

DGS RFI: DR Aggregator Program

Department of General Services (DGS)

Office of Sustainability

Request for Information (RFI)

Webinar to be held on 10/13/22 at 10:00 a.m. PST – 11:30 a.m. PST.

The State of California is gathering information for a Demand Response (DR) Program Service Provider (also known as a “Demand Response Aggregator”) Request for Proposal (RFP). DR Aggregators, as they will be called in this Request for Information (RFI), facilitate the process of enrolling organizations in DR programs offered by utilities. The State of California has over 100 million square feet of building space across approximately 35 agencies. The Department of General Services (DGS) is seeking one or more DR Aggregators that can assist state agencies in participating in DR programs to save energy and costs and importantly, to help agencies reduce energy load when energy supply on the state’s power grid is limited.

This RFI provides a draft concept of an RFP that DGS plans to launch for its DR Aggregator Program. This RFI includes an overview of the State’s goals, needs, and requirements. The RFI also includes a section entitled, “RFI Requested Information of Contractors” which includes questions and instructions on responding to the RFI. If a Contractor plans to submit a response to this RFI, the State kindly requests that the Contractor refer to the “Timeline” included below and **submit their responses no later than 8:00 a.m. PST on October 31, 2022.**

Thank you for your interest in DGS’ DR Aggregator Program RFI.

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State DR Aggregator Goals and Overview

As demand on the state's electricity grid continues to grow, demand response (DR) can play a pivotal role in reducing energy usage and enabling the state to avoid rolling blackouts and energy shortages. The State of California seeks to be a leading source of grid reliability and resilience through the curtailment of its own energy use in its 100+ million square foot building portfolio. DR programs that offer incentives for reducing electricity use and curtailing power are available through state utility providers. The State is seeking a DR Aggregator that can help state agencies enroll state-owned buildings in DR programs to help the State dramatically shed load during state power emergencies.

State agencies own buildings statewide that could participate in DR programs offered by utilities. The State needs an experienced DR Aggregator to help state agencies identify DR Programs that best fit their needs. State agencies require assistance enrolling in the right DR program, getting the programs set up, participating in each program, assessing results from participation, and improving participation over time. Due to the vast number of DR programs available and the opportunity for savings, DGS is seeking a contract with one or more DR Aggregators that can facilitate the process, help the State grow participation, and enable effective management and reporting of all participating facilities.

Specifically, the State is seeking one or more DR Aggregators that can help it accomplish the following:

- Maximize the number of buildings that are capable of curtailing power during peak demand periods, thereby contributing to grid reliability and stability during critical grid energy emergencies.
- Reduce energy costs for the State by taking advantage of DR incentive programs.
- Make the State's buildings and building operations more flexible, resilient, and better prepared to take advantage of the demand response trends and opportunities occurring in the energy marketplace.

The State needs a DR Aggregator that can accomplish the following in partnership with DGS in maximizing the number of buildings enrolled in DR programs:

- Learn about the unique needs of state agency building portfolios and identify DR Program opportunities that best fit their needs and goals.
- Champion the DR cause among state agencies and help DGS get more state agencies and buildings enrolled in DR programs and curtailing loads during grid emergency events.
- Simplify and streamline the process of enrolling buildings within state agencies in DR programs.

- Provide technical assistance and guidance in getting state agencies enrolled in DR programs. Provide technical guidance for agencies that are interested in upgrading some or more of their buildings' automation systems and capabilities to maximize participation in DR programs.
- Serve as a single point of contact for DGS and state agencies needing service and support for their DR programs.
- Help DGS better analyze the effectiveness of the State's DR programs. Provide access to data for timely effective reporting across all Participating Agencies as well as data to help predict future participation and State load reduction capabilities.

Overview of Work Needed and Process

The Department of General Services (DGS) Office of Sustainability plans to select a Contractor(s) through an RFP process. The Contractor(s) will provide their full service and technology offering ("offering") to any interested state agency. The DR Aggregator RFP will apply only to state-owned buildings, not leased buildings.

There are three parties that will play a role in executing the RFP agreement:

- 1.) Contractor: The DR Aggregator will be referred to as "Contractor" throughout this RFI. The selected Contractor will work with state agencies to get them enrolled in DR programs. Due to existing agreements DR Aggregators already have with the state's utilities, neither DGS nor the Participating Agency will not need to work directly with the utilities to make use of the Contractor's DR aggregation services.
- 2.) Participating Agency: Agencies that will be enrolling one or more of their buildings for participation in the Contractor's (DR Aggregator's) services shall be referred to in this RFI as "Participating Agency."
- 3.) DGS Office of Sustainability: DGS is the state department exploring a possible RFP for state agencies. DGS will play a central role in both selecting the Contractor(s) as well as making introductions for the Contractor(s) with Participant Agencies when the RFP is finalized. DGS will work with the Contractor(s) ongoing to evaluate DR program effectiveness and help the Contractor(s) improve participation across state agencies.

The following information is intended to serve as an overview of the potential parameters, ideas, and components of an RFP issued by the State in seeking one or more DR Aggregators. It is the State's intention that interested DR Aggregators will review the information in this RFI, submit answers to the questions in "RFI Requested Information of Contractors" section by the deadline, and provide feedback to the State on any of the information provided in this RFI during the RFI DR Aggregator Program Webinar Conference on October 13, 2022 and/or through the written RFI process.

Upon selection of the Contractor(s), the Contractor(s) will meet independently with state agencies to learn about their requirements and define which buildings will participate in DR aggregation programs. Once the buildings, timing, and a plan for a Participating Agency's use of Contractor's DR aggregation services are agreed, a contract Task Order containing the scope of work between the Contractor and DGS will be executed for the Participating Agency. The Task Order will be tailored to the needs of each Participating Agency and include details about how and when curtailments will be performed by the Participating Agency.

The Contractor will offer their services and technology as part of the response to the DR Aggregator Program RFP at an agreed contract rate. The contract rate will be the rate the Contractor will pay the State of California when Participating Agencies curtail power during DR program events. The Contractor, which receives payments from utilities when its customers curtail power, will keep a percentage of curtailment payments agreed in the DR Aggregator Program RFP and pass the remaining payments to DGS for processing and payment to the Participating Agency.

Selection Process

The goal for the State of California is to select a single DR Aggregator to manage DR programs statewide. Ideally, a single DR Aggregator will manage a majority of the buildings in the State's building portfolio that are eligible and appropriate for DR programs. RFP respondents are encouraged to partner to fulfill the requirements of the RFP if responding on their own for the majority of the State's needs is not feasible. Buildings for the various state agencies are diverse in terms of size (large and small energy users). Buildings vary in terms of building automation system (BMS) and digital control capabilities: some run manually without building controls while others are partially automated, and some state buildings have state-of-the art BMS with connectivity to the internet. To improve assessment and reporting, the State's goal is to ideally select a single Contractor that is able to enroll and support most buildings across the State portfolio as agency participation in DR programs grows.

The State will evaluate all proposals from DR Aggregators that meet the minimum requirements of the RFP. The State will consider selecting more than one Contractor if the State believes the combined offering of the Contractors selected is the best option to meet the State's needs. As noted later in the RFI, there will be a scoring process which will determine the Contractor or Contractors chosen, and higher scores will potentially be awarded to Contractors that can support larger parts of the State's diverse building portfolio.

Timeline

The RFI process to gather information from potential Contractors for a DR Aggregator Program RFP is scheduled for the month of October 2022. DGS Office of Sustainability is providing information on the DR Aggregator Program RFI at the [DGS Office of Sustainability DR Aggregator Program RFI website](#).

A Webinar Conference will be held from 10 a.m. - 11:30 a.m. PST on Thursday, October 13, 2022. Registration for the RFI Webinar Conference is available on the DGS Office of Sustainability website. Registrants will receive an email before the Webinar Conference with the link to attend.

Most materials including the instructions for completing a written response to the RFI will be posted on the DGS Office of Sustainability DR Aggregator Program website before the October 13 Webinar Conference. Additional communication regarding the RFI may be posted on the same website throughout the month. Written responses to the RFI are due by 8:00 a.m. PST on Monday October 31, 2022.

Request for Proposal (RFP) dates will be provided when finalized. If the State proceeds with the process to select a DR Aggregator to serve state agencies, the RFP selection process would ideally be completed by the end of the 2022 calendar year or early in the 2023 calendar year with the hope of having services from the winning Contractor(s) available to state agencies in the spring of 2023.

Information to be Provided

The state's 100+ million square foot facility portfolio for approximately 35 agencies is vast. The State does not plan to provide all of the detailed information needed on every state-owned facility for a complete analysis of DR program eligibility during the RFP process. Details regarding facilities and the State's portfolio will be worked out with Participating Agencies in the contract Task Order.

Qualifications and Requirements

The following information includes draft concepts and ideas that might be included in the RFP. The requirements listed are not final and should be considered the latest thinking by DGS in trying to list the parameters for a successful RFP based on the State's needs. The "Qualifications and Requirements" section is broken down into minimum qualifications required; general requirements; minimum and desired service requirements; Contractor professional service requirements; minimum and desired technology requirements; and data requirements and reporting. The Qualifications and Requirements section does not contain any specific questions for Contractors: it is intended to provide information for Contractors to successfully answer the questions asked in the "RFI Requested Information of Contractors" section later in this document.

Minimum Qualifications of Contractor

The following minimum requirements are under consideration for the DR Aggregator Program RFP:

- Contractor must be registered with the State of California, Secretary of State, if required by law.
- Contractor must have at least three (3) years of directly relevant experience in the state of California providing DR aggregator services.
- Contractor has existing agreements with the California state utilities in order to offer DR aggregator services in the State of California.
- Contractor will share existing agreements that they have currently in place for DR Programs (e.g. Emergency Load Reduction Program (ELRP)) with DGS. Agreements must include rates and terms agreed to be paid by the utility to the DR Aggregator (Contractor) for curtailment events
- Contractor can provide the names and contacts for three (3) or more customer references operating in the State of California who can acknowledge through written communications and over the phone or in a virtual meeting that they have used similar solutions specified in the RFP and provided by the Contractor.
- Contractor must have a technical solution as part of their offering which provides the required functions listed below.
- The State Terms and Conditions are agreed by the Contractor. For reference, a link to examples is provided on the [DGS Office of Sustainability DR Aggregator Program RFI website](#).
- Contractor must submit current proof of insurance for the following:
 - o General Liability
 - o Commercial Automobile Insurance
 - o Worker's Compensation

- Additional mandatory contract requirements will be included in the RFP.

General Requirements of Contractor

The following general requirements are under consideration for the DR Aggregator Program RFP:

- Contractor will provide their DR Aggregator services to the portion of participating state agencies established through the RFP selection process. Contractor's services will include enrolling, testing, servicing, and supporting state agencies and their buildings in DR programs if agencies are interested in participating in DR programs.
- Unless otherwise agreed to by involved parties including Participating Agencies, there are no penalties for Participating Agencies, DGS, or any government entity included in the contract should the Participating Agency not curtail or complete the agreed work pertaining to DR events.
- There are no upfront costs or costs built into the services associated with engaging the Contractor in using their offering for the DR Aggregator Program RFP. Any hardware or software costs needed for the Contractor's solution to work effectively to meet the requirements of the RFP will be built into the savings from DR curtailments the State receives per the contract rate of the RFP.
- DGS and Participating Agencies acknowledge that if a Curtailment Event is not executed by the Participating Agency, then no savings will be realized, and the Contractor will not be able to provide payment for that Curtailment Event.
- This RFP is for a two-year term and renewable after that
- Some information may be included in the RFP that requires the Contractor to prove financial stability.

DR Service Requirements of Contractor

Minimum DR Service Requirements

The following minimum DR service requirements are under consideration for the DR Aggregator Program RFP:

- Contractor will support Participating Agencies' existing Emergency Load Reduction Program (ELRP) participation by including those programs in Contractor's services.
- Details pertaining to the length and number of DR curtailment events along with the terms of advanced notice of a DR event will be delineated in the scope of work of the Participating Agency and included in a contract Task Order that is signed by DGS and the Contractor before any work is performed.

- The contract Task Order will delineate if Curtailment Events include CAISO emergency events (e.g. Flex Alerts, EEA 1 etc.) for the Participating Agency.
- Participating Agency reserves the right to change the buildings listed in the contract Task Order by providing Contractor with 90 days written notice.
- Contractor will offer any available upgrades in the form of services to Participating Agencies in a timely manner. Upgrades may come in the form of Contractor services (e.g. a new DR program in a specific utility territory) or technology advice (e.g. technology installed on a Participating Agency's site to provide better data collection or connectivity to a BMS). Upgrades may also include consultation on equipment needed to make the Participating Agency's participation in DR programs more effective. For example, the Contractor may offer advice on upgrading a building to a smart thermostat or suggest that a utility provider installs technology for Automated Demand Response at a Participating Agency. In these and all cases, the State or Participating Agencies will not be charged by the Contractor (nor the utility) for upfront charges should the Participating Agency choose to use the upgrades. Instead any costs agreed by the Participating Agency, DGS, and the Contractor will be passed to the State in the form of lower payments made to the State in future statements until the upgrade cost is fully repaid.

Desired DR Service Requirements

The following list of desired DR service requirements above and beyond the minimum DR service requirements are under consideration for the DR Aggregator Program RFP:

- Contractor will enroll, service, and support *all* state agencies and their buildings in DR programs if they are interested in participating regardless of the building size, energy usage, or other criteria. Contractors may partner or subcontract in responding to the RFP. The State understands that certain buildings will not be eligible for a DR program because the buildings do not reside in a utility territory where DR programs exist, or there may not be interest on the part of the agency in enrolling certain buildings in a DR program.
- Contractor will be highly responsive in supporting Participating Agencies with DR service or technology support questions that arise especially during DR events.

Technology Requirements of Contractor

Minimum Technology Requirements

The following list of minimum technology requirements are under consideration for the DR Aggregator Program RFP:

- Contractor will provide the data from their DR aggregation services through technology in the form of a secure internet cloud-based portal ("application") for

use by State employees involved in DR events. Each State employee using the application will have their own secure username and password. The Contractor will provide DGS and Participating Agencies with training and support on how to use the application.

- The application will include various levels of user access and security that can be set by DGS so that certain users have more limited access to the features and functions while other users can be provided complete (full) access to the Contractor's application.
- The Contractor's application ideally will include access to robust data on energy use before and after curtailment events and other information specified in the "Data Requirements" section below. Data needed will be based on the signed Task Orders with Participating Agencies. Data, ideally in the Contractor's application, will adhere to these minimum requirements:
 - Pre-settlement data, as described below, should be available within 48 hours after a curtailment event.
 - Contractor provides data from all enrolled state buildings in their programs as well as buildings that are in the process of being fully enrolled after Task Order agreements for each Participating Agency are signed.
 - Ideally, all reports should be easily viewable and printable from the Contractor's application. At a minimum, all data must be available in a standardized format for further analysis.
 - Sample reports will be provided by the Contractor as part of the documentation required in the RFP.
 - The Contractor will provide the State with upgrades and improvements to their technology that they have made available to their other customers in a timely manner.

Desired Technology Requirements

The following list of desired technology requirements above and beyond the minimum technology requirements are under consideration for the DR Aggregator Program RFP:

- Contractor will provide an application that has an easy-to-use user interface which displays data from all buildings participating in DR programs across all state agencies from the signed Task Orders. If more than one Contractor is selected from the RFP, one Contractor will provide and fully support a single application that aggregates all data and information across all state agencies' buildings enrolled in all DR programs.
- Contractor will include data from existing Participating Agencies' ELRP programs in their application and include the ELRP programs in the reporting available from the application.

Data Requirements and Reporting

Data Requirements:

The State is seeking data from the Contractor(s) that enables the State to evaluate DR program enrollment, testing, and participation of state agencies. The State is also seeking data that can help with predictability of State load reduction for future grid emergency events.

The following tables are preliminary outlines of data fields needed in specific views such as views by utility at the program and agency level as well as views at the event and program level.

| Data Views | | | | | | |
|------------|---------|---------------|-------|------------|---------------------------|-------------------------|
| Utility | Program | Building Name | Meter | Event Date | Baseline Load | |
| | Agency | | | | Start Time | |
| | | | | | End Time | Duration |
| | | | | | Reduction Goal | |
| | | | | | Load Used | |
| | | | | | Load Reduced | Pre and Post Settlement |
| | | | | | Test Date | |
| | | | | | Test Performed | |
| | | | | | Incentive for Curtailment | |

| Data Views | | | | |
|------------|--------|---------------|-------|--------------------|
| Program | Agency | Building Name | Meter | Program Start Date |
| | | | | Program End Date |

The goal is to have this data available ideally in the Contractor(s)'s application, but at a minimum the State should be able to access the data in an acceptable format (e.g. Microsoft Excel, CSV, or other standard data formats).

The State would like to see the data available within 48 hours of a curtailment event. The State understands payment for curtailment events may not be "settled" by the utility until a later date and therefore the settlement data will be available in the Contractor's application within the expected timeframe designated in each contract Task Order with the Participating Agency.

Reporting

The Contractor(s) will provide data that enables the State to produce a number of reports. The following list of reports potentially will be required in the DR Aggregator Program RFP:

- Reports of DR programs across utilities where state facilities are enrolled by program name and agency:
 - o Graphs showing daily curtailment event energy use at 1 hour and 15 minute intervals over a 24 hour period
 - o Graphs showing monthly curtailment event energy use and load reductions
 - o Listing of utility program enrollments across the state
 - o Listing of buildings enrolled per program
 - o Listing of meters enrolled across buildings per programs
 - o Participation Rates by building, agency, and program in DR events
 - o “Before and after” energy curtailment at the agency and building level for every DR event
 - o Average event duration
 - o Load shed across utilities in daily, monthly, seasonal, and annual reports
 - o Load shed across agencies in daily, monthly, seasonal, and annual reports
 - o Report by test date of building curtailment results
 - o Reports that predict potential future demand reduction across state buildings based on criteria available such as timing of events, outside temperature, and/or other factors.
- Reports at the program level:
 - o Current list of program enrollment across state agencies
 - o Historical list of program enrollment across state agencies since the Contractor signed up the Participating Agency
 - o Listing of all buildings by agency participating in DR programs
 - o Listing of all meters within each building by agency participating in DR program
 - o Curtailment measures identified by Participating Agencies through the Task Orders

Tentative Evaluation and Scoring Criteria

Details regarding the evaluation and selection process will be forthcoming when an RFP is publicly announced. The scoring criteria may or may not include the following:

- Higher score for the highest contract rate for \$ kW saved monthly offered by Contractor to be passed to the State.
- Higher score for more of the State's building portfolio being able to be served by the Contractor. The highest scores for this section will be assigned to Contractors that can serve most of the State's buildings across all agencies. Partnerships/subcontracting acceptable.
- Higher score if Contractor agrees to include the data from existing ELRP programs in the technology offering they provide the State.
- Higher score if the Contractor can give Participating Agencies a choice of DR programs beyond ELRP programs offered by utilities.
- Higher score if the Contractor can substantially prove that they have a process and/or resources for enrolling the largest number of agency buildings in the shortest amount of time into DR programs.
- Higher scores if the Contractor has better or more timely reporting capabilities including an easy-to-use reporting user interface for State users of the Contractor's application. DGS will also take into account the data the Contractor can provide that helps the State better predict load reduction potential across the state building portfolio for future grid emergencies.
- Higher score for the Contractor that can help the State maximize load shed during DR events across state agencies based on the Contractor's superior technical approach and/or the Contractor's technical assistance and services that can be offered to individual agencies.
- Higher score if the Contractor can work with DGS and the Participating Agency to provide upgrade expertise and advice to their buildings to improve building automation and remote control with no upfront costs to the State.
- Higher score based on Contractor's team qualifications, capabilities, resources, and proposed response time to service and support issues.
- Higher score will be assigned based on the quality of the Contractor's references.
- Higher score for how long the Contractor has been providing DR aggregator services in the state of California

Contract Rate Worksheet

DGS is considering using a worksheet to establish the contract rate that Contractors will quote in their response to the DR Aggregator Program RFP. The table below in this “Contract Rate Worksheet” section is an example of how a Contractor would propose their contract rate in the RFP. As described in the “Selection Process” section, Contractors will evaluate if they plan to support some or all of the State’s building portfolio with their DR aggregation services and then complete the Contract Rate Worksheet accordingly. While simpler is better, Contractors are allowed to add rows/columns to the Contract Rate Worksheet to refine offers if necessary for specific utility territories or other criteria.

DR AGGREGATOR CONTRACT RATE WORKSHEET*

| Company | Building Type or Other Classification | Rate per kWh | Period (if Applicable) | Total |
|-------------------------|---------------------------------------|---------------|------------------------|---------------|
| <i>Example Response</i> | <i>All State-Owned Buildings</i> | <i>\$x.xx</i> | <i>Monthly Average</i> | <i>\$x.xx</i> |
| Sample 1 | | \$ | | |
| Sample 2 | | \$ | | |
| Sample 3 | | \$ | | |

*Please provide assumptions behind the estimates/additional criteria.

Subtotal \$ _____

Total Cost \$ _____

RFI Requested Information of Contractors

This RFI includes draft concepts and ideas that might be included in the DR Aggregator Program RFP. The State kindly requests that interested Contractors answer the following questions:

1. After reading the RFI information and above requirements for the State's DR Aggregator Program RFP, does your company plan to submit a response for the RFP? Why/why not?
2. As explained in the "Selection Process" section above, the State's buildings vary greatly in size, the level of building automation capability, and in other ways. If your company plans to submit a response to the RFP, does your company plan to offer DR aggregation services for most of the State's diverse facilities or just a portion of the state buildings? And if you are considering responding for just a portion of the State's buildings, could you please describe the criteria you will use to determine which buildings you wish to target for your response to the RFP?
3. To make responses for this RFP comparable, the State requests that Contractors responding to the RFP use the Contract Rate Worksheet in stating their contract rate for the RFP. In responding to the RFP, the Contractor is committing to a payment method that will be applied to all or the portion of state agencies and their buildings that participate in a DR program with the Contractor. The State understands that there are different rates and arrangements between each Contractor and each utility across the state. The State further understands that not all curtailments result in savings passed along to the entity that does the curtailment. For every curtailment where the Contractor receives payment by the utility for a Participating Agency's curtailment, the State is seeking a dollar amount per kWh curtailed over a period (e.g. monthly) from the selected Contractor(s) of the RFP.
 - a. Is your company able to offer the State a dollar amount per kWh curtailed over a period? If not, please explain why and please feel free to offer a different approach to meet the State's needs for compensation for DR curtailments in the RFP.
 - b. Please help the State create an effective Contract Rate Worksheet. From your perspective, what are the factors/variables that would impact the contract rate? How might you change the Contract Rate Worksheet table to better respond with a contract rate?
4. Is the "Data Requirements and Reporting" section of the RFI above feasible for Contractors submitting a response to the State's DR Aggregator Program RFP? If not, please list requirements that are difficult to meet and describe why the requirements are infeasible. The State appreciates any suggested changes to this section that would help the State address its data and reporting goals.

5. Are there areas of the RFP requirements listed above in this RFI that do not seem feasible or are not industry standard practice? If so, please included detailed comments.
6. Are there areas of the RFP requirements listed above in this RFI that the State might have missed or should consider including? If so, please provide detailed comments.

Please provide written responses to the questions in this “RFI Requested Information of Contractors” section in Adobe Acrobat PDF format via email to Amy Shaw at Amy.Shaw@dgs.ca.gov by the due date listed in the “Timeline” section of the RFI. Please be sure to include a person the State can contact with questions along with your response to the RFI: please be sure to include their name, company, email address, and phone number. Thank you very much for your time.

DGS Office of Sustainability Contact

Questions about the State’s DR Aggregator Program RFI may be directed to:

Amy Shaw

SEI Climate Corps Fellow, June 2022 – June 2023

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