

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

Southern California Edison Company for)	A.99-07-011
Approval of Year 2000 Low Income Energy)	A.99-07-012
Efficiency Program Plans.)	A.99-07-002
)	A.99-07-004
And related matters.)	

**FILING OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-3) IN
COMPLIANCE WITH THE ASSIGNED COMMISSIONER'S SCOPING
MEMO AND RULING DATED SEPTEMBER 3, 1999**

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Dated: September 17, 1999

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I.

INTRODUCTION

On July 1, 1999, Southern California Edison Company ("SCE") submitted Application 99-07-011 seeking approval of its Program Year 2000 ("PY 2000") low income energy efficiency ("LIEE") plans and CARE plans ("Application"). As stated in the Application,¹ SCE proposes to bid out program implementation services in compliance with Commission directives. At the Prehearing Conference held on August 23, 1999, and in the Assigned Commissioner's Scoping Memo and Ruling issued on September 3, 1999, the Commission directed all utilities to file copies of proposed Request for Proposals ("RFPs") and proposed contracts for LIEE with

¹ A.99-07-011, dated July 1, 1999, Testimony, page 4.

supporting testimony by September 17, 1999. SCE hereby files and requests approval of the attached RFPs and proposed contracts for PY2000 LIEE programs as described in its Application.

II.

OVERVIEW OF SCE'S FILING

The Commission in Decision 99-03-056 directed utilities to continue administering low-income energy efficiency programs through December 31, 2001, and to outsource and competitively bid implementation activities to the broadest possible extent.² SCE will provide cost-efficient oversight of ratepayer funded LIEE programs through an administrative structure that consists of its existing contract management, telephone center, database, and customer satisfaction functions. SCE's PY2000 plan complies with Commission direction to competitively bid the delivery of implementation activities.

In compliance with the Commission's March 26 Assigned Commissioner's Ruling ("ACR")³ that SCE and SoCalGas submit a joint bid proposal, SCE's weatherization program for electrically-heated dwellings, along with energy education, compact fluorescent bulb ("CFB") installations, and porch light change-outs, has been incorporated into a joint utility weatherization RFP to be filed by SoCalGas on behalf of SCE. SCE will retain sole management of other program components, including refrigerator replacement, evaporative cooler installations, and heating repair/replacement.

However, to assure that these measures and services are provided to customers participating in the joint weatherization program, a customer survey

² D.99-03-056, dated March 18, 1999, Ordering Paragraph 1, page 34 and Conclusion of Law 4, page 32.

³ Assigned Commissioner's Ruling, dated March 26, 1999

requirement has been incorporated into the joint weatherization program so that customers eligible for evaporative cooling, refrigerator replacement, and heating system repair/replacement will be referred to SCE for service.

This filing consists of three (3) RFPs and proposed contracts for PY 2000 low-income program service delivery, and two (2) RFPs and proposed contracts for the bulk purchase of equipment and devices to be installed in conjunction with program services.

Generally, all RFPs utilize a simple point system to evaluate bids. Pricing accounts for only a portion of the total score, and SCE will use two scoring methodologies: one that awards a high number of points for low prices, and another that safeguards against “low-balling” by penalizing bidders whose prices are significantly lower than the average price range.

The service delivery RFPs contain several common features:

- **Bidding by ZIP Code:** Contractors and community agencies will be allowed to bid for business in specific communities within SCE’s service territory, by ZIP Code. This approach allows contractors with substantial resources to bid on SCE’s entire service territory by selecting all ZIP Codes, while offering small local contractors and non-profit organizations the opportunity to bid on smaller community-based areas.
- **Multiple Bid Evaluation Criteria:** The California State Legislature recently passed Assembly Bill 1393, which mandates that if utilities administering low-income energy efficiency programs are required by the CPUC to competitively bid for the provision of services, they must consider a variety of criteria when evaluating bids. These criteria include a bidder’s price, experience, community knowledge, and financial stability, along with other factors. AB 1393 could become law in time to apply to this bid process, so SCE has chosen to incorporate its requirements into its evaluation criteria.
- **Equipment/Devices Provided by SCE:** Costs associated with the purchase of refrigerators, evaporative coolers and compact fluorescent bulbs can easily constitute the single most costly component of service delivery. SCE has historically bulk-purchased energy efficiency equipment and devices and provided them to contractors as a way to control costs and assure that high quality products are provided to

customers. In continuing this practice, SCE helps “level the playing field” so that bidders with limited capital, such as community agencies and small private contractors, can better compete with large companies who can easily afford to purchase quantities of expensive hardware.

- **Installation Frequencies and Previous Pricing:** As noted on zip code attachments provided with RFP packages, SCE plans to provide the frequency of cooler installations and inspections completed and/or distribution of low-income customers in each community, to assist bidders in determining areas where future work may be completed. Previous pricing for specific services will also be included in the ZIP Code tables. This information is now being compiled and will be available once RFPs are officially released to bidders.

III.

SCE'S COMPETITIVE BIDDING PROPOSALS

The following RFP documents are attached:

- **Evaporative Cooler Installation -- Attachment A**
This RFP requests proposals from contractors to install window and wall-mounted evaporative coolers for customers who reside in hot, dry climates in SCE's service area. SCE anticipates choosing several contractors for this program, since customers typically want coolers installed only during the cooling season, and in a timely manner. Pricing for energy education, CFBs, porch light installations, and furnace/refrigerator surveys have been included in this RFP because SCE expects that many program leads will be received as a result of referrals occurring outside the SCE/SoCalGas joint weatherization program.
- **Refrigerator Replacement -- Attachment B**
Customers who receive weatherization services as a result of the SCE/SoCalGas joint program will be referred to contractors for possible refrigerator replacements. Installers will assess the condition and age of existing units, assure that new units can be safely installed, and then provide high-efficiency replacements. Old refrigerators will be removed and recycled. SCE has not included CFB, porch light, education, and survey delivery provisions in this RFP because we expect sufficient referrals from the joint weatherization effort with SoCalGas, to meet program goals. All of these services are provided as part of the joint program.
- **Installation Inspections -- Attachment C**
This RFP solicits bids to inspect cooler installation and refrigerator

replacement work done under SCE's program management. A small portion of weatherization work completed for SCE in conjunction with the joint program will also be inspected, to assure that SoCalGas' inspection process is operating effectively.

- **CFB Bulk Purchase -- Attachment D**

CFBs used in conjunction with the joint weatherization program will be bulk-purchased from one or more manufacturers and provided to contractors for installation.

- **Evaporative Cooler Bulk Purchase -- Attachment E**

This RFP asks manufacturers of evaporative coolers to submit prices for the bulk purchase of coolers that SCE will then purchase and ship in small lots to installers. While price is a primary factor in evaluating these bids, SCE has learned that cooler design and customer service, as outlined in the RFP, is extremely important to the success of the program.

Sample contracts are provided for each RFP.

IV.

DISCUSSION

SCE will continue managing the delivery of evaporative cooling, refrigerator replacement, and heating system repair/replacement measures because they are separate and distinct activities from weatherization service delivery, require different expertise, and involve substantial capital investment for equipment purchases. It simply makes no sense to complicate and encumber SoCalGas' existing weatherization delivery mechanisms with the addition of expensive electric equipment installations and associated costs.

SCE believes that its approach to the administration and implementation of energy efficiency programs for low-income customers reflects SCE's unique situation as the only all-electric utility in the state. For example, SCE does not operate a weatherization program as do other utilities, where all measures are incorporated into one primary activity. Instead, because electric space heating is required to qualify for SCE's weatherization program, and few homes have electric

heating, SCE implements separate programs to reach a broader range of low income customers.

By including the easily-delivered CFB, porch light and energy education programs into the joint SCE/SoCalGas weatherization program, customers will receive both electric and gas measures in a convenient manner, as envisioned by the Commission. By using the joint program as a referral mechanism to SCE's programs, SCE will continue to solely administer customers will still be able to receive a complete energy efficiency service, without adding unnecessary administrative burdens to SoCalGas. Finally, by maintaining the role as the sole administrator of the more costly and specialized electricity-saving measure installations that are typically delivered separately even by dual-fuel utilities, SCE appropriately assumes primary responsibility for all facets of their delivery.

V.

CONCLUSION

SCE has complied with Commission Direction for its PY2000 programs and requests Commission Approval of its Application and the attached proposals.

Respectfully submitted,

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September 17, 1999

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of **FILING OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-3) IN COMPLIANCE WITH THE ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING DATED SEPTEMBER 3, 1999** on all parties identified on the attached service list. Service was effected by means indicated below:

- Placing the copies in properly addressed sealed envelopes and depositing such envelopes in the United States mail with first-class postage prepaid (Via First Class Mail);
- Placing the copies in sealed envelopes and causing such envelopes to be delivered by hand to the offices of each addressee (Via Courier);
- Transmitting the copies via facsimile, modem, or other electronic means (Via Electronic Means).

Executed this 17th day of September, 1999, at Rosemead, California.

Paula Arriola
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Laura A. Larks
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September 17, 1999

TO ALL PARTIES ON SERVICE LISTS IN R.98-07-037

Enclosed is a copy of **FILING OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) IN COMPLIANCE WITH THE ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING DATED SEPTEMBER 3, 1999** in the above-referenced proceeding. This document will also be served by e-mail to those who have provided e-mail addresses.

Very truly yours,

Laura A. Larks

LAL:sbw:LW992590198.doc

Enclosures

cc: All Parties of Record
(U 338-E)

