



**Solicitation Information  
February 26, 2016**

**RFP# 7550348**

**TITLE: Consultation Services – Issues Related to Changing Electric Distribution System**

**Submission Deadline: March 25, 2016 at 2:30 PM (ET)**

Questions concerning this solicitation must be received by the Division of Purchases at [gail.walsh@purchasing.ri.gov](mailto:gail.walsh@purchasing.ri.gov) no later than **Tuesday, March 8, 2016 at 5:00 PM (ET)**. Questions should be submitted in a *Microsoft Word attachment*. Please reference the RFP# on all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

**SURETY REQUIRED: No**

**BOND REQUIRED: No**

**GAIL WALSH  
CHIEF BUYER**

Applicants must register on-line at the State Purchasing Website at [www.purchasing.ri.gov](http://www.purchasing.ri.gov)

**Note to Applicants:**

Offers received without the entire completed three-page RIVIP Generated Bidder Certification Form attached may result in disqualification.

**THIS PAGE IS NOT A BIDDER CERTIFICATION FORM**

**REQUEST FOR PROPOSALS**

**RHODE ISLAND PUBLIC UTILITIES COMMISSION**

**CONSULTATION SERVICES REQUIRED**  
**IN DOCKET NO. 4600 – INVESTIGATION INTO ISSUES RELATED TO THE**  
**CHANGING ELECTRIC DISTRIBUTION SYSTEM**

The Rhode Island Department of Administration/Division of Purchases, on behalf of the Rhode Island Public Utilities Commission (PUC) is soliciting proposals from qualified firms, individuals, and organizations to provide consultation services to act as a facilitator who will also compile information and issue periodic updates and reports to the PUC in connection with the PUC's investigation into Issues Related to the Changing Electric Distribution System. This solicitation is issued in accordance with the State's General Conditions of Purchase, which is available at [www.purchasing.ri.gov](http://www.purchasing.ri.gov)

This is a Request for Proposals, not an Invitation for Bid. Responses will be evaluated on the basis of the relative merits of the proposal, in addition to price; there will be no public opening and reading of responses received by the Division of Purchases pursuant to this Request, other than to name those offerors who have submitted proposals.

**INSTRUCTIONS AND NOTIFICATIONS TO OFFERORS:**

- Potential offerors are advised to review all sections of this Request carefully and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.
- Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this request will be rejected as being non-responsive.
- All costs associated with developing or submitting a proposal in response to this Request, or to provide oral or written clarification of its content, shall be borne by the offeror. The State assumes no responsibility for these costs.
- Proposals are considered to be irrevocable for a period of not less than sixty (60) days following the opening date, and may not be withdrawn, except with the express written permission of the State Purchasing Agent.
- **All pricing submitted will be considered to be firm and fixed unless otherwise indicated herein.**

- Proposals misdirected to other State locations or which are otherwise not present in the Division of Purchases at the time of opening for any cause will be determined to be late and will not be considered. For the purposes of this requirement, the official time and date shall be that of the time clock in the reception area of the Division of Purchases. PROPOSALS FAXED TO THE DIVISION OF PURCHASES WILL NOT BE CONSIDERED.
- It is intended that an award pursuant to this RFP will be made to a prime vendor, or prime vendors in the various categories, who will assume responsibility for all aspects of the work. Joint venture and cooperative proposals will not be considered. Subcontracts are permitted, provided that their use is clearly indicated in the vendor's proposal and the subcontractor(s) to be used is identified in the proposal.
- All proposals should include the vendor's FEIN or Social Security number as evidenced by a W9, downloadable from the Division of Purchases' website at [www.purchasing.ri.gov](http://www.purchasing.ri.gov).
- The purchase of services under an award made pursuant to this RFP will be contingent on the availability of funds.
- In accordance with Title 7, Chapter 1.2 of the General Laws of Rhode Island, no foreign corporation, a corporation without a Rhode Island business address, shall have the right to transact business in the state until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401 222-3040). *This is a requirement only of the selected vendor.*
- Bidders are advised that all materials submitted to the State of Rhode Island for consideration in response to this Request for Proposals will be considered to be public records, as defined in Title 38, Chapter 2 of the Rhode Island General Laws, without exception, and will be released for inspection immediately upon request, once an award has been made.
- Interested parties are instructed to peruse the Division of Purchases website on a regular basis, as additional information relating to this solicitation may be released in the form of an addendum to this RFP.
- Equal Employment Opportunity (G.L. 1956 § 28-5.1-1, et seq.) - § 28-5.1-1 Declaration of policy – (a) Equal opportunity and affirmative action toward its achievement is the policy of all units of Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies to all areas where State dollars are spent, in employment, public services, grants and financial assistance, and in state licensing and regulation. For further information, contact the EEO Administrator at (401) 222-3090 or [raymond.lambert@doa.ri.gov](mailto:raymond.lambert@doa.ri.gov).

- Bidder should be aware of the State's Minority Business Enterprise (MBE) requirements, which address the State's goal of ten percent (10%) participation by MBE's in all State procurements. For further information visit the website at [www.mbe.ri.gov](http://www.mbe.ri.gov) or contact the MBE Administrator at (401) 574-8670 or [Dorinda.keene@doa.ri.gov](mailto:Dorinda.keene@doa.ri.gov).

## **Background**

In 2014, Rhode Island enacted the Renewable Energy Growth Program (R.I. Gen. Laws § 39-26.6-1 to 25<sup>1</sup>) to facilitate and promote installation of grid-connected generation of renewable-energy; support and encourage development of distributed renewable energy generation systems; reduce environmental impacts; reduce carbon emissions that contribute to climate change by encouraging the siting of renewable energy projects in the load zone of the electric distribution company; diversify the energy generation sources within the load zone of the electric distribution company; stimulate economic development; improve distribution system resilience and reliability within the load zone of the electric distribution company; and reduce distribution system costs.

As part of the Renewable Energy Growth Program, the PUC was required to, and did, open a docket to consider rate design and distribution cost allocation among rate classes in light of net metering and the changing distribution system that is expected to include more distributed-energy resources, including, but not limited to, distributed generation. The PUC was to determine the appropriate cost responsibility and contributions to the operation, maintenance, and investment in the distribution system that is relied upon by all customers, including, without limitation, non-net-metered and net-metered customers. In PUC Docket No. 4568, National Grid, the State's dominant electric distribution utility, filed a new, revenue-neutral rate design proposal using the previously-approved cost-of-service upon which current rates were set, in accordance with the Renewable Energy Growth Program statute. After months of review and just prior to the hearing, National Grid requested, with no objection from the parties, and was granted, a Motion to Withdraw the filing. The docket will be closed upon issuance of a written order.

In allowing the Motion for Withdrawal, the PUC announced that it will be opening a docket (number 4600) on or about February 25, 2016 to review the changing distribution system. It is clear that in setting future distribution rates for National Grid, the PUC will be required to take into account and balance the following factors: (1) The benefits of distributed-energy resources; (2) The distribution services being provided to net-metered customers when the distributed generation is not producing electricity; (3) Simplicity, understandability, and transparency of rates to all customers, including non-net metered and net-metered customers; (4) Equitable ratemaking principles regarding the allocation of the costs of the distribution system; (5) Cost causation principles; (6) The general assembly's legislative purposes in creating the distributed-generation growth program; and (7) Any other factors the PUC deems relevant and appropriate in establishing a fair rate

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<sup>1</sup> The full statute may be accessed at: <http://webserver.rilin.state.ri.us/Statutes/TITLE39/39-26.6/INDEX.HTM>.

structure. The PUC may consider any reasonable rate design options, including without limitation, fixed charges, minimum-monthly charges, demand charges, volumetric charges, or any combination thereof, with the purpose of assuring recovery of costs fairly across all rate classes.

Furthermore, the PUC desires to ensure that rates charged to customers continue to be just and reasonable across all programs and components of the bill, and that all programs are consistent with Rhode Island's Least Cost Procurement Standard.<sup>2</sup> Thus, the PUC wishes to normalize least-cost procurement over all programs. Least-cost procurement shall comprise system reliability and energy efficiency and conservation procurement as provided for in R.I. Gen. Laws § 39-1-27.7 and supply procurement as provided for in R.I. Gen. Laws § 39-1-27.8, as complementary but distinct activities that have as common purpose meeting electrical and natural gas energy needs in Rhode Island, in a manner that is optimally cost-effective, reliable, prudent and environmentally responsible.

Additionally, Rhode Island has enacted revenue decoupling for National Grid's electric and gas operations for the following purposes: (1) Increasing efficiency in the operations and management of the electric and gas distribution system; (2) Achieving the goals established in the electric distribution company's plan for system reliability and energy efficiency and conservation procurement as required pursuant to subsection 39-1-27.7(c); (3) Increasing investment in least-cost resources that will reduce long-term electricity demand; (4) Reducing risks for both customers and the distribution company including, but not limited to, societal risks, weather risks and economic risks; (5) Increasing investment in end-use energy efficiency; (6) Eliminating disincentives to support energy efficiency programs; (7) Facilitating and encouraging investment in utility infrastructure, safety, and reliability; and (8) Considering the reduction of fixed, recurring customer charges and transition to increased unit charges that more accurately reflect the long-term costs of energy production and delivery. Only electric services are being reviewed in the new PUC docket.

As part of the revenue decoupling law, National Grid is required to file an annual infrastructure, safety and reliability (ISR) plan that includes the following: (1) Capital spending on utility infrastructure; (2) Operation and maintenance expenses on vegetation management; (3) Operation and maintenance expenses on system inspection, including expenses from expected resulting repairs; and (4) Any other costs relating to maintaining safety and reliability that are mutually agreed upon by the RI Division of Public Utilities and Carriers (the statutory ratepayer advocacy agency) and the company.<sup>3</sup>

Many of these provisions of the law allow National Grid to earn various types of monetary incentives for successful implementation of the programs, each based on a different measure. Some programs have no incentives currently, such as standard offer supply portfolios; others allow for traditional rate-base earnings, such as the ISR plan.

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<sup>2</sup> The full section may be accessed at: <http://webserver.rilin.state.ri.us/Statutes/TITLE39/39-1/39-1-27.7.HTM>.

<sup>3</sup> The full section may be accessed at: <http://webserver.rilin.state.ri.us/Statutes/TITLE39/39-1/39-1-27.7.1.HTM>.

Further, some programs, such as the energy efficiency program; various distributed generation programs; and certain distribution-related rates, have budget-, revenue-, and performance-based incentives. The PUC desires to determine whether a single set of measures can be developed by which all future programs funded through rates can be measured for reasonableness and to determine whether it matters in what set of rates or surcharges the program is included (i.e., base rates, ISR, energy efficiency, system reliability procurement, service quality, etc.). In addition to assuring all rates are just and reasonable, the PUC desires to ensure all rates are consistent with least-cost procurement and that any new rates are consistent with traditional Bonbright principles and the new principles set forth in the Renewable Energy Growth Program.

### **Nature of Services Requested**

The firm, individual, or organization selected will demonstrate sufficient knowledge, experience, and resources to serve as a facilitator to assist the PUC in answering the following question: What attributes are possible to measure on the electric system and why should they be measured? This overarching question can be further broken down into three broad questions: (1) What are the costs and benefits that can be applied across all programs, identifying each and whether each is aligned with state policy?; (2) At what level should these costs and benefits be quantified—where physically on the system and where in cost-allocation and rates?; and (3) How can we best measure these costs and benefits at these levels—what level of visibility is required on the system and how is that visibility accomplished? Solutions recommended to the third question must relate back to quantifications identified in answering the second question, which in turn must relate back to the costs and benefits identified in answering the first question.

The firm, individual or organization will demonstrate the ability to work with PUC staff and to act as a facilitator among stakeholders with various backgrounds and perspectives on the changing electric distribution system and the identification and quantification of costs and benefits. The number of formal stakeholders may be around twenty.

The firm, individual or organization will be expected to analyze data and information from stakeholders, published reports, and other resources, and to provide periodic reports to the PUC in writing and orally. The consultant will ultimately develop a final report including a series of recommendations to the PUC for its review to inform its decisions in the future. , All final consultant-prepared material will be property of the PUC and the State of Rhode Island and may be made available to the public. Communications between the consultant and PUC staff containing preliminary drafts, notes, impressions, memoranda, working papers, and work products will remain subject to Access to Public Records exceptions to be released to the public only at the discretion of the PUC.

### **Contract Term**

The contract will have an initial term of one year with the possibility to renew for an additional year.

## **Scope of Work**

The successful bidder will be required to:

**1. Schedule stakeholder meetings, set the agenda, gather information necessary for the meeting, prepare summaries of the meetings, act as a meeting facilitator, and develop tasks with stakeholder and PUC staff input subject to review by the PUC for clarification or further direction..**

**2. Gather data and analyze it to facilitate discussion among the stakeholders and advise the PUC of the areas where additional work needs to be done.**

**3. Work with and at the direction of PUC staff to further define issues and tasks as the project progresses.**

**4. Identify costs and benefits for various programs whose costs and benefits are or likely will be captured in rates (e.g., Energy Efficiency Program, Renewable Energy Growth Program, Infrastructure, Safety, and Reliability Program, Standard Offer Procurement, System Reliability Procurement, Distributed Energy Resources, Net Metering, Demand Response, low income discounts, arrearages and termination, etc.)**

- a. What costs can be measured; do they align with state policy?**
- b. What benefits can be measured; do they align with state policy?**
- c. What costs cannot be measured; do they align with state policy?**
- d. What benefits cannot be measured; do they align with state policy?**
- e. For each cost and benefit that can or cannot be measured and that is necessary to setting just and reasonable rates aligned with state policy, ask the following:**
  - 1. At what level do we need to measure them?**
  - 2. What is required in order to measure them?**
  - 3. What is the cost and benefit of various implementation options?**

**5. Prepare periodic reports on stakeholder activity and progress toward answering the three thematic questions. Present those reports orally at the request of the PUC as presentations or testimony, if necessary.**

**6. Develop a final report including a series of recommendations to the PUC for its review to inform its decisions in the future.**

## **Standards**

The firm or individual selected must have experience in stakeholder engagement, meeting facilitation, engineering, electric utility planning, classification, cost-allocation, ratemaking, and issues related to integration of distributed energy resources.

Information requested from proposers:

1. State the location of the principal office from which the work is to be performed and the number and composition of professional staff.
2. Describe the local office's experience with each of the following: stakeholder engagement, meeting facilitation, engineering, electric utility planning, classification, cost-allocation, ratemaking, and issues related to integration of distributed energy resources.
3. Identify the professional staff that will work on the engagement and summarize their relevant experience. **Please disclose any subcontractors or other experts and consultants you would use for support, including a summary of their relevant experience.**
4. Provide references to other municipalities or state agencies by whom you have been engaged to consult and the area of consultation/expertise.
5. Disclose any known threatened or pending litigation that may affect the firm's independence with respect to the RIPUC or the State of Rhode Island.
6. State an hourly rate, total expected annual contract cost, and the number of hours required. **This information should be submitted in a separate sealed envelope.**

The firm will be selected by the State/PUC based on the relevant qualifications and experience of the proposing firm, individual or organization. Proposals found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not considered further. The State/PUC reserves the right to reject any and all proposals submitted, to request any additional information from any and all proposers, and to negotiate separately with any and all proposers and to act in its best interest.

### **Contractual Agreement**

A contract will be negotiated between the State/PUC and the successful proposer. Payment of fees will be based upon the submission of progress billings detailing actual hours expended.

## **Evaluation and Selection**

Proposals will be reviewed by a Technical Review Committee comprised of staff from state agencies. To advance to the Cost Evaluation phase, the Technical Proposal must receive a minimum of 60 (85.7%) out of a maximum of 70 technical points. Any technical proposals scoring less than 60 points will not have the cost component opened and evaluated. The proposal will be dropped from further consideration.

Proposals scoring 60 technical points or higher will be evaluated for cost and assigned up to a maximum of 30 points in cost category, bringing the potential maximum score to 100 points.

The Public Utilities Commission reserves the exclusive right to select the individual(s) or firm (vendor) that it deems to be in its best interest to accomplish the project as specified herein; and conversely, reserves the right not to fund any proposal(s).

*Responses will be evaluated using the following criteria:*

- **Capability (background) and qualifications of firm** are clearly demonstrated (0-20 points);
- **A comprehensive listing of similar projects undertaken** working in the public and private sectors (0-25 points)
- **A clear understanding of the State's requirements** and the results intended and desired under this contract has been demonstrated by the offeror (0-15 points);
- **A complete résumé** of the key staff (0-10 points)
- **A cost proposal** that reflects the hourly rate (0-30 points).

Points will be assigned based on the offeror's clear demonstration of his/her abilities to complete the work, apply appropriate methods to complete the work, create innovative solutions and quality of past performance in similar projects.

Applicants may be required to submit additional written information or be asked to make an oral presentation before the technical review committee to clarify statements made in their proposal.

## **Proposal Submission**

Questions concerning this solicitation may be e-mailed to the Division of Purchases at [gail.walsh@purchasing.ri.gov](mailto:gail.walsh@purchasing.ri.gov) no later than the date and time indicated on page one of this solicitation. Please reference **RFP #7550348** on all correspondence. Questions should be submitted in a Microsoft Word attachment. Answers to questions received, of any, will be posted on the website as an addendum to this solicitation. It is the responsibility of all interested parties to download this information. If technical assistance is required to download, call the Help Desk at (401) 222-3766 or [lynda.moore@doit.ri.gov](mailto:lynda.moore@doit.ri.gov).

Offerors are encouraged to submit written questions to the Division of Purchases. **No other contact with State parties will be permitted.** Interested offerors may submit proposals to provide the services covered by this Request on or before the date and time listed on the cover page of this solicitation. Responses received after this date and time, as registered by the official time clock in the reception area of the Division of Purchases will not be considered.

Responses (**an original plus four (4) copies**) should be mailed or hand-delivered in a sealed envelope marked **“RFP #7550348 Consultation Services – Issues Related to Changing Electric Distribution System”** to:

RI Dept. of Administration  
Division of Purchases, 2<sup>nd</sup> Floor  
One Capitol Hill  
Providence, RI 02908-5855

NOTE: Proposals received after the above-referenced due date and time will not be considered. Proposals misdirected to other State locations or those not presented to the Division of Purchases by the scheduled due date and time will be determined to be late and will not be considered. Proposals faxed, or e-mailed, to the Division of Purchases will not be considered. The official time clock is in the reception area of the Division of Purchases.

### **Response Contents**

Responses shall include the following:

1. A completed and signed three-page R.I.V.I.P. generated bidder certification cover sheet downloaded from the RI Division of Purchases home page at [www.purchasing.ri.gov](http://www.purchasing.ri.gov).
2. A completed and signed W-9 downloaded from the RI Division of Purchases home page at [www.purchasing.ri.gov](http://www.purchasing.ri.gov).
3. **A separate Technical Proposal** describing the qualifications and background of the applicant and experience with and for similar projects, and all information described earlier in this solicitation.
4. **A separate, signed and sealed Cost Proposal** reflecting the hourly rate, or other fee structure, proposed to complete all of the requirements of this project.
5. In addition to the multiple hard copies of proposals required, Respondents are requested to provide their proposal in electronic format (CD-Rom, disc, or flash drive). Microsoft Word / Excel or .PDF format is preferable. Only 1 electronic copy is requested and it should be placed in the proposal marked “original.”

## **Concluding Statements**

Notwithstanding the above, the State reserves the right not to award this contract or to award on the basis of cost alone, to accept or reject any or all proposals, and to award in its best interest.

Proposals found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not considered further.

The State may, at its sole option, elect to require presentation(s) by offerors clearly in consideration for award.

The State's General Conditions of Purchase contain the specific contract terms, stipulations and affirmations to be utilized for the contract awarded to the RFP. The State's General Conditions of Purchase can be found at the following URL:

<https://www.purchasing.ri.gov/RIVIP/publicdocuments/ATTA.pdf>