

Request for Information – GAL0602

Efficient Consumer Products Retailer Program

1. Identification and Purpose

Austin Energy, on behalf of the Strategic Partnership of Utilities and Retailers (SPUR), is seeking information and recommendations for creating an efficient multi-utility retail incentive program (“Efficient Consumer Products Retailer Program”). The desired program will leverage utilities’ combined size to achieve economies of scale, reduce program administration costs and increase market penetration for selected energy-efficient products. Program components may include marketing, customer education, and incentive management. Any type or combination of partnership model(s) may be proposed including combined promotions where one or more partners provide additional incentives and marketing materials. Any combination of incentive programs may be proposed: downstream, where consumers apply for incentives; midstream, where incentives are coordinated with retailers to provide point of sale incentive redemption for utility customers; or upstream, where incentives are coordinated with the product manufacturer. Regardless of the type(s) of incentive model(s) proposed, the program must include built-in controls and quality assessment measurements.

The received information will be used to write a detailed Statement of Work (SOW) for the recommended program. Responses may be submitted either by a sole vendor or in conjunction with a sub-contractor to leverage enhanced services. Specifically, SPUR is asking potential service providers to model and describe a program to:

- A. Analyze products for energy savings and work with SPUR members to select products for rebate.
- B. Define and administer the Efficient Consumer Products Retail Program to the participating utilities, vendors, and manufacturers, including relationship management and incentive fulfillment, in a manner such that the administration costs do not exceed an amount to be determined by each utility and vendor.
- C. Calculate the resulting energy savings, program costs, and other program metrics and then use the information to make program changes, such as determining when to introduce, modify or phase out a rebate.

2. Background

SPUR, led by Austin Energy, is a subcommittee of the Large Public Power Council (LPPC) member utilities and aims to provide a forum for sharing knowledge and resources, as well as developing collaborative projects within the retail marketplace. SPUR’s public power members envision a joint program administered by a third party, which will:

- A. Meet manufacturers’ and retailers’ requests that utilities communicate their needs with a unified voice, sending unified market signals.
- B. Lead to market transformation and/or significant energy resource savings in the targeted product areas, where consumers select eligible energy efficient products over non-eligible products.

- C. Leverage the combined size of several large public power utilities to create co-administered, cost-shared consumer product incentive programs that benefit customers purchasing eligible product and utilities claiming energy savings.
- D. Produce substantiated energy savings estimates that will allow member organizations to calculate their utility’s dollar savings.
- E. Create a program that is easy to join and accessible to public power utilities of all sizes, bringing new players to the table.

LPPC members serve most of the 45 million U.S. public power customers and help customers reduce costs through conservation and energy efficiency programs. All LPPC utilities and honorary subcommittee members would be eligible to join the Efficient Consumer Products Program. SPUR’s Efficient Consumer Products Retailer Program gives LPPC utilities the opportunity to put public power at the leading edge of this strategic shift toward leaner, more efficient programs. Participating utilities are interested in adopting flexible, innovative models for structuring this program.

Retailers themselves are also beginning to demand this type of scale and cooperation from utilities. Retailers are interested in the development of standardized guidelines for working with energy efficiency programs to facilitate operational efficiencies and streamlined program implementation for program sponsors and retailers alike.

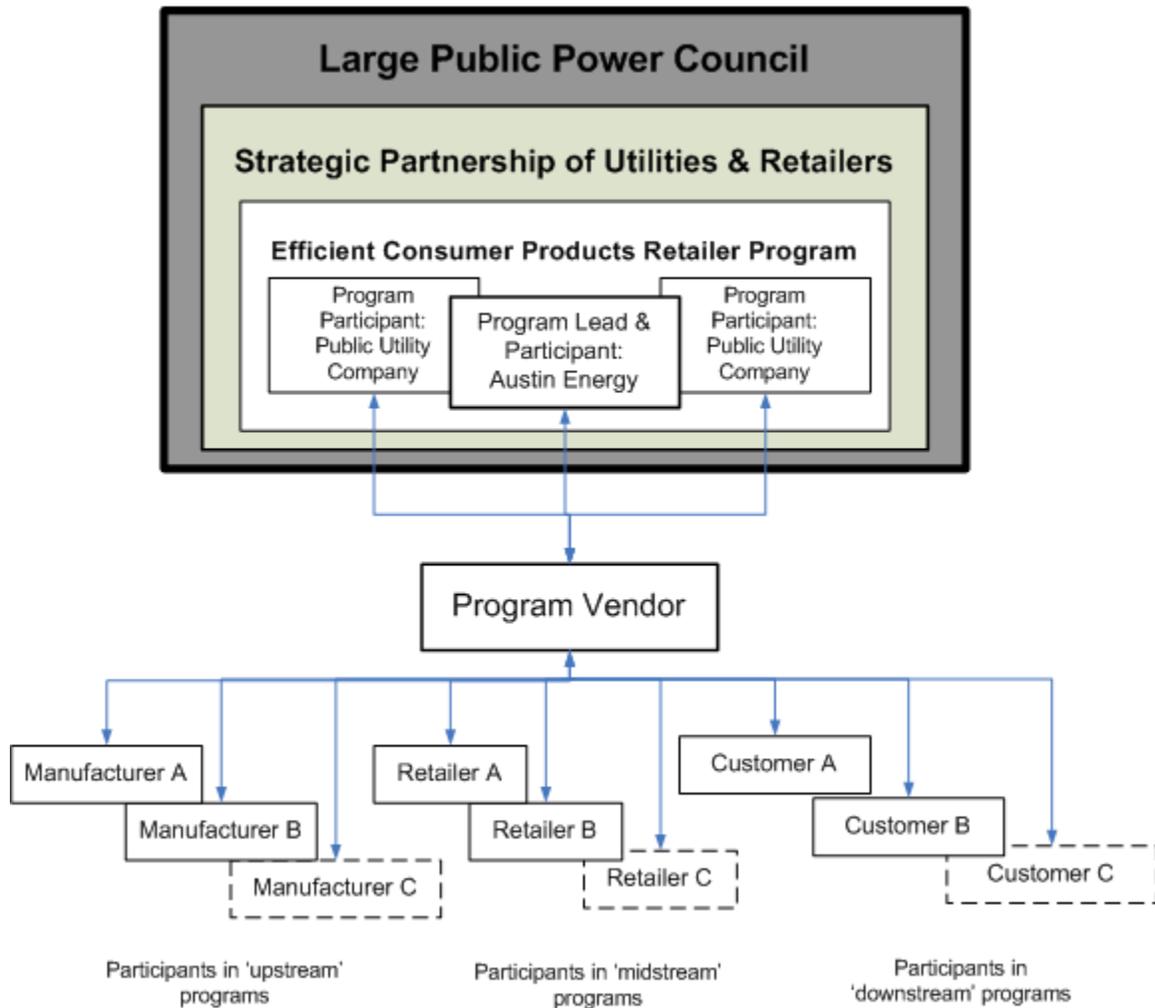
The SPUR group has gathered input from a broad range of public power utilities. Utilities that have contributed to this program initiative:

Austin Energy	Nebraska Public Power District	Santee Cooper
American Municipal Power	Omaha Public Power District Platte River Power Authority	Snohomish Public Utility District
Clark Public Utilities	Sacramento Municipal Utility District	Tennessee Valley Authority
Fort Collins Utilities		

4. Roles and Responsibilities

SPUR partners (participating utilities, vendors, and retailers) will perform the activities of strategic program planning and review, collaborative decision making and financial planning. These activities will be supported by data and analysis provided by the vendor. The selected vendor(s) will manage a suite of activities including relationship management, data management and rebate fulfillment. The remaining sections of this RFI describe a specific set of questions for which Austin Energy is seeking responses. Austin Energy is especially interested in understanding the particular services/approaches that will best serve the SPUR envisioned Efficient Consumer Products Retailer Program design and provide potential economies of scale benefits represented by multiple utilities participating.

The diagram below represents a schematic view of the relationship between SPUR, this RFI, Austin Energy, other participating utilities, future vendors and retailers.



The Large Public Power Council (LPPC) is an association of public power companies. The Strategic Partnership of Utilities & Retailers (SPUR) consists of the LPPC members that are interested in establishing joint programs; the Efficient Consumer Products Retailer Program is one such program. Austin Energy is the lead SPUR committee member for establishing this program and is seeking a vendor that will communicate with program members as well as represent SPUR members in communications to all manufacturers, retailers and consumers participating in the promotions that will be established.

Please describe the services that your company provides that would support the SPUR Program and specify the roles and responsibility for each sub-contractor.

5. Scope of Services

A. Range of Products

SPUR members are interested in promoting a wide range of energy efficient products, chosen by individual utilities. SPUR expects that the program may start with a limited set of products which then expands over time. Describe your recommendations for selecting types of products (either listed below or not) which best fit the envisioned collaborative approach and provide rationale for your choices. Discuss ramp-up activities for rebating different product types, if appropriate. Envisioned products include but are not limited to:

1) Appliances

- Refrigerators
- Freezers
- Refrigerator and Freezer Recycling
- Clothes washers
- Dishwashers
- Water heaters
- Room air conditioners

2) Lighting and electronics

- Lighting and lighting controls
- Smart home devices
- Home entertainment

B. Program Structure

For each of the following efficiency program models listed below, please describe the strategy or strategies you recommend. Describe your approach for program implementation across program partners (your company, individual utilities, national and/or local retailers).

- 1) Downstream customer rebates
- 2) Midstream retailer incentives
- 3) Upstream manufacturer incentives

C. Relationship Management

Relationship management will be a critical component of a successful collaboration with many parties. Describe your recommended approach for and experience with:

- 1) Coordinating communication between all program partners (participating utilities, retailers, and vendors, etc.), such as regular conference calls, decision-making, and other activities.

2) Managing retailer and manufacturer participation, including:

- Developing and helping to execute national/regional recruitment strategy.
- Facilitating program implementation for participants. Updating forecasts, allocations, and cash flow projections using program performance data and feedback from all program partners.
- Communicating program changes to participants.
- Coordinating promotions offered by program partners with utility promotions.
- Analyzing data to ensure successful completion of program activities.
- Gathering and aggregating participant feedback and communicating process improvement recommendations to all program partners.

D. Data Management

Data management will be a critical component of a successful collaboration with many parties; computing technology is expected to be required to support data management. Describe your recommended approach and recommended technology for:

- 1) Maintaining records of qualified and non-qualified products (updated no less than quarterly)
- 2) Capturing both program data and benchmark data (sales of efficient and standard products in comparable stores, areas, and/or time periods without the market interventions of this program) from retailers and/or manufacturers

E. Rebate Fulfillment

Describe your recommended approach for providing incentives and rebates to customers, including:

- 1) Communicating application requirements and status to customers
- 2) Methods for Model Matching; Determining eligible retailer products based on individual utility requirements and retailer specific model numbers and product SKUs
- 3) Determining customer eligibility
- 4) Methods of incentive and rebate application submission (e.g. mail, email, on-line, in-store)
- 5) Processing incentive and rebate applications
- 6) Resolving incentive and rebate or product eligibility issues
- 7) Methods of payment (e.g. mail-in rebate, debit card, in-store instant rebate)

F. Marketing and Promotion

SPUR members are interested in promoting energy efficient products, while supporting a collaborative effort and preserving individual utility's relationship with their customer-owners. Describe your recommended approach to the following elements.

- 1) Web tools for promoting and locating incentivized consumer products, including availability, pricing and rebate information
- 2) Providing limited promotions of specific products in collaboration with retailer and manufacturer sales cycles
- 3) Identifying and coordinating cross promotions with manufacturer and retail program partners
- 4) Providing utility branded (either as an individual branding or co-branding) in-store signage and promotional materials
- 5) Providing continuous program training to retail sales associates
- 6) Providing flexibility in system design to handle multiple products and accommodate utility specific variations in rebate/incentives and energy specification levels for qualifying products

G. Savings Estimation

SPUR members believe that the products selected for rebate must have quantified estimates of energy savings that are calculated using documented methods. Disclosure of and concurrence with estimates are important, since the estimates drive the rebate amounts which in turn affects the cost effectiveness of the program.

Recommend methods for estimating energy and demand savings and discuss their strengths and weaknesses. Also, discuss your recommended approach for either reconciling or accommodating variations in cost effectiveness calculations across multiple utilities spread across different states and regions.

H. Measurement, Verification and Evaluation

Historically, demand side management (DSM) has focused on incentive programs for hard-wired appliances, manual processing of incentive requests, visual inspection of completion of incentive requirements, and energy savings calculations that are constant over the fiscal year. The Efficient Consumer Products Retailer Program transforms energy saving evaluations by focusing on plug loads, electronic data for processing and inspection, and monthly calculation reviews. Lower staff cost and increased utility participation is expected as a result of this transformation.

Describe your recommended approach to verification and evaluation activities, including the following elements:

- 1) Methods for verifying and evaluating savings calculations for each type of program model described

- 2) Data requirements for verification & evaluation reporting at the participating utility level
- 3) Savings calculations for multiple commodities (electricity, water, natural gas) and non-energy benefits
- 4) Cost Benefit Analysis - for example, utilizing assigned life and incremental cost to society for a television

J. Reporting

Providing reports to all program participants will be an important part of maintaining communications and enabling program management. Describe the types of reports and the frequency of creation that you anticipate this program to require. Expected are standardized and customizable monthly reports on program performance and performance relative to plan including:

- 1) Analyzing and reporting key performance indicators for each utility, product, retailer or manufacturer
- 2) Timeframes for EM&V reporting (e.g. what conclusions can be made when)
- 3) Ability to archive and access historical data
- 4) Maintaining information for each utility partner on eligible products, specifications and incentive levels (eligible store, promotion period, number of products).
- 5) Describe data availability and reporting intervals (e.g. what kinds of information are available daily, weekly, monthly, quarterly, and/or annual).
- 6) Describe baseline data availability (e.g. product sales for up to one year prior to participation)

6. Deliverables

Responses should highlight where they are specific to downstream, midstream or upstream program models.

- A. Identify activities associated with each incentive model (downstream, midstream, upstream)
- B. Include cost estimates for each activity associated with each program component
- C. Provide an implementation timeline for services by incentive model

7. Submission of Responses

It is the responsibility of the Respondent to ensure proper understanding of the contents of this RFI. All requests for explanation or clarifications must be submitted in writing at least five (5) business days prior to the RFI closing date which is Wednesday, January 8, 2014 at 3:00 pm Central Time. Requests for explanation, clarifications or interpretations may be sent by e-mail

to Gage Loots at gage.loots@austinenergy.com. The request must clearly identify the respondent's company, contact person and solicitation number.

The design of the vendor response and the amount of supporting documentation are left to the discretion of each vendor.

Submission of responses to this RFI must be received prior to the stated due date and time. All submissions must be clearly marked on the exterior of the package with the solicitation number (GAL0602) and the due date and time. Each Responder must submit one (1) original, five (5) copies and one (1) electronic version of its response. Send responses to:

Hand Delivery or Via Courier

US Postal Service

City of Austin, Purchasing Office
Municipal Building
124 W 8th Street, Rm 308
Austin, Texas 78701
Reception Phone: (512) 974-2500

City of Austin, Purchasing Office
PO Box 1088
Austin, TX 78767

7. Disclaimer

This RFI is issued solely for information and planning purposes only and does not constitute a solicitation for purchase. Responses to the RFI will not be returned. Accordingly, responses to this notice are not offers and cannot be accepted by The City of Austin as such or to form or suggest a contract or commitment of any nature. Responders are solely responsible for all expenses associated with responding to this RFI.

All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If a responder does not desire proprietary information in the response to be disclosed it must be identified and marked proprietary at time of submittal. The entire response may not be marked as confidential. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.