

Idaho Power Company

Request for Proposal

Energy Efficiency Potential Study



Issued: December 21, 2011
Questions Due: January 13, 2012
Responses Due: February 10, 2012

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I. INTRODUCTION

A. Purpose

Idaho Power Company (“IPC” or the “Company”) requests proposals from qualified organizations or individuals (“Contractor”) interested in providing assistance in estimating the status of all technical, economic, and achievable potential for energy efficiency within its service territory for the following sectors: Residential (including low-income), Commercial (including street lighting), Industrial, and Agricultural (including irrigation).

The Contractor will be required to provide these potential estimates in one year increments from the baseline year over the next 21 year period beginning in 2011. Potential estimates should include existing IPC measures or bundled measures, behavioral measures, operational measures, and measures considered to be in the near-term and mid-term development stages. The Contractor should anticipate improvements in cost, performance, and economies of scale along with anticipated changes in codes and standards. The Contractor will also determine the quantifiable non-energy benefits of the potential measures. The Contractor will also provide a dynamic DSM simulation tool in Excel format with the ability to calculate technical, economic, and achievable electricity and demand savings and costs by sub-sector and end-use. The model will provide summaries of each potential in a given program year and allow the Company to construct its own saving’s forecasts based on variable inputs including but not limited to:

- Total sales and load actuals and forecasts
- Wholesale electricity price actuals and forecasts
- Line losses
- Discount rates
- Annual program savings actuals

In addition to these potential estimates and simulation model, the Contractor will review the Company’s end-use load profiles and provide updated profiles by sector, program, and end-use

The results of this study will support new measure and program development and will help IPC evaluate the cost-effectiveness of future energy efficiency technologies and programs. The Contractor will be expected to use the Company’s Integrated Resource Plan (IRP) Demand Side management (DSM) alternative costs to establish these results.

Definitions of Potential

The Contractor will be expected to estimate and report on required market penetration rates associated with each potential listed below. In addition, the Contractor will be required to estimate and align the incentive levels required by customers to the various levels of market penetration for all measures. From a resource planning perspective the level of incentive should be 100 percent.

1. Technical Potential

Technical Potential is defined as the complete penetration of all measures and bundled measures analyzed that were deemed technically achievable as well as technology anticipated to become available in the next five, ten, fifteen, and twenty years. These technologies should be close to market and have anticipated price decreases that may cause them to be considered cost effective in the near future.

2. Economic Potential

Economic Potential is defined as the potential for market penetration of energy efficiency that is considered cost effective according to the Total Resource Cost (TRC) test and could be obtained given no cost to the customer, sustained marketing, and market intervention.

3. Achievable Potential

Achievable Potential is defined as the cost-effective efficiency measure market penetration (customer participation) that could be obtained given unlimited funding, sustained marketing, customer acceptance, and market intervention.

B. Proprietary Information - Confidentiality

Contractor agrees that all information obtained or produced in relation to this RFP is the sole property of IPC and shall not be released or disclosed to any person or entity for any purpose nor used for any purpose other than providing a proposal to IPC, without the express written consent of IPC. **Contractor agrees not to make any public comments or disclosures, including statements made for advertising purposes, regarding the Request for Information to the media or any other Party without the prior written consent of IPC.** In the event Contractor receives any inquiries regarding the RFP from the media or any other Party, said inquiries shall be forwarded to IPC.

Contractor shall specifically designate and clearly label as “CONFIDENTIAL” any and all material(s) or portions thereof that they deem to contain proprietary information.

C. Business Conduct Policy

The Company and Contractor relationship should protect the image of the Company by adhering to Best Business practices. The goodwill of the Company and our employees is a valuable and important asset and therefore it is important to develop and maintain good relations between the Company and our Contractors.

Any Contractor awarded the contract must adhere to Idaho Power Company’s Code of Conduct, available at www.idahopower.com.

D. Small Business and Small Disadvantaged Business Program

Idaho Power Company is committed to the implementation of a Small Business and Small Disadvantaged Business Program. It is the intent of Idaho Power Company that small business concerns and small businesses owned and controlled by socially and economically disadvantaged individuals have the opportunity to participate in the performance of contracts awarded by the Idaho Power Company. Consequently, we request that you indicate your eligibility as a small business based upon the regulations issued by the Small Business Administration, per Rev. 13, Part 1221, of the SBA Rules and Regulations. (If in doubt, consult the Small Business Administration Office in your area).

Eligibility as a small disadvantaged business is first based on eligibility as a small business, as noted above. Second, disadvantaged status consists of at least 51 percent ownership of a firm by a disadvantaged person(s) and daily management and control of the firm by such disadvantaged person(s). Disadvantaged are minority groups, specifically Black Americans, Hispanic Americans, Native Americans (Aleuts, Eskimos, American Indians, and Hawaiians), Asian-Pacific Americans, and firms that have been admitted to the SBA’s 8(a) Program. Classifications are: Small Business; Small Disadvantaged Business; Woman Owned Business; Veteran Owned Business; Small HubZone Business; Service-Disabled Veteran Owned Business; or Large Business.

E. RFP Review

Contractors should carefully review this RFP for defects and questionable or objectionable material. Comments concerning defects and objectionable material must be made to the RFP Coordinator within 5 days. This will allow issuance of any necessary amendments. Protests based on any omission or error, or on the content of this solicitation, will be disallowed if these faults have not been brought to the attention of the RFP Coordinator.

F. Company Background

IDACORP Inc., an energy and technology holding company was formed in 1998. Comprised of regulated and non-regulated businesses, its origins lie with Idaho Power, a regulated electric utility that began operations in 1916.

Today, Idaho Power is the largest regulated electric utility in the state of Idaho and IDACORP's chief subsidiary. In 2010, the company served an estimated population of 1,000,000 people with approximately 408,754 residential, 64,772 business, and 18,547 agricultural customers. The company's service area covers approximately 24,000 square-miles, including portions of eastern Oregon. The company employs approximately 1,979 employees.

G. Key Objectives

The key objectives of this evaluation include:

1. The credible and transparent estimation of the technical, economic, and achievable energy efficiency potential by year over the next 21 years within the IPC service territory.
2. Assess potential energy savings (including kW, kWh, and MBtu) associated with each potential area by measure or bundled measure and sector.
3. Provide an executable dynamic model that will support the potential assessment and allow for testing of sensitivity of all model inputs and assumptions.
4. Review and update load profiles by sector, program, and end-use.
5. Develop a final report including summary data tables and graphs reporting incremental and cumulative potential by year from 2012 through 2033.

H. Key Tasks

It is anticipated that the selected contractor will be required to undertake the following tasks. Proposals should address these tasks in detail:

Task 1: Statement of Work Meeting

Contractor will meet with Idaho Power staff within two weeks on contract signing and present proposed evaluation methodologies, data collection plan, analysis, report preparation and delivery, and any other activities contractor and IPC feel pertinent to the evaluation. A final Statement of Work will be developed based on outcomes from this meeting. This Statement of Work will become part of the contract and will become the basis for this evaluation.

Task 2: Work Plan

The Contractor will develop a detailed work plan based on the Statement of Work. The work plan will include evaluation goals, a schedule of tasks and delivery dates, evaluation goals, evaluation methodologies, and a sampling plan. The Contractor shall describe and document significant uncertainty factors and propose approaches for addressing these uncertainties. This plan must be approved in writing by IPC prior to contractor beginning further evaluation.

Task 3: Review of Existing Energy Savings Baseline

The Contractor will develop baseline data on existing IPC energy efficiency measures and associated savings including kW, kWh, and MBtu. The Contractor will use existing data including data from the Northwest Power and Conservation Council or Idaho Power annual DSM reports and supplements, and will identify other sources of data that are used to support savings estimates.

Task 4: Screening of Measures and Bundled Measures

The Contractor will identify the energy efficiency measures and bundled measures to be analyzed and develop a screening methodology. The Contractor will submit to IPC for approval description of this methodology along with criteria and any weighting assumptions used for screening measures and bundled measures.

The Contractor will use this screening methodology to determine which measures will be analyzed and shall provide a list of measures that pass the screening test for Economic and Achievable potential. Contractor shall also provide a list of measures that failed this screening and reasons for failure. Passing measures require a minimum Total Resource Cost Test (TRC) ratio of 1.0. A secondary list of measures that do not pass the cost-effectiveness test shall also be included for the Company's consideration when improvements of cost and performance are available.

Task 5: Estimated Energy Savings Potential

The Contractor will estimate the incremental and cumulative energy and non-energy savings potential. Non-energy benefits must be quantifiable. Economic and Achievable potential measures or bundled measures, including kW, kWh, and MBtu, must be determined to be cost-effective. Measures included as part of the technical potential must be independent of cost-effectiveness.

Task 6: Determine Market Potential

The Contractor will determine the technical, achievable, and economic market potential including cost of saved energy and TRC, Utility Cost Test (UTC), and Participant Cost Test (PTC) ratios for each measure and bundled measure in one year increments over the next 21 years. The contractor will assign a score to each measure or bundled measure and shall provide to IPC a description of the scoring procedure, criteria, and weighting.

The contractor will be required to provide to the IPC Energy Efficiency Evaluator monthly status reports detailing progress toward completion and any obstacles encountered. These status reports will be due by the 15th of each month and will include an updated schedule of future activities.

Task 7: Draft and Final Report

The Contractor will provide a draft final report of findings to the IPC Energy Efficiency Evaluator upon completion of all tasks. This draft will be reviewed by IPC and comments will be provided to contractor for clarification as necessary. The contractor will then provide to the Energy Efficiency Evaluator, the final version of the report. Graphs and/or tables are recommended for information not easily conveyed in narrative form. The draft and final report is required to contain, at a minimum, sections containing; an executive summary, evaluation methodologies, and findings and conclusions. The final report should include the delivery of a fully executable model that supports the potential assessment findings. The model should provide visibility into all assumptions and inputs that are used to assess the savings along with formulas and equations. Inputs should be dynamic wherever possible to allow for sensitivity testing of inputs and for modifying assumptions that may change over time.

II. GENERAL INFORMATION FOR CONTRACTORS

A. Contact Information

RFP Coordinator

Throughout the duration of the information gathering and proposal process, all notifications, questions, submission of references, responses and other communications concerning this RFP are to be directed, in writing via e-mail, to the RFP Coordinator and their designate. Contractor agrees that, during the RFP

process and prior to the response deadline, Contractor shall not discuss this procurement with any Idaho Power employee other than Contract Administrator or designate. Failure to comply with these requirements may result in Contractor disqualification and elimination from the RFP process.

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B. Deadlines

Notice of Intent to Bid (NOITB)

A notice of Intent to Bid is required by 5:00 PM Mountain Standard Time (MST), January 6, 2012. This notice identifies you as a bidder and insures that you will receive any updates or amendments to the RFP in a timely manner.

Questions

Contractors should carefully review this RFP for questions, clarifications, defects and questionable or objectionable material. *Comments concerning questions, clarifications, defects and questionable or objectionable material must be made to the RFP Coordinator and must be received via e-mail on or before Friday, January 13, 2012 by 5:00 PM Mountain Standard Time (MST).* No questions will be accepted after this date. All questions and their applicable responses will be provided to every Contractor who submitted a NOITB via email.

Protests based on any omission or error; or on the content of this solicitation, will be disallowed if they have not been brought to the attention of the RFP Coordinator.

Responses

Responses to the RFP must be received on or before Friday, January 27, 2012 5:00 PM Mountain Standard Time (MST). One electronic version of the proposal is requested to be in Microsoft Word and Microsoft Excel with the recommendation that the documents are zipped prior to e-mailing.

In addition, each Contractor is required to submit 5 hard copies of the proposal. All RFP hard copies must be delivered to the RFP Coordinator listed above.

All copies of the proposal and accompanying documentation become the property of Idaho Power Company and will not be returned.

C. Estimated Schedule of Activities

IPC at their sole discretion, reserves the right to alter the dates listed below and/or add to or remove scheduled activities

Timeline

Event	Estimated Completion Date
RFP Issued	December 21, 2011
Notice of Intent to Bid	January 6, 2012
Questions Deadline	January 13, 2012
RFP Responses Due	January 27, 2012
RFP IPC Review and Evaluation	February 10, 2012
Contractors Presentations, if any	TBD
Contract Signed	March 9, 2012
Begin Project	March 10, 2012
Final Report	June 29, 2012

D. Supplemental Information

Supplemental information in addition to the specifics of this RFP is recommended and can be provided by the Contractor. Supplemental information that is not specifically requested in this RFP should be attached separately and clearly labeled "Supporting Material/Supplemental Information."

E. Failure to Comply

The Contractor is specifically notified that failure to comply with any part of the RFP may result in disqualification of the proposal.

F. No Obligation to Contract

Idaho Power Company reserves the right to reject any and all proposals submitted by Contractors. The issuance of this RFP does not obligate Idaho Power to purchase any product and/or services offered by the Contractor, or requested herein. Furthermore, Idaho Power may choose to abandon the RFP process in its entirety. Contractors submitting offers do so without recourse against Idaho Power, IDACORP Inc. or any of IDACORP Inc.'s subsidiary companies for failure to accept an offer for any reason.

G. Revisions to the RFP

The requirements specified in this RFP reflect those presently known. Idaho Power reserves the right to vary, in detail, the requirements and/or to issue addenda to the RFP. Idaho Power Company also reserves the right to cancel or to reissue the RFP in whole or in part, prior to the execution of a contract. In the event it becomes necessary to revise any part of the RFP, addenda will be provided to all Contractors included in the current and applicable stage of the RFP.

H. In Whole or In Part

IPC reserves the right to accept the proposal in whole or in part, and to award to more than one Contractor. Furthermore, Contractor understands that the "award" constitutes an acceptance of the offer, but does not confirm the agreement of the parties until all parts of the agreement are agreed upon and furthermore does not confirm any commitment on behalf of IPC.

I. Cost to Propose

The Contractor will absorb all costs incurred in the preparation and presentation of its response, and any presentations/demonstrations requested. All materials submitted by the Contractor become the property of Idaho Power. Any exception will require written agreement by both Parties prior to the time of submission.

J. Contractor to Conform with Law

Contractor shall conform in all material respects to laws, ordinances, rules, and regulations applicable to it and nothing in this RFP shall be construed to require Idaho Power Company or Contractor to act in a manner contrary to law.

K. Accountability

The Contractor whose proposal may be selected in response to this RFP acknowledges that it assumes full legal responsibility for the accuracy, validity, and legality of the services provided in conformance with this RFP. The Contractor agrees to maintain sufficient resources to perform its obligations and shall perform such obligations in a commercially reasonable manner.

III. SELECTION PROCESS

A. RFP

The RFP Process is comprised of 2 stages.

Stage 1

Based upon RFP response evaluation and scoring, the top candidates may be identified for further clarifications and/or a Contractor presentation.

Stage 2

A presentation (if requested) shall be at the Idaho Power Corporate Headquarters or via conference call and will be scheduled by the RFP Coordinator. These presentations will be the 2nd part of the evaluation and will be no longer than 90 minutes in length unless otherwise communicated to the participants. Contractors chosen to advance to this stage will be given a presentation agenda and timeline.

Based on the conclusion of these evaluations, and any subsequent activities identified during the presentation process, IPC will conclude its RFP process. IPC will then take approximately 1 week to make the final decision. After that time, the final contract negotiations will begin.

Those Contractors whose proposals have not been selected will be notified via an email or a written letter at the number and address provided in their proposal.

B. General Selection Criteria

At a minimum, proposals will be evaluated based on the following criteria and any other factors deemed relevant by IPC:

- Technical approach and demonstrated understanding of the issues surrounding the administration and evaluation of electric utility energy efficiency market potential assessment.
- Experience and qualifications of proposed staff and management team. No changes in key personal should be made without written agreement from Idaho Power Company.

- The experience of firm, with particular interest in evaluation of, and experience with, electric utility energy efficiency market potential.
- The merits of the proposed evaluation methodologies.
- Responses to each task and subtask identified in Section H.
- Proposed itemized budget. Contract should be bid on a time and materials, not to exceed basis. Note: IPC has not determined a budget for this project.

C. Contract

Should Idaho Power decide to give a notice of award, the parties will enter into legal binding contract(s) such as *Exhibit A* Professional Services Agreement and Statement of Work to Exhibit A for the actual services to be procured.

Contractors must indicate acceptance of *Exhibit A*. Alternatively, if the Contractor is unwilling to agree to a proposed clause or term, your Executive Summary must reference an appendix, which identifies those clauses or terms in dispute and should (a) suggest specific alternative language, or approach; and (b) provide an explanation of your reasoning.

The Contract term will be for an initial 1 year period.

If IPC is unable to reach a contract agreement with the designated Contractor, IPC at their sole discretion reserves the right to extend the negotiations, and/or terminate negotiations and begin negotiations with another Contractor.

The awarded Respondent may be required to conduct, at its cost and expense, criminal background search and identity verification using the following criteria. A seven year criminal background search in all counties of residence using all aliases, registered sex offender search and identity search to verify name, gender, date of birth, and social security number for each employee assigned to Idaho Power Company.

D. PROPOSAL COMPONENTS

- A description of the firm's qualifications to estimate the IPC's ten year achievable and cost-effective energy efficiency potential.
- A technical proposal not to exceed 15 pages.
- A management plan and proposed schedule of deliverables including a kickoff meeting scheduled within two weeks of contract signing.
- Response to each task and subtask listed in Section 1, H.
- A detailed budget broken out by task, number of hours, and by individual. Key individuals should be identified by name along with billing rates for each individual. Budget should also include any additional hardware and installation costs. Budget should include time and materials on a not to exceed basis. (Note: IPC has not established a minimum or maximum budget for this project).
- Resumes of key staff and subcontractor qualifications. (Existing Idaho Power contractors may omit this requirement unless key staff have either left or been added to the firm).
- Three references from previous market potential evaluation clients (if available).
- Example of previous market potential evaluation reports (if available).
- Response to the PSA

- Response to the Security Questions

E. Entire RFP

This RFP, Exhibit A, B and Attachments A, B is hereto attached and incorporated herein by this reference; represent the final expression of this RFP. Only information supplied by IPC in writing through the parties listed herein or by this reference made in the submittal of this RFP shall be used as the basis for the preparation of Contractor proposals.

F. Attachments

Exhibit A - Professional Service Agreement & Statement of Work

Exhibit B- Data Security and Protection Requirements Exhibit

Attachment A – Security Questions

Attachment B – Independent Contract Certification_FINAL.DOC