



# **D.18-10-008 – Decision Addressing Workforce Requirements and Third-Party Contract Terms and Conditions**

Energy Division  
California Public Utilities Commission

California Energy Efficiency Coordinating Council  
December 6, 2018





# Contract Terms and Conditions

*for Third-Party Energy Efficiency Programs*

Cheryl Wynn, Energy Division  
California Public Utilities Commission

California Energy Efficiency Coordinating Council  
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# CPUC Policy Overview

<p>D.18-01-004 Jan. 2018</p>	<p>Commission issued “Decision Addressing Third-Party Solicitation Process for Energy Efficiency Programs” and required Utility Program Administrators (SDG&amp;E, SoCalGas, SCE, and PG&amp;E) to propose standard and modifiable third-party contract terms.</p>
<p>Joint Motion Mar. 2018</p>	<p>Utility Program Administrators proposed a set of standard and modifiable contract terms and conditions for third-party contracts.</p>
<p>Proposed Decision Sept. 2018</p>	<p>Commission issued proposed decision on workforce requirements and third-party contract terms and conditions for Program Administrators.</p>
<p>D.18-10-008 Oct. 2018</p>	<p>Commission issued “Decision Addressing Workforce Requirements and Third-Party Contract Terms and Conditions.” Utility Program Administrators required to use contract terms and conditions for third-party solicitations beginning late 2018. Commission to address contract terms and conditions for Local Government Partnerships in a separate decision.</p>



# Standard vs. Modifiable

## Standard Contract Terms and Conditions Attachment A

- Utility program administrators required to include as standard terms and conditions in third-party contracts for third parties bidding to design and/or deliver energy efficiency programs.

D.18-10-008, Ordering Paragraph 6

## Modifiable Contract Terms and Conditions Attachment B

- Utility program administrators required to include as modifiable or negotiable contract terms in third-party contracts.
- Modifiable terms are starting point for negotiations.
- Other negotiable contract terms may be added by utilities and must be modified by mutual agreement between utility program administrator and third-party bidder.

D.18-10-008, Ordering Paragraph 7

Any additional terms included by utilities, including modifiable terms, must not conflict or otherwise undermine the meaning or intent of the standard and modifiable contract terms adopted in the decision.



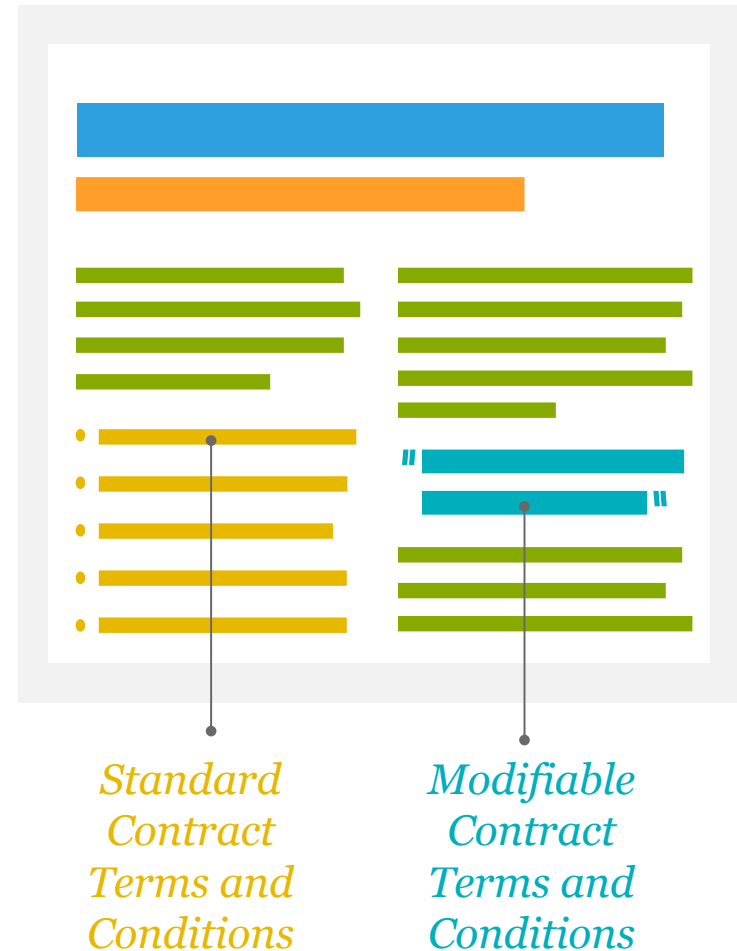
# Contract Terms and Conditions

## Standard

- Performance Assurance and Bonding
- Financial Statements
- Background Checks
- Termination for Convenience (eliminated by D.18-10-008)
- Termination/Modification by CPUC Order

## Modifiable

- Payment Terms and Incentive Structure
- Progress and Evaluation Metrics
- Intellectual Property
- Definition of Small Business Enterprise
- Provisions Related to Disadvantaged Workers
- Coordination with other Program Administrators





# Attachments A and B

## Attachment A: Standard Contract Terms and Conditions

- Eligibility (Type of Business, License Requirements, Insurance and Bonding Requirements, Etc.)
- Safety Requirements
- Dispute Resolution Process
- Termination Process

## Attachment B: Modifiable Contract Terms and Conditions

- Workforce Standards and Quality Installation Procedures
- Progress and Evaluation Metrics
- Contract Term/Length
- Diverse and Disadvantaged Business and Employee Terms, including Small Businesses, if Applicable
- Payment Schedule and Terms, including Pay-for-Performance Payment Provisions
- Measurement and Verification Requirements, including Guidelines about Normalized Metered Energy Consumption (NMEC) Design Requirements
- Coordination with Other Program Administrators
- Data Collection and Ownership Requirements



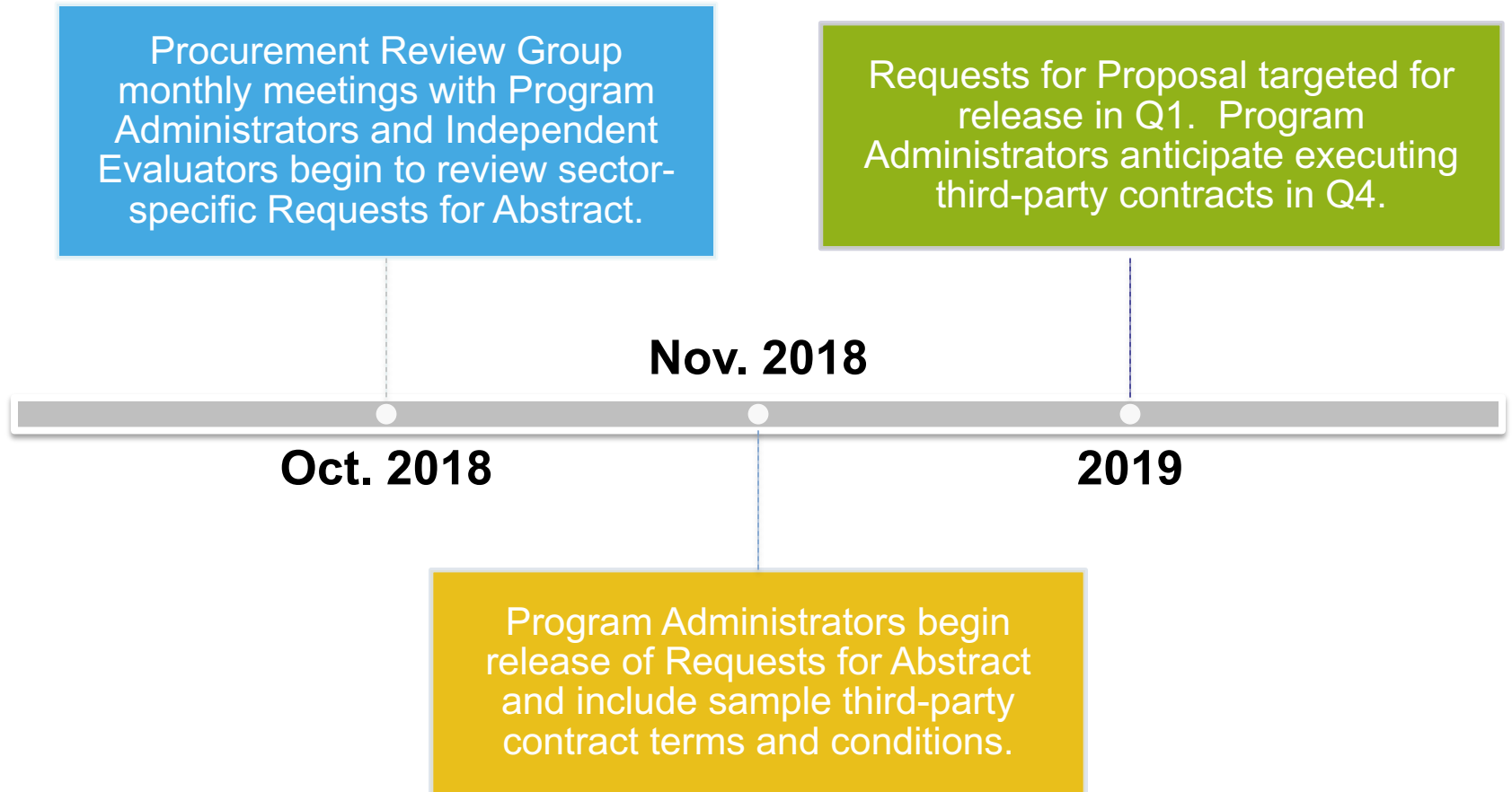
# Future CAEECC Engagement



- Commission has an interest in utilizing intellectual property developed by third-party implementers to unlock energy-savings opportunities.
- Intellectual property may be a topic appropriate for discussion among CAEECC members for the future. (D.18-10-008, Section 4.4.3)



# Progress to Date







# Workforce Standards

*for Third-Party Energy Efficiency Programs*

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December 6, 2018





# Overview of Workforce Standards Decision

Sets workforce requirements for program incentivized projects that include:

- Non-residential HVAC measures; and/or
- Non-residential lighting control measures

Requires integration immediately for all new third party solicitations and by July 1, 2019 for all other programs



# HVAC Measures

## Criteria for Workforce Standards

- Installation, modification, or maintenance of non-residential HVAC measures
- Incentive of \$3,000 or more

## Installation Technician must meet one criteria:

- Enrolled in and/or Completed California or federal HVAC apprenticeship
- Completed 5 years of work experience at the journey level per CA Department of Industrial Relations and passed competency tests and received specific credentialed training
- Received a C-20 HVAC contractor license from CA state licensing board



# Lighting Control Measures

## Criteria for Workforce Standards

- Installation of non-residential lighting control measures
- Incentive of \$2,000 or more

## Installation Technician Requirement:

- California Advanced Lighting Controls Training Program (CALCTP)
- Caveat: To add a comparable certification or training program, program administrator can file a tier 2 advice letter



# CAEECC

July 1, 2020

- CAEECC Convene stakeholders by July 1, 2020 to discuss workforce standards and additional applications

January 1, 2021

- If a consensus is reached, proposals for additional or expanded workforce standards into energy efficiency portfolios is required by January 1, 2021

D.18-10-008, Ordering Paragraph 4



# Thank you

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## [Contract Terms and Conditions](#)

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## [Workforce Standards](#)

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