

Competitive Solicitations Framework Working Group: Sub-Team 6. Customer Engagement

Purpose of Sub-Team 6: There is a need to be transparent in the competitive solicitation framework documents regarding the support IOUs will provide in terms of general customer awareness in the targeted areas and any support the IOUs will provide in the customer acquisition process for behind-the-meter DERs. The level of customer awareness and customer acquisition support that IOUs will provide may materially impact vendor bids into an RFO, therefore, it is important for the solicitation documents to contain this information.

Sub-Team 6 Conference Call Discussion: On the two Subteam-Six conference calls there was general agreement among participants that Proposal A plus Proposal B would be reasonable to include in an IDER competitive solicitation framework. There is a great deal of interest among Subteam-Six participants in further exploring inclusion of elements of Proposal C in the solicitation framework in some fashion. The most common suggested vehicle is inclusion of elements of Proposal C as part of the vendor conferences that are envisioned within the overall solicitation framework. This would allow each IOU to clearly delineate the services they can provide both pre and post contracting and the criteria (and possible fees) for accessing those services. There is a desire among Subteam participants to explore whether provision of enhanced customer acquisition services by the IOUs would deepen the pool of bidders by encouraging smaller firms or new entrants who may not have access to sophisticated data analytics and/or customer acquisition platforms.

Proposals: The following proposals outline the range of possible options. Combinations of Proposals A, B and C would also be possible.

Proposal A	Pros	Cons
<p><u>Proposal A – Based on Demand Response Auction Mechanism (DRAM) and Demand Response Aggregator Managed Portfolio (DRAMP) solicitation model:</u> The IOUs, in the solicitation documents, only provide information regarding the current CPUC approved methods for vendors to access customer information.</p> <p>Note: It is expected in the “needs identification and description” portion of the solicitation documents that the geographic area of the need is specified and at least some additional location specific information is provided regarding the customer composition in the local area and other information regarding the timing, frequency, depth and duration of need, etc. The avenue for bidders to access this location specific information would likely be through IOU RFO software which typically requires an NDA be signed before access is granted. The types of data that can be accessed and rules for accessing the data should be clearly stated in the RFO documentation.</p>	<p>Transparent and easy to understand and factor into bids by vendors. Privacy rules have been well litigated and settled; this process is working in the view of the IOUs.</p> <p>Has been recently used in the DRAM solicitations and is consistent with current CPUC rules regarding customer data confidentiality.</p> <p>Other useful views of the customer are available from third party marketing research companies and this data is often presented in bids and informs the marketing plans provided to the IOUs by bidders.</p> <p>Encourages vendors to develop data analytic approaches that do not require utilities to share customer specific information that the CPUC has deemed to be confidential. There is positive RFO/IOU experience with this option.</p> <p>May reduce contract administration costs and limit the risk of contract disputes by limiting the IOU’s role in the customer acquisition process.</p>	<p>Could limit the pool of bidders to only those vendors who have developed sophisticated customer acquisition and data analytics platforms.</p>

Proposal B	Pros	Cons
<p><u>Proposal B – Based on SCE LCR RFO and SCE PRP solicitation model:</u> <i>The IOUs to provide a specified level of general customer awareness support services both during the RFO solicitation period and post-contracting during the vendor’s customer acquisition period.</i></p> <p><i>Note</i> Information shared by the utilities will be neutral and treat all contracted parties equally so all contracted parties are on equal footing to meet contractual obligation</p> <p><i>Examples of services could include:</i></p> <ol style="list-style-type: none"> <i>1.) Creation and maintenance of a customer facing webpage dedicated to the local DER solicitations.</i> <i>2.) Commitment to facilitate local “town hall” meetings in the targeted areas to address customer questions about the local DER solicitations.</i> 	<p>Transparent and easy to understand and factor into bids by vendors.</p> <p>Has been recently used in the SCE LCR and SCE PRP solicitations and is consistent with current CPUC rules regarding customer data confidentiality.</p> <p>Also used at SDG&E: all RFO info is on the SDG&E website, and bidders conferences, with less specific needs described, are open to the public with registration.</p> <p>Encourages vendors to develop data analytic approaches that do not require utilities to share customer specific information that the CPUC has deemed to be confidential.</p>	<p>Could have additional costs to the IOU associated with it that are passed on to utility customers.</p> <p>Could limit the pool of bidders to only those vendors who have developed sophisticated customer acquisition and data analytics platforms that do not require use of customer specific data the CPUC has deemed to be confidential.</p> <p>There is no hard data on the impacts of town meetings or web information on customer engagement that results in recruitment of customers. In fact, could the IOU involvement have negative impact?</p> <p>Could lead to contract administration disputes. For example a vendor could claim that the IOU’s webpage design was inadequate which led to the vendor not being able to meet their obligations, etc.</p> <p>If done in partnership with the IOU, the vendors might be limited to talk only about the project in question or the DERs they recruit for in the short term, which might limit future customer engagement.</p>

Proposal C	Pros	Cons
<p><u>Proposal C –Based on SDG&E Enhanced Community Renewables and PG&E Third Party and Government Partnership energy efficiency contracts:</u> The IOUs would include in the solicitation documents post-contracting enhanced customer acquisition support services. Services for customer engagement support will vary depending on what the vendor is under contract to do for the IOU, as defined by the IOU, and/or as offered by the vendor in the bid.</p> <p>Examples of services could include:</p> <ol style="list-style-type: none"> 1.) Use of IOUs corporate logo on vendor marketing materials 2.) List of qualified leads specific to the vendor’s technology and/or market segment in the local area. <p>In terms of the Competitive Solicitation Framework the details for the enhanced support options and the criteria and cost for vendors to access these options would best be delivered via one of the planned vendor conferences.</p>	<p>There are well established avenues for IOU data sharing post-contract under NDA, including customer data, current customer enrollment, etc. depending on the services contracted.</p> <p>Could increase the pool of bidders into the RFO to include smaller or more recent entrants who have not developed sophisticated data analytics or customer acquisition platforms.</p>	<p>Has not been tested in a robust competitive solicitation environment as envisioned by the CSFWG.</p> <p>Could have additional costs to the IOU associated with it that are passed on to utility customers.</p> <p>May discourage vendors from developing advanced data analytics and customer acquisition platforms that do not require utilities to share customer information the CPUC has deemed to be confidential.</p> <p>May lead to difficulty in assessing bids as vendors may want to include being able to access these enhanced services post-contracting as a contingency to their bid.</p>