeting;
- Submit initial draft of Part 2 of the Document;
- Create and present PowerPoint presentation at Technical Conferences in Case 14-M-0101;
- Participate in stakeholder process in Case 14-M-0101;

- Work with the Project Management Team to modify Part 2 of the Document based on stakeholder collaborations; and assist in preparing materials, as directed by the Project Management Team, to be filed for consideration by the NYS PSC;
- Provide all data and documentation of calculations methodologies used, including all workbooks and other technical documents;
- Conduct Completion Meeting;
- Submit written summary of issues discussed at Completion Meeting.

Task 3: Identify and Develop Market and Regulatory Structures to Enable Transactive, Competitive Market Opportunities and Appropriate Utility Revenue Opportunities

- 3.1** The Contractor, in consultation with the Project Management Team, shall create Part 3 of the Document, which will present, discuss, and evaluate market and regulatory structures, as well as pricing methods, to facilitate the development of a more transactive, competitive retail market for electricity and value-added services (such as dynamic load management).
- 3.2.** The Contractor shall review the current market and regulatory structures in NYS and alternative models, as well as any relevant research analyzing and comparing options.
- 3.2.1.** The Contractor shall identify market, regulatory, and network/platform pricing issues pertaining to the development of multi-sided competitive market opportunities and appropriate utility revenue opportunities (e.g. data access/analysis charges, grid access fees, engineering fees, etc.).
- 3.2.2.** The Contractor shall identify any regulatory oversight that may be necessary to ensure continued consumer protections or to advance environmental policy objectives.
- 3.3.** The Contractor shall compare and evaluate options for market and regulatory structures and network/platform pricing approaches that will foster competitive market opportunities and allow for appropriate utility revenue opportunities.
- 3.4.** The Contractor shall generate and discuss a range of scenarios to serve as illustrative examples of the kinds of competitive market opportunities and utility revenue opportunities these market, regulatory, and pricing approaches might enable.
- 3.4.1.** The range of scenarios will include examples relevant to all stakeholders, including, but not limited to: entrepreneurs; ESCOs; utilities; industrial, commercial, and residential customers. In building these scenarios, special attention should be paid to stakeholders who have not traditionally been directly engaged in electricity system innovation, including, but not limited to: residential customers, low- and middle- income citizens, renters, small businesses, municipalities, and community groups.
- 3.4.2.** In generating scenarios, the contractor shall take into account market conditions, potential regulatory changes being considered as part of REV and related proceedings, and Party comments. The specific components of these scenarios will be determined by the Project Management Team however, they will be largely qualitative in nature and may include descriptions of technologies involved, associated customer behaviors, forms of value delivered, and example bill impacts.
- 3.5.** As directed by the Project Management Team, the Contractor shall present a summary of Part 3 of the Document to stakeholder parties (e.g. by PowerPoint overview) in an initial Technical Conference, answer questions, and provide rationale for choices made. The Contractor shall help represent Staff in soliciting feedback from parties in this and subsequent technical conferences, if necessary, and by reviewing and summarizing any written comments provided.

3.6 As necessary, the Contractor, in consultation with the Project Management Team, shall modify Part 3 of the Document in response to stakeholder comments and help to prepare materials supporting a final DPS Staff proposal for the economic framework to be filed with the NYS PSC for consideration and decision-making.

Task 3 Deliverables:

- Conduct Kick-off Meeting;
- Submit written summary of issues discussed at Kick-off Meeting;
- Submit initial draft of Part 3 of the Document;
- Create and present PowerPoint presentation at Technical Conferences in Case 14-M-0101;
- Participate in stakeholder process in Case 14-M-0101;
- Work with the Project Management Team to modify Part 3 of the Document based on stakeholder collaborations; and assist in preparing materials, as directed by the Project Management Team, to be filed for consideration by the NYS PSC;
- Provide all data and documentation of calculations methodologies used, including all workbooks and other technical documents;
- Conduct Completion Meeting;
- Submit written summary of issues discussed at Completion Meeting.

B. Available Funds and Anticipated Schedule

The contract period is anticipated to begin in late March of 2015. The primary work product described in this solicitation (the Document) will play a key role in the initiation of a new collaborative phase of the REV Proceeding. The desired schedule for this project would involve completion of the initial draft of the Document on or about September 1, 2015.

Proposals must demonstrate the Contractor's ability to meet or exceed this scheduling milestone. Proposals should include a proposed schedule highlighting the date by which the Contractor anticipates being prepared to present an initial summary of the Document to stakeholders.

Although there is no specified level of funding for this solicitation, limited funds are available. Proposed costs will be taken into account in evaluating proposals.

To maximize flexibility in response to the dynamics of ongoing PSC proceedings, The Contractor shall notify, in writing, the Project Management Team when 60% of the project budget for any specific task has been exhausted. Upon such written notification, the Project Management Team and the Contractor shall meet to evaluate progress and potentially re-evaluate the scope of work, possibly redirecting resources from certain tasks to other tasks, as the REV Proceeding dynamic dictates.

III. Proposal Requirements

Proposals should not be excessively long or submitted in an elaborate format that includes expensive binders or graphics. Unnecessary attachments beyond those sufficient to present a complete, comprehensive, and effective response will not influence the evaluation of the proposal. Each page of the proposal should state the name of the proposer, the PON/RFP number, and the page number.

The proposal must be in the following format:

Proposal Checklist

- Section 1: Introduction and General Information
- Section 2: Executive Summary
- Section 3: Statement of Work/Approach
- Section 4: Management Structure
- Section 5: Qualifications
- Section 6: Project Schedule and Staffing Plan
- Section 7: Potential Conflict of Interest
- Section 8: Cost proposal

- Appendices:
- Letters of Commitment from all subcontractors
 - Resumes of key personnel who will work on the project
 - Summaries of Prior Work, by organization and key personnel
 - Other Supporting Material (optional)

A. Technical Proposal Explanation

Proposal Checklist. Complete and sign the Proposal Checklist attached to this RFP, and include it as the front cover of each copy of the proposal. Note the following:

- Indicate whether you accept the Standard Terms and Conditions as contained in the attached Sample Agreement. If you do not accept the Standard Terms and Conditions, be prepared to provide alternative terms with justification based on the risk and benefit to NYSERDA and New York State.
- Be sure the individual signing the Checklist is authorized to commit the proposer's organization to the proposal as submitted.

Section 1: Executive Summary. Briefly summarize your proposal emphasizing the following:

Critical questions to be addressed in statement of work.

- Your understanding of the objectives of the project and a general statement of the firm's approach with particular focus on distinguishing characteristics or services
- The research methodology, including how data will be gathered and analyzed (the proposer should also fully describe research methodology in specific tasks/objectives in the Statement of Work).
- Alternative approaches/methodology, and why your proposed approach/methodology was selected. Include assumptions.
- Benefits if the project is successful. Describe the benefits of this study and how the findings of this report useful, including potential additional uses for data collected.
- **The executive summary should be no more than two (2) or three (3) pages in length.** Please put the bulk of your effort into fully describing each task in the Statement of Work.

Section 2: Statement of Work/Approach. The Statement of Work is the primary document that outlines work activities and required performance for payment by NYSERDA. The Statement of Work must be in compliance with the scope of services requested, deliverables, and schedule outlined in this RFP. It is an action document that specifically delineates each step or procedure required to accomplish the tasks as listed in the Section II Program

Requirements of this RFP. Therefore, each task shall be identified, indicating who will perform it, how why it will be performed and its intended result. Include quantifiable milestones as deliverables where possible. The Statement of Work must be structured as an ordered set of tasks. Please refer to program requirements (tasks) in drafting the statement of work.

Section 3: Management Structure. Proposers should identify all team members, including the Project Manager and any subcontractors, who will be responsible for ensuring that the project is timely and of good quality. Provide a clear description of the roles and responsibilities of each person in completing the work plan. Provide the names and addresses of subcontractors and describe how they were chosen. Provide an organization chart. Describe how you plan to coordinate this study with NYSERDA Energy Analysis and DPS staff. Resumes of all team members should be provided in an appendix.

Section 4: Qualifications. Describe specific experiences relevant to the performance of this type of project. Discuss proposed teaming arrangements, if applicable. **Note that one team might be selected for the entire project or different teams might be selected for Task 1, Task 2, or Task 3.** A letter of commitment must be included for each team member in the proposal and should be included as part of the appendices. State the team's individual and combined expertise that would enable successful completion of the project. List and briefly describe relevant projects that have been completed by the proposer/proposing team, including projects completed in New York State. Indicate which team members were responsible for each project described. Indicate the name and telephone number of at least three references for whom your organization has completed similar projects. Summaries of prior work and other supporting materials that demonstrate your ability to complete the work requested in this RFP should be submitted as attachments to your proposal. NYSERDA and NYDPS Staff serving on the Technical Advisory Panel (TEP) reviewing proposals reserves the right to interview staff identified in the proposer's budget prior to making a final selection.

Section 5: Schedule and Staff Plan. The proposer should include a timeline for completing each task and major sub-task identified in the Statement of Work. Prepare a master schedule in bar chart form showing anticipated starting and completion times for each task, in terms of weeks or months after the contract is signed. The staffing plan should identify key personnel, including any subcontractors or other resources, responsible for completing each task. **PROVIDE A TABLE SHOWING THE NUMBER OF HOURS EACH KEY PERSON OR SUBCONTRACTOR WILL SPEND ON EACH TASK AND THE TOTAL HOURS PER TASK.**

Section 6: Potential Conflict of Interest. Identify the nature of any potential conflict of interest your firm might have in providing services to NYSERDA or DPS under this RFP. Discuss fully any conflicts of interest, actual or perceived, which might arise in connection with your firm's performance of the proposed agreement. If conflicts do or might exist, describe how your firm would resolve them.

Section 7: Cost Proposal. **If bidding on multiple tasks, present costs and totals for each Task separately.** Using the Attachment C Contract Pricing Proposal Form (CPPF) as a template, submit the name, title, and hourly rate or salary range for the duration of the agreement for each individual proposed to perform the work outlined in Section II Program Requirements, Subsection A, Services Requested (including all subcontractor personnel). Use the CPPF to provide overhead multipliers for the duration of the agreement.

Attach documentation to support indirect cost (overhead) rate(s) included in your proposal as follows:

1. Describe the basis for the rates proposed (i.e., based on prior period actual results; based on projections; based on federal government or other independently approved rates).
2. If rate(s) is approved by an independent organization, such as the federal government, provide a copy of such approval.

3. If rate(s) is based on estimated costs or prior period actual results, include calculations to support proposed rate(s). Calculation should provide enough information for NYSERDA to evaluate and confirm that the rate(s) are consistent with generally accepted accounting principles for indirect costs.

NYSERDA reserves the right to audit any indirect rate presented in the proposal and to make adjustment for such difference. Requests for financial statements or other needed financial information may be made if deemed necessary.

Travel expenses should be limited to activities that are necessary for the completion of project work, and cost share on travel expenses is strongly suggested. Necessary activities include tasks such as the kick-off and wrap up meetings, and direct stakeholder engagement. Any travel expense will need to be justified.

Per-Task Cost Table (required)

It is anticipated that projects will be paid on a performance basis as per-task deliverables and overall performance targets are met. Therefore, proposers **must** submit one (1) table indicating both:

- 1) the total expenditures for each task in the Statement of Work, and
- 2) the percent of total effort for each task.

Please note: Meetings based in Albany, NY are required. The Project Management Team will review the initial draft of the Document and may request additional analysis or clarification on certain tasks. **Proposers should allow funds for further analysis** of identified issues in between submission of the initial and final drafts.

Appendices

Materials to be submitted include:

- Letters of Commitment from all subcontractors
- Resumes of key personnel who will work on the project
- Summaries of Prior Work, by organization and key personnel
- Other Supporting Material (optional)

B. Proposal Submission

A completed and signed Proposal Checklist must be attached as the front cover of your proposal. **Late proposals will be returned and proposals lacking the appropriate completed and signed Proposal Checklist may be returned. Faxed or e-mailed copies will not be accepted.**

Procurement Lobbying Requirements - State Finance Law sections 139-j and 139-k

Procurement lobbying requirements contained in State Finance Law sections 139-j and 139-k became effective on January 1, 2006. (The text of the laws is available at: http://ogs.ny.gov/aboutOgs/regulations/defaultSFL_139j-k.asp). In compliance with §139-j and §139-k of the State Finance Law (see Section VI, General Conditions below for additional information), additional forms must be completed and filed with proposals: (1) a signed copy of the Proposal Checklist including required certifications under the State Finance Law and (2) a completed Disclosure of Prior Findings of Non-Responsibility form. Failure to include a signed copy of the Proposal Checklist referenced in this solicitation may disqualify your proposal.

IV. Proposal Evaluation

All proposals received by the due date and meeting the requirements established in this RFP will be reviewed and ranked by a TEP consisting of NYSERDA staff, NYS DPS staff, and selected outside reviewers. Final rankings and the contract award will be based on the following Evaluation Criteria:

Proposals that meet Proposal requirements will be reviewed by a Technical Evaluation Panel (TEP) and the contract award will be based on the following criteria:

- Contractor(s)' understanding of the requirements of the project as outlined in the proposed Plan submitted.
- Depth, breadth, credibility, practicality, and distinguishing characteristics of Contractor(s)' proposed approach.
- Contractor(s)' relevant experience, particularly with respect to the individuals who would be working on the project.
- Degree of innovation, creativity, and specific applicability to the New York State context displayed in the Contractor(s)' proposed approach.
- Contractor(s)' ability to meet the timeline goals and the ability to start working immediately.
- Budget proposed by the Contractor(s)'

Proposals shall be complete in all respects as outlined in Section 3 (Proposal Requirements).

V. GENERAL CONDITIONS

Proprietary Information - Careful consideration should be given before confidential information is submitted to NYSERDA as part of your proposal. Review should include whether it is critical for evaluating a proposal, and whether general, non-confidential information, may be adequate for review purposes. The NYS Freedom of Information Law, Public Officers law, Article 6, provides for public access to information NYSERDA possesses. Public Officers Law, Section 87(2)(d) provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Information submitted to NYSERDA that the proposer wishes to have treated as proprietary, and confidential trade secret information, should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to except it from disclosure, including a written statement of the reasons why the information should be excepted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501 <http://www.nyserda.ny.gov/About/-/media/Files/About/Contact/NYSERDA-Regulations.ashx>. However, NYSERDA cannot guarantee the confidentiality of any information submitted.

Omnibus Procurement Act of 1992 - It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority- and women-owned business enterprises, as bidders, subcontractors, and suppliers on its procurement Agreements.

Information on the availability of New York subcontractors and suppliers is available from:

Empire State Development
Division For Small Business
625 Broadway
Albany, NY 12207

A directory of certified minority- and women-owned business enterprises is available from:

Empire State Development
Minority and Women's Business Development Division

625 Broadway
Albany, NY 12207

State Finance Law sections 139-j and 139-k - NYSEDA is required to comply with State Finance Law sections 139-j and 139-k. These provisions contain procurement lobbying requirements which can be found at <http://www.ogs.ny.gov/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html>

The attached Proposal Checklist calls for a signature certifying that the proposer will comply with State Finance Law sections 139-j and 139-k and the Disclosure of Prior Findings of Non-responsibility form includes a disclosure statement regarding whether the proposer has been found non-responsible under section 139-j of the State Finance Law within the previous four years.

Tax Law Section 5-a - NYSEDA is required to comply with the provisions of Tax Law Section 5-a, which requires a prospective contractor, prior to entering an agreement with NYSEDA having a value in excess of \$100,000, to certify to the Department of Taxation and Finance (the "Department") whether the contractor(s), its affiliates, its subcontractors and the affiliates of its subcontractors have registered with the Department to collect New York State and local sales and compensating use taxes. The Department has created a form to allow a prospective contractor to readily make such certification. See, ST-220-TD (available at http://www.tax.ny.gov/pdf/current_forms/st/st220td_fill_in.pdf).

Prior to contracting with NYSEDA, the prospective contractor must also certify to NYSEDA whether it has filed such certification with the Department. The Department has created a second form that must be completed by a prospective contractor prior to contacting and filed with NYSEDA. See, ST-220-CA (available at http://www.tax.ny.gov/pdf/current_forms/st/st220ca_fill_in.pdf). The Department has developed guidance for contractors which is available at <http://www.tax.ny.gov/pdf/publications/sales/pub223.pdf>.

Contract Award - NYSEDA anticipates making one, two, or three awards under this solicitation. NYSEDA may also elect not to make awards for one or more components of this solicitation. It may award a contract based on initial applications without discussion, or following limited discussion or negotiations pertaining to the Statement of Work. Each offer should be submitted using the most favorable cost and technical terms. NYSEDA may request additional data or material to support applications. NYSEDA will use the Sample Agreement to contract successful proposals. NYSEDA reserves the right to limit any negotiations to exceptions to standard terms and conditions in the Sample Agreement to those specifically identified in the submitted proposal (see Proposal Checklist). Proposers should keep in mind that acceptance of all standard terms and conditions will generally result in a more expedited contracting process. NYSEDA expects to notify proposers in approximately 4 weeks from the proposal due date whether your proposal has been selected to receive an award. NYSEDA may decline to contract with awardees that are delinquent with respect to any obligation under any previous or active NYSEDA agreement.

Limitation - This solicitation does not commit NYSEDA to award a contract, pay any costs incurred in preparing a proposal, or to procure or contract for services or supplies. NYSEDA reserves the right to accept or reject any or all proposals received, to negotiate with all qualified sources, or to cancel in part or in its entirety the solicitation when it is in NYSEDA's best interest. NYSEDA reserves the right to reject proposals based on the nature and number of any exceptions taken to the standard terms and conditions of the Sample Agreement.

Disclosure Requirement - The proposer shall disclose any indictment for any alleged felony, or any conviction for a felony within the past five years, under the laws of the United States or any state or territory of the United States, and shall describe circumstances for each. When a proposer is an association, partnership, corporation, or other organization, this disclosure requirement includes the organization and its officers, partners, and directors or members of any similarly governing body. If an indictment or conviction should come to the attention of NYSEDA after the award of a contract, NYSEDA may exercise its stop-work right pending further investigation, or terminate the agreement; the contractor(s) may be subject to penalties for violation of any law which may apply in the particular circumstances. Proposers must also disclose if they have ever been debarred or suspended by any agency of the U.S. Government or the New York State Department of Labor.

VI. Attachments:

Attachment A – Proposal Checklist

Attachment B – Disclosure of Prior Findings of Non-Responsibility

Attachment C – Contractor Pricing Proposal Form (CPPF)

Attachment D – Sample Agreement

Attachment E – Instructions for Electronic Proposal Submission