

Request for Proposals (RFP)

Technology and Implementation Services

In support of

**Public Service Company of New Mexico (PNM)
Commercial & Industrial Demand Response Program**

RFP Issued: January 25, 2016

Intent to Bid Date: January 28, 2016

Bidder Teleconference: February 1, 2016

Proposals Due: March 2, 2016

This RFP is considered to be confidential by PNM. Bidders shall exercise the same degree of care to protect the confidentiality of these documents and their contents as they would exercise in protecting their own confidential information.

PNM reserves the right to reject any and all proposals. This RFP does not constitute an order or any obligation on the part of PNM. PNM is not liable for any costs associated with the preparation of Bidders' proposals or for any other costs incurred by Bidders prior to the execution of a contract or purchase order.

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1 Summary of RFP

Public Service Company of New Mexico (PNM) is New Mexico's largest electricity provider and serves more than 500,000 residential and business customers. PNM seeks bids from qualified firms to supply technology as well as implementation services for its Commercial and Industrial (C&I) Demand Response (DR) Program. PNM is issuing this Request for Proposals (RFP) for program delivery for 2017 through 2022 (program years).

Bidders may choose to respond to this RFP as a *Primary Provider* or a *Supplemental Provider*, where the Primary Provider is responsible for providing a minimum of 20 megawatts (MW) of load curtailment from PNM's C&I customers (primarily by maintaining PNM's existing participant base) and the Supplemental Provider is responsible for providing a minimum of 5 MW of incremental load curtailment from C&I customers (i.e., above and beyond the load curtailment provided by a Primary Provider). The Supplemental Provider could provide this incremental load curtailment by targeting new customer segments (e.g., small and medium business) and/or by providing new software, hardware and services that attract participation by different customer and load types or that provide higher value curtailment from existing participant types (e.g., faster response, load-following response, greater number of events).

PNM may select only a Primary Provider or both a Primary and a Supplemental Provider, depending on the number of megawatts and types of delivery approaches offered by the Primary Provider bidders, and also on the uniqueness and value provided by Supplemental Provider bidders.

Section 2 of the RFP provides the relevant **Background** and details on the program itself, as well as the related future expectations that may affect the program that will be necessary for the bidder to understand and meet the requirements set forth in the rest of the RFP.

Section 3 defines the **Scope of Work** expected of the vendor, as well as the expected responsibilities of PNM. This section also outlines some information on the expected load control strategies and relevant performance goals.

Section 4 requests information about the bidder's technology, technology-related services, and implementation services.

Section 5 requests information, relevant **qualifications** and references from the bidder.

Sections 6 and 7 provide requirements for the **proposal format and bid submission** as well as information on the RFP process.

A separate **Pricing Attachment** requests pricing information corresponding to the scope of work and bidder proposals.

2 Background and DR Resource Requirements

2.1 PNM

As the state's largest electricity provider, PNM serves more than 500,000 New Mexico residential and business customers in Greater Albuquerque, Rio Rancho, Los Lunas and Belen, Santa Fe, Las Vegas, Alamogordo, Ruidoso, Silver City, Deming, Bayard, Lordsburg and Clayton. PNM also serves the New Mexico tribal communities of the Tesuque, Cochiti, Santo Domingo, San Felipe, Santa Ana, Sandia, Isleta and Laguna Pueblos.

PNM was founded in 1917 as the Albuquerque Gas and Electric Co. and has undergone several transformations, including name changes, in its history. The company sold its natural gas utility to New Mexico Gas Company in 2009. PNM is one of two subsidiaries of PNM Resources, an investor-owned energy holding company also based in Albuquerque.

More information on PNM can be found at <https://www.pnm.com/>. Information regarding rates and past energy efficiency filings and load management programs may be found at <https://www.pnm.com/regulatory>.

2.2 Existing DR Programs

PNM currently offers two third-party administered DR programs: the A/C Direct Load Control (DLC) program (named “PowerSaver”) to its residential, Small Power and General Power (roughly under 150 kW peak demand) customers and a C&I curtailment program (named “PeakSaver”) to its Large Power customers. PNM entered into ten year contracts with vendors to offer these programs, effective January 2007 for the PowerSaver program and September 2007 for the PeakSaver program. Current contracts are due to expire by September 2017.

The PowerSaver program controls air conditioning load through load control switches on the A/C unit compressors, dispatched via public paging. The PeakSaver program requires Large Power customers to curtail load by a fixed contracted amount through a variety of curtailment measures, depending on the customer site and associated end-uses; curtailment need not be automated (Auto-DR is not required), but response time must be within 10 minutes of the request from PNM or its vendor. The third-party administrators are responsible for all aspects of program delivery including program marketing and customer recruitment, enablement of sites, notification of customers, and billing and settlement.

These two DR programs are well-established and have provided PNM with approximately 60 MW of load reduction (40 MW from the PowerSaver program and as much as 20 MW from the PeakSaver program), which translates into approximately 3.4% of PNM’s system peak in 2014. As of 2015, more than 43,000 load control devices were enrolled in the PowerSaver program including approximately 34,000 residential, 4,500, Small Power, and 5,000 General Power. 110 General Power and Large Power customers were enrolled in the PeakSaver program in 2015.

Important change in program target populations: For new contracts issued in response to this RFP, the PowerSaver DLC program will be limited to customers with peak demand estimated at below 50 kW. The PeakSaver C&I program will include customers with loads of roughly 50 kW and above.

2.3 DR Resource Objectives and Bidder Solution Requirements

The following section presents PNM's objectives for DR as a portfolio resource in the next contracting period, which will run from 2017-2022. These objectives are listed as *primary* and *secondary* objectives, where the primary objectives are requisite for PNM's future DR portfolio and the secondary objectives can enhance the value of a bidder's proposal if determined by PNM to be cost effective.

Primary Objectives:

1. Maintain existing DR capability of at least 60 MW, including roughly 20 MW of load curtailment from C&I customers
2. Expand DR capability from the PeakSaver program by at least 5 MWs by 2020 or sooner, provided it meets the criteria in Item 3 below¹
3. Ensure DR resource is cost effective and can meet the following performance requirements, at a minimum:²
 - a. Be available weekdays between 8am and 8pm during June 1 through September 30
 - b. Provide for a response time of 10 minutes or less
 - c. For PeakSaver, a maximum of one event per day may be called, and event duration shall be a maximum of 6 hours. The total event time in a year shall be no more than 100 hours.

Secondary Objectives:

4. Achieve energy savings through customer participation in the DR program
5. Augment current capabilities for monitoring of load curtailments during events.³
6. Increase customer engagement and satisfaction
7. Engage more small business customers (under 50 kW peak demand) than have participated in the past⁴

¹ This objective is not required for Primary Vendors.

² Vendor performance in providing the contracted curtailment capability will be determined via a mutually agreed upon method of measurement and verification (M&V). For purposes of this RFP, bidders should assume that megawatts will be measured based on each customer's average load reduction measured over each 15-minute interval during the course of each event. The baseline for estimating event load reductions will be based on a day-matching approach (using customer loads from one or more prior days during the same hours as the event) and an adjustment for same-day loads prior to the event.

³ PNM currently has limited monitoring capability for large commercial customers in PeakSaver. PNM is interested in the benefits of near real-time monitoring of load curtailment, but will weigh these benefits against any incremental costs.

⁴ Customers less than 150 kW are currently only eligible to participate in PNM's DLC program. However, PNM plans to change the eligibility criteria in the next contracting period, such that customers less than 50 kW will still be eligible for the DLC program, but customers greater than 50 kW (i.e., General Power and Large Power customers)

8. Provide year-round DR capability
9. Develop more flexible DR capability to provide for a greater number of events and event-hours, more rapid curtailment, and greater integration of DR dispatch with grid monitoring
10. Have the capability to call DR events for select substations and/or feeders
11. “Future proof” technologies and communications by diversifying and ensuring long-term interoperability and scalability (see Table B, Question 6 in Section 4.2 below)

C&I Load Curtailment Program Requirements

The C&I load curtailment program to be supported by the selected bidder(s) must achieve the Primary Objectives stated above (as applicable). PNM intends to limit participation in this program to C&I customers whose peak demand is estimated to be above 50 kW.⁵

PNM will consider any type of end use curtailment technology and method (e.g., manual, AutoDR, etc.) provided the proposed solution meets PNM’s primary objectives stated above. See Section 4 for requirements of bidders’ technical proposals.

PNM is open to any of a number of possible future contracting scenarios including, but not limited to, maintaining services with its current vendor alone, introducing a new vendor to target new customer segments, new end uses, and/or higher performance metric, or introducing a new vendor for all related services.

2.4 PNM Customers and Program Participants

To better understand PNM’s C&I customer base, the table below shows the total peak load and number of C&I customers by industry type in PNM’s service territory. This table also shows the number of participants in PNM’s existing C&I curtailment program in 2015 and the load reduction those customers have committed to the program by industry type.

will now be eligible for the C&I program. If a customer is presently enrolled in the DLC program, they are eligible to remain in the DLC program.

⁵ PNM is also soliciting proposals for its residential and small commercial DLC program (named “PowerSaver”) for approximately the same time period. The target population for this program will remain residential customers, but will limit participation of small business customers to those below 50 kW of peak demand.

Table 1. PNM's C&I Customers by Industry Type*

Industry Type	2015 Committed			Number of Customers	Number of Participants in 2015	% of Customers Participating
	Peak Load (All Customers) (kW)	Load Reduction (Participants Only) (kW)	% of kW Participating			
Arts/Entertainment	15,096	40	0.3%	148	1	0.7%
Basic Industry - Lrg	43,414	400	0.9%	21	1	4.8%
Communications	9,235			52		
Communications - Lrg	7,608			27		
Construction	5,640			38		
Education	21,207	210	1.0%	221	5	2.3%
Education - Lrg	78,126	1,300	1.7%	361	44	12.2%
Financial/Legal	9,266	250	2.7%	191	2	1.0%
Food Sales	27,297	395	1.4%	119	3	2.5%
Food Service	28,856			484		
Government - Lrg	73,787	7,405	10.0%	418	6	1.4%
Government/Utilities	21,203	110	0.5%	256	1	0.4%
Health Care	10,015			53		
Health Care - Lrg	42,605			192		
Lodging	36,692			281		
Manufacturing	27,395	275	1.0%	161	4	2.5%
Manufacturing - Lrg	47,075	795	1.7%	84	7	8.3%
Other	9,149	830	9.1%	104	3	2.9%
Property Management	62,018	120	0.2%	509	1	0.2%
Religious/Social	5,058			38		
Retail	65,252	465	0.7%	379	4	1.1%
Services	5,098	115	2.3%	46	1	2.2%
Transportation	2,828			20		
Tribal - Lrg	22,142	85	0.4%	174	3	1.7%
Total	676,063	12,795*	1.9%	4377	86*	2.0%

* This table does not include an additional 24 participants, representing roughly 2,500 kW of committed load reduction, with an unspecified industry type.

The following tables provide information on PNM customer counts and usage by rate code and county.

Rate	Description
1A & 1B	Residential Service
2A & 2B	Small Power Service
3B	General Power Service Time-of-Use
3C	General Power Service (Low Load Factor) Time-of-Use
4B	Large Power Service Time-of-Use
5B	Large Service for Customers >= 8,000 kW min. at 115 kV, 69 kV or 34.5 kV
11B	Water and Sewage Pumping Service Time-of-Use
15B	Large Service for Public Universities > 8,000 kW min. at 115 kV
30B	Large Service for Manufacturing >= 30,000 kw minimum at distribution voltage
2A & 2B	up to 50 kW
3B & 3C	Minimum 50 kW Demand
4B	Minimum 500 kW Demand
	On Peak is between 8 am and 8 pm Monday through Friday
Specific Rate information and detail may be found at: https://www.pnm.com/rates	

Customers by County/Rate									
County	1A & 1B	2A & 2B	03B	03C	04B	05B	11B	15B	30B
BERNALILLO	263,173	27,911	1,663	421	128		106	1	
CATRON	4	13							
CIBOLA	-	1							
GRANT	14,764	1,816	31	28	2				
HIDALGO	1,352	346	11	8					
LINCOLN	10,706	1,484	34	16	1				
LUNA	8,593	1,186	49	26	4				
MC KINLEY	-	4	3			1			
OTERO	18,162	2,602	71	31	2				
SAN JUAN	1	2			2	1			
SAN MIGUEL	7,513	1,052	51	13	3				
SANDOVAL	48,848	3,825	168	61	15		22		1
SANTA FE	59,092	9,058	335	72	13		30		
UNION	1,255	280	9	3					
VALENCIA	28,364	2,826	113	43	10				
Grand Total	461,827	52,406	2,538	722	180	2	158	1	1

Annual kWh by County/Rate (2014)									
County	1A & 1B	2A & 2B	03B	03C	04B	05B	11B	15B	30B
BERNALILLO	1,802,667,268	551,679,973	1,127,791,530	111,830,671	973,399,709		122,989,198	81,194,524	
CATRON	13,996	60,575							
CIBOLA	0	1,200							
GRANT	84,052,701	27,352,244	23,568,423	7,735,743	9,657,654				
HIDALGO	8,391,483	5,733,413	9,590,064	3,468,955					
LINCOLN	54,359,684	25,299,803	20,114,063	4,849,206	3,421,570				
LUNA	52,896,343	19,572,540	29,072,946	7,258,993	15,924,216				
MC KINLEY	0	25,319	2,546,953			40,395,600			
OTERO	132,023,888	42,810,166	45,763,909	11,699,443	12,911,038				
SAN JUAN	16,546	105,731			8,251,410	55,209,280			
SAN MIGUEL	41,849,682	17,831,992	32,292,976	2,566,476	12,666,250				
SANDOVAL	386,701,470	61,641,270	111,325,346	19,076,751	138,607,328		25,864,134		478,747,904
SANTA FE	377,918,355	140,388,059	230,182,790	18,108,700	78,733,646		33,050,824		
UNION	8,285,380	4,957,723	4,017,220	238,620					
VALENCIA	216,156,013	40,565,911	72,112,067	13,142,720	70,211,034				
Grand Total	3,165,332,809	938,025,919	1,708,378,287	199,976,279	1,323,783,855	95,604,880	181,904,156	81,194,524	478,747,904

3 Scope of Work

This section identifies some, but not necessarily all, of the roles and responsibilities of PNM and the selected vendor. Bidders will be expected to identify specific information needed from PNM as well as additional responsibilities required by bidders to successfully deploy the load curtailment technologies and meet the stated objectives described in Section 2.3. Successful bids must also articulate the implementation strategy.

3.1 PNM Responsibilities

PNM primary responsibilities include the following:

- Define load control parameters
- Initiate load control events using vendor-provided software and hardware
- Provide export of customer data for use by the vendor. Bidders should define initial interface requirements
- Mutually define with the bidder data field names, definitions, data type, and data sizes of all transferred/shared data
- Provide an interface to the vendor's system(s) for import of data required by the bidder
- Review and approve marketing strategies and materials
- Arrange and coordinate annual independent evaluation, measurement and verification of program process and deliverables as required by New Mexico statutes

3.2 Vendor Products and Services

The vendor must ensure that its products and services are appropriate for the program objectives described in Section 2.3. In particular, **the vendor must meet the performance requirements identified in Section 2.3 under Primary Objective #3.** The vendor's roles include, but are not limited to, providing the following over the life of the contract:

Technology Products and Services

- All such program equipment and software necessary to monitor the participating customer's energy usage, communicate with the participating customer and customer equipment, and (where applicable) control the participating customer's energy usage so as to achieve the committed load reduction.
- Preventive, routine, and non-routine maintenance on program equipment and software to ensure reliable long-term and safe operation.
- Participation options appropriate for commercial and industrial customers above 50 kW.⁶
- Ability to do each of the following:
 - Curtail the contracted amount of load within 10 minutes of dispatch by PNM.

⁶ Customers less than 150 kW are currently only eligible to participate in PNM's DLC program. However, PNM plans to change the eligibility criteria in the next contracting period, such that **Error! Bookmark not defined.** customers greater than 50 kW (i.e., General Power and Large Power customers) will now be eligible for the C&I program.

- Selectively control the amount and duration of load shed in a predetermined manner.
- Upgrade the communication options to adopt new technology and/or systems and services.
- Provide curtailment forecasts for all C&I deployed DR.
- Produce near real-time monitoring of curtailments in process.
- Provide post event reporting on load shed achieved.

Provision of Workforce

- Set up network/workforce to install and service program equipment.
- Provide field and office training, including safety training for field personnel.
- Provide vehicles with proper signage in support of installation activities. PNM to approve signage for vehicle.

Marketing, Recruitment, and Equipment Installation and Maintenance

- Generate and distribute all program marketing materials. PNM to approve materials.
- Recruit customers.
- Enroll, schedule, install, enable, verify, and test the program participants.
- Manage all inventories of equipment, materials, and supplies associated with installation of program equipment and software.
- Perform quality assurance audits on all installations by a new employee.
- Perform maintenance/inspection and repair for all installed equipment.

Data Support

- Provide secure, weekly data uploads into PNM's data tracking system.
- Uploads should include customer information (e.g., account status) and performance data.
- *Provide participant data from a sufficient sample of customers for purposes of estimating average load impacts.*

Billing, Payment, Measurement & Verification

- Make customer incentive payments.
- Conduct measurement and verification for estimation of load impacts (method to be agreed upon mutually with PNM, and verified by PNM or an independent contractor).

Customer Service and Satisfaction

- Perform customer satisfaction measures at all major points of customer interaction in order to improve/maintain customer satisfaction with program.
- Exchange customer information with utility as mutually agreed.
- Perform all activities related to customer complaint tracking and handling.
- Perform all activities related to customer claims tracking and handling.
- Perform all activities associated with maintaining a call center operation including, but not limited to, customer recruitment, handling all types of enrollments, installation scheduling, and service call processing, complaint handling, and tracking.
- Allow utility to monitor customer service calls with utility customers.

3.3 Section intentionally omitted

[Section intentionally omitted]

3.4 Performance Goals

PNM will pay bidders based on megawatts of delivered load reduction that meet the performance parameters identified in the Primary Objectives in Section 2.3. These payments will be provided as:

- **Monthly capacity payments**, based on the average actual load reduction provided during events that month or, if no events occurred, the monthly committed load reduction specified by the vendor, multiplied by PNM's monthly capacity payment rate
- **(Optional) Monthly energy usage payments**, based on the vendor's energy performance each month, multiplied by PNM's hourly energy usage payment rate.
- **Other payments** as structured in bidder's response in the Pricing Attachment and agreed upon with PNM

If the vendor fails to commit or deliver megawatts greater than or equal to the minimum committed load reduction specified in the contract during a program month, PNM will reserve the right to withhold some or all of the monthly payments to the vendor for that particular program month.

Additionally, in order to ensure successful delivery of products and services, bidders' performance and compensation will also be measured against specific pre-defined metrics, which may include the following:

Technology Products and Services:

- System functionality meeting specifications identified in bidder proposal
- Data collection/provision requirements (types of data and frequency of provision)
- Event monitoring and performance reporting (speed, comprehensiveness, and frequency)

Implementation Services:

- Timely enrollment of participants
- Timely installation of equipment
- Minimum levels of customer service satisfaction
- Timely provision of customer enrollment data and forecasts
- Accurate customer enrollment data and payment processing

Curtailment Objectives:

- Annual growth targets
- Cumulative curtailment capability
- Event performance
- Timely provision of required event data, analysis and forecasts

4 Technical Proposal

In the tables below, please describe the products, services, and information you would provide if selected by PNM to perform the Scope of Work described above in Section 3. Where appropriate, bidders are asked to describe their past experiences and how they may enhance the bidder's ability to meet PNM's objectives outlined in Section 2.3.

Not all fields below will apply to all vendor solutions. Bidders should indicate fields that are not applicable to their proposed solution in their response. **If you are responding to this RFP only as a Supplemental Provider and your response to a particular question might differ from that of a Primary Provider, please indicate where and how.**

Bidders may provide their responses in the format of the tables below, if desired. At a minimum, bidders must conform to the alpha-numeric outline of the sections, topics, and questions (e.g., System level diagram must be indicated as part of Section 4.2 Technology Products and Related Services, Table B. System and Load Curtailment Overview, Question 1. System Level Diagram).

Example Response Format:

Section 4.2 Technology Products and Related Services

B. System and Load Curtailment Overview

1. System Level Diagram

[insert diagram here]

2. Load Curtailment Mechanics

[insert text response here]

4.1 Vendor Solution(s) Being Offered

Please indicate which of the following options you are bidding to provide. You may indicate multiple options and must provide the associated pricing in the Pricing Attachment to this RFP. PNM may select one or multiple options from a given vendor, or none at all.

A. Vendor Solution

For each numbered item below, please indicate YES or NO indicating whether you propose to provide the specified products and services.

<p>1. Primary C&I Curtailment Provider</p>	<ul style="list-style-type: none"> • YES – Bidder proposes to provide a minimum of 15 MW of load curtailment capability beginning in June 2018 from C&I customers with peak loads of 50 kW or higher. Bidder would assume as much of the existing 110 participants and their associated curtailment capability as possible. Bidder may procure and offer to PNM more than 15 MW, or may be asked by PNM, to procure greater than 15 MW, subject to coordination with PNM and any other vendor(s) under contract to PNM. • NO – Bidder is not offering this option to PNM. If NO, bidder should provide a brief explanation why they believe they are best suited only as a Supplemental Provider (or for an Alternate non-Primary Provider role).
<p>2. Supplemental C&I Curtailment Provider</p>	<ul style="list-style-type: none"> • YES – Bidder proposes to provide a minimum of 5 MW of load curtailment capability from C&I customers with peak loads of 50 kW or higher, recognizing that PNM may also be contracting with another vendor for a minimum of 15 MW. Bidder may begin providing load curtailment capability as early as June 2017 and would be expected to provide 5 MW or more by June 2019. PNM envisions that a Supplemental Provider, if selected, may provide this incremental load curtailment by targeting new customer segments (e.g., small and medium business) and/or by providing new software, hardware and services that attract participation by different customer and load types or that provide higher value curtailment from existing participant types (e.g., faster response, load-following response, greater number of events). • NO – Bidder is not offering this option to PNM.
<p>3. Alternate Proposal</p>	<ul style="list-style-type: none"> • YES – Bidder should describe any alternate proposals that it wishes PNM to consider. Bidder must provide pricing in the Pricing Attachment to this RFP. • NO – Bidder is not offering this option to PNM.

4.2 Technology Products and Related Services

A. Summary of Proposal (2-page limit)

<p>1. Summary of Proposal for Technology Products and Related Services</p>	<p>Provide a high-level overview of your proposed technology, associated hardware and software, and any technology-related services. This should be a concise summary of the offering that you propose in the remainder of this Section 4.2, highlighting unique elements of your proposal. This summary should NOT address Implementation Services, which are covered in Section 4.3.</p>
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B. System and Load Curtailment Overview

1. System Level Diagram	<p>Provide a system level block diagram of the solution that you are proposing. Include head-end (control) elements, all key interfaces, databases, communication, monitoring, switches, and associated technology to deliver a load shed signal to the customers and end-use equipment (if curtailment is automated), and the return path for communications back to PNM.</p> <p><u>Note:</u> PNM will not accept marketing brochures or any extraneous marketing information to fulfill this request, but may be included in an appendix. A simple but detailed block diagram that is easy to read and understand is mandatory.</p>
2. Load Curtailment Mechanics	<p>Describe the approaches, processes, and equipment to be used to execute load curtailment at customer facilities. Discuss the means of communicating events to customers, the anticipated actions required of customers (may vary by customer), and any automated load response that may be employed.</p>
3. End Use Control Devices and Systems	<p>Provide technical descriptions of any end devices and systems you are proposing for customer premises (e.g., gateway devices, load control relays, building energy management control system (EMCS), etc.), as well as the end uses they might control.</p>
4. Load Curtailment Performance to Meet Minimum Requirements	<p>*** PNM places a high value on responses to this item. ***</p> <p>Describe the proposed load curtailment capability, including number of events and hours per year, duration of events, advanced notification required, and other relevant performance metrics associated with load curtailment that meets the performance requirements identified in Section 2.3.</p>
5. Load Curtailment Performance in Excess of Minimum Requirements	<p>PNM is also interested in DR resources that provide greater flexibility, speed of response, and operational value, as well as resources that provide year-round capability. PNM envisions that such resources may include characteristics such as response times of less than one minute, load-following capability, and regulation service.</p> <p>Describe any proposed load curtailment capability that can provide performance greater than the requirements identified in Section 2.3. (Note: The Pricing Attachment allows for alternative pricing for curtailment capability that may exceed minimum requirements.)</p>
6. Requirements for PNM	<p>Describe the expectation of PNM technology infrastructure, including server needs, database requirements and capacities, operating systems, security requirements, file transfer mechanisms, telecom requirements, and any other interfaces, components or software/hardware requirements.</p>
7. Interoperability	<p>Based on the system-level diagram, describe the interoperability features of each element of your solution and the scalability of your proposed solution. Discuss any components that may not be interoperable with future deployments and why this is the case.</p> <p>Describe the communication and control center protocols that you support (e.g., CIM, Multispeak, etc.) and the open interoperability standards that your interfaces are based on. Provide your interoperability roadmap that shows your future direction for these protocols, along with timing and rationale.</p>
8. Security	<p>Describe in detail the system architecture and measures that provide end-to-end security and cyber-security and ensure against attacks to program-related systems and data. Include discussion of secure data transfer, communications, device registration, and device messaging, and in particular customer related information privacy and security.</p>

C. Head-End System	
1. Technical Description(s)	Based on the system-level diagram, provide technical descriptions of the system management software that is proposed for the load curtailment solution and other infrastructure that may need to be controlled and managed.
2. Operator Interface	Describe and provide graphics (screen captures or other appropriate) illustrating what an operator would see, and what they would do to set up an event, trigger the event, and then monitor its progress and effectiveness as a whole or site-by-site.
3. Hosting	Based on the system-level diagram explain the options of whether the interface is hosted at the utility or the bidder's site as SaaS or a Cloud Based solution. Describe the advantages/disadvantages of both. Discuss training requirements and available support if PNM hosts the solution.

D. Metering and Communications	
1. Communications Infrastructure Description	Based on the system-level description, provide a complete description of the communication infrastructure that will be needed and how it will be used.
2. Metering	Describe the type of metering that will be employed and how metering information will be relayed to PNM—frequency, resolution, summary reporting, etc. Also indicate any requirements for PNM's installed metering, or bidder's intended use of PNM meter data.
3. Status and Reporting	<p>Based on the system-level diagram, describe your reporting capability as it relates to displaying the current system status (e.g., curtailment at any given time by customer and in aggregate) and to log system status and activity for subsequent analysis.</p> <p>Describe the reports available for each element of the system and how you use information such as this as evidence to demonstrate that the system is working correctly, and how frequently this information can be provided to PNM.</p>

E. Additional Equipment and Services	
1. Customer Interface	If your proposed solution includes a web portal or smart phone app, describe and provide graphics (screen captures or other appropriate) illustrating what a customer would see, and what they would do to respond to events, set up their device preferences, monitor energy usage, etc.
2. Additional Customer Services (including energy efficiency)	Describe any additional services and information not explicitly identified above that you provide to the customer, including any other energy management or non-DR services. In particular, describe if and how program participation can help customers improve the efficiency of energy consumption.
3. Necessary Equipment	Describe any other equipment that will be needed to install, use, and maintain the system.

4. Optional Equipment	Describe any additional equipment not explicitly identified above that you recommend be included in a Scope of Work or that may provide additional benefits worthy of consideration by PNM.
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F. Impact Assessment	
1. Customer Baselines	Describe in detail how you propose to calculate customer baseline loads, estimate impacts, and report results to PNM. PNM anticipates utilizing a day-matching approach (using customer loads from one or more prior days during the same hours as the event) and an adjustment for same-day loads prior to the event; however, the specific methodology has not been established.
2. Alternative Baseline Loads	If bidder is providing ancillary services or other load curtailment products for which a day-matching baseline is not appropriate, please describe your proposed baseline approach.
3. Customer Contributions to Total Curtailment	Provide an estimated breakdown of load reductions by customer segment/size category. Please align responses with the industry types listed in Section 2.4, Table 1 above. (Bidder may use the information provided or may reference responses to Table A.1 of Section 4.3 Implementation Services, below.)
4. Reliability	Describe your approach to ensuring reliable peak load reduction and your history in doing so.
5. Energy Efficiency	Provide an estimate of any energy savings that customers may realize through participation in the program, and in particular via any services offered and described in Table E.2 above. Discuss how savings may vary by customer type and size, and what factors may affect realized savings. Provide supporting evidence, and reference your relevant history, if applicable.

4.3 Implementation Services

A. Summary of Proposal (2-page limit)	
1. Summary of Proposal for Implementation Services	Provide a high-level overview of your proposed implementation services. This should be a concise summary of the offering that you propose in the remainder of this Section 4.3, highlighting unique elements of your proposal.

A. Marketing and Recruitment	
1. Customer Segmentation	Provide a complete list of all customer industry types and end uses targeted for participation. Provide an estimated breakdown of participation by customer segment and size. Also include an estimated breakdown of <i>load reductions</i> by customer segment/size. Please align responses with the industry types listed in Section 2.4, Table 1 above.

2. Engagement Plan	<p>Detail the strategy for public outreach, deployment, and plan to engage end-use customers and solicit enrollment into a program.</p> <ul style="list-style-type: none"> • Include discussion of the particular customer sectors and sub-sectors to be targeted. • Provide examples of how you might coordinate with PNM key account managers and existing PNM programs to improve program marketing and recruitment. • Describe how you propose to coordinate with any other Providers contracted to PNM to ensure that customers are not solicited by multiple vendors.
3. Branding	<p>Describe the “brand recognition” of any customer interaction, equipment, or systems which the end-use customer may encounter, such as the customer portal.</p>

B. Customer Enrollment and Enablement

1. Potential Participant Assessment	<p>Describe your participant assessment plan, including how you determine the energy savings and load reduction a customer can provide.</p> <p>Discuss what the role of PNM staff, including key account managers, would be in this process.</p>
2. Equipment Installation	<p>Describe the installation process for any customer equipment. Include discussion of the equipment needed to complete installation, amount of time needed to install a facility, and any requirements from the customer.</p>
3. Staffing	<p>Describe your current network of equipment installers and/or your proposed subcontractor or subcontracting approach for conducting a site assessment and equipment installation. Discussion should address the following:</p> <ul style="list-style-type: none"> • Existing or planned coverage in/near PNM service territory • Your qualification requirements for using subcontractors and your process for identifying, training, and utilizing local contractors, if applicable • Your process for evaluating performance, ensuring professional conduct, and maintaining adequate capacity to meet program goals
4. Verification of Customer Enablement	<p>Describe your practices for verification and testing to ensure end-to-end communication and full functionality. Include discussion of periodic testing and pre-curtailment season testing (if summer only).</p>

C. Data Support

1. CIS and work management software	<p>Describe your CIS and work management software, including how customer information is entered and updated, how scheduling of installations is accommodated, and how service requests and other necessary information are incorporated.</p>
2. Interface Requirements	<p>Describe the process by which PNM’s system is updated or fed with real time information, such as load curtailment activity and other predefined fields. Also, describe processes for providing weekly or monthly updates/reports.</p>

3. Data Sharing and Reporting	<p>Respond in detail to the following:</p> <ul style="list-style-type: none"> • What types of information/data will be exchanged with PNM, and how will this data be transferred in a secure manner? Is it pulled, pushed on a time basis, or both? • What access will PNM staff have to account status, and what information will be available? • What types of status reporting will be provided to PNM, with what level of detail, and with what frequency? • What are your data retention policies? • What is your QA/QC process for ensuring that your customer data is correct and valid?
4. Reliability and Backup	Describe the protections and recovery methods for dealing with unforeseeable events (e.g., acts of nature, computer or hard drive failure in the computing resources, or security breaches) that may compromise vital customer or work management data.
5. Testing Approach	Describe how the data transfer processes will be tested initially and how they will be checked during the project to assure functionality and accuracy.

D. Customer Service and Satisfaction

1. Billing and Payment	Describe your process for administering incentive payments to customers.
2. Call Center Staffing	Describe how the call center is arranged, who staffs it, and whether they are temporary or permanent employees/contractors. What bilingual capabilities are provided and what general and program-specific training is provided.
3. Call Center Operations	<p>Describe in detail the call center services that will be provided. Include the following at a minimum:</p> <ul style="list-style-type: none"> • Call center hours, days of availability/non-availability • Will there be a dedicated toll free number? • What other responsibilities/clients will the call center staff also have? What share of each staff person's time will be dedicated to PNM? • What is the capacity for receiving calls and what are contingency plans for overflow? • Define your call-center metrics, such as answer time and call abandonment.
4. Customer Satisfaction	What procedures do you propose to ensure customer satisfaction and to measure and report results to PNM? What metrics could be easily provided short of any detailed customer satisfaction surveys that PNM might conduct?

E. Additional Services

1. Necessary Services	Describe any additional services not explicitly identified above that will be necessary to achieve a fully operational program and to meet the stated objectives of the program.
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2. Optional Services	Describe any additional services not explicitly identified above that you recommend be included in a Scope of Work or that may provide additional benefits worthy of consideration by PNM.
3. Coordination with Other PNM Programs	Describe how you will coordinate with other existing PNM programs to improve the program delivery. For a description of existing programs refer to PNM's energy efficiency program annual report at https://www.pnm.com/regulatory . Include discussion on engagement strategies for coordinating with key account representatives, how you will cross promote and integrate your offering with existing/future EE programs, etc. Provide examples of how your firm has successfully partnered with other existing utility programs to enhance program delivery.

4.4 Project Management

A. Roles and Expectations of PNM	
For each of the major (lettered) topic areas above and for any other relevant topics, discuss the role that you expect PNM to play and any specific needs/expectations in terms of providing information, services, and feedback.	
Topic Area	Role and Expectations of PNM
1. Marketing, Recruitment, and Retention	
2. Customer Enrollment and Enablement	
3. Data Support	
4. Customer Service and Satisfaction	
5. Other	

B. Schedule and Delivery	
1. Load Curtailment	Identify the megawatts of load curtailment capability that you will provide by year between 2017 and 2022 inclusive (starting June 1 of each year). As appropriate, provide alternative curtailment capability schedules according to the types of curtailment proposed above in Section 4.2, Table B (System and Load Curtailment Overview). Note: As a Primary Provider, If PNM selects a new vendor as the Primary Provider, the vendor would not transition PNM's existing customers until after September 2017; however, the new vendor, or a Supplemental Provider, may begin to recruit new participants as soon as feasible after contracting.

2. Implementation Timeline	Provide a detailed schedule for major implementation tasks, including, but not limited to, marketing, customer enablement, and system testing. If the schedule depends on unknown factors at this time, describe those factors and how they could impact the schedule and program (e.g., lead-time constraints).
3. Extenuating Factors	What extenuating factors may affect performance and schedule? How might these impact program rollout and what can be done in advance by the implementation contractor or by PNM to avoid affecting program rollout and/or to mitigate their impact?

C. Coordination with Other Vendors	
1. Transition of Existing Participants (For bidders proposing to be a new Primary Provider only)	<p><i>Bidders should only respond to this item if they are a new DR provider to PNM and are bidding on the Primary Provider Option in Section 4.1 of the RFP.</i></p> <p>Describe how you propose to maintain PNM’s existing C&I program, including transitioning PNM’s existing C&I curtailment participants to your systems and processes.</p> <ul style="list-style-type: none"> • Identify expected difficulties and how you propose to resolve them. • Describe what you envision to be the loss of participants and curtailment capability, and what you and PNM might do to limit such a loss. • Provide examples of any prior experience transitioning DR participants from one provider to another. (PNM is ideally interested in utility program experience, but this experience could also come from ISO programs, where provider churn tends to be higher.)
2. Proposed Approach to Facilitate Coordination with Other Vendors	<p>In the event that PNM chooses both a Primary and a Supplemental provider, describe your proposed approach for integrating and coordinating with the Supplemental vendor (if you are responding as the Primary) or Primary vendor (if you are responding as the Supplemental).</p> <ul style="list-style-type: none"> • Discuss any anticipated issues regarding marketing and recruitment, technology integration, coordinated planning, communications, etc. • Provide examples of any prior experience coordinating with other vendors for delivery of DR programs.

5 Bidder Information and Qualifications

In the tables below, please provide company information, relevant project experience, and references. See the introduction to Section 4 Technical Proposal above for guidance on the format of your response.

A. General Company Info	
1. Bidder Name	Legal company name
2. Address(es)	Include headquarters address as well as other relevant addresses for PNM (e.g., local offices in New Mexico, etc.)
3. Description	Company description/ history
4. Other information	<ul style="list-style-type: none"> a. Form of organization: corporation; partnership; individual d/b/a; or other as applicable. b. State of incorporation or registration c. Federal Identification Number or Social Security Number as applicable d. Website URL e. Is your company capable of receiving payments via a Financial Electronic Data Interchange (FEDI)? If not, would you consider establishing an account with a financial institution that is FEDI capable?
5. Financial Statements	Audited financial statements for past three years (submit as attachment)
6. Contact	Name, address, telephone number, and email address of primary bidder contact.

For each subcontractor being proposed, provide the information in Table A, Items 1 through 4d.

B. Relevant Project Experience	
1. Existing Customers	List existing C&I curtailment program utility customers.
2. Customer Documentation	Provide documentation that describe up to five existing utility customers and include discussion of installations of your proposed C&I system solution (type of installations, # of customers, etc.) and the implementation services provided. Clarify any differences with what you are proposing in this RFP. You may reference marketing materials provided as an attachment to your proposal.
3. Project Team Organization and Roles	Provide an organization chart illustrating key team members, including subcontractors. Explicitly identify and describe (separate from the organization chart) the roles and responsibilities of key team members who will be most responsible for coordinating and delivering services to PNM.

4. Small Business Subcontracting Plan	If you intend to subcontract any portion of the work associated with this project and your proposal meets or exceeds the dollar threshold of \$650,000 you MUST submit a small business subcontracting plan as part of your proposal. (See instructions immediately below this table.)
5. Project Team Resumes	In an appendix to your proposal, provide resumes for the key team members identified in Item 3 above.

Small Business Subcontracting Plan

(if applicable; see item #4 in the table immediately above).

Any contractor receiving an award for more than the specified acquisition thresholds must agree in the contract that small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns have the maximum practicable opportunity to participate. Please note that the Prompt Payment Act (for above referenced small business concerns) requires timely payment of amounts due pursuant to the terms of their subcontracts.

Each subcontracting plan must include:

1. Separate percentage goals for various small business concerns listed above.
2. Statement of the total dollars planned to be subcontracted and a statement of the total dollars planned to be subcontracted to small business concerns.
3. Description of the principal types of supplies and services to be subcontracted and identify types planned for subcontracting to small business concerns.
4. Description of method used to develop subcontracting goals.
5. Description of the method used to identify potential sources.
6. Statement as to whether or not the Offeror included indirect costs in establishing subcontracting plan.
7. The name of an individual employed by the Offeror who will administer the Offeror’s subcontracting program.

C. References	
1. Contact Information and Summary	Provide a company name, contact name, phone number, and email address for three customers that can be contacted about your relevant work for them. Include a brief description of the project if not already described in Item B above.

6 Proposal Format and Bidder Instructions

Proposals should provide a concise yet complete description of the bidder’s approach, capabilities, and pricing for satisfying the required services outlined in this RFP. Bidders are required to prepare their proposal response according to the content described in the Bidder Checklist below. Specific bid instructions and requirements for the proposal format and content are as follows:

- 1) Proposals should contain, in proper order, all items listed and described in the Bidder Checklist below. Many of these items refer to more detailed questions or instructions contained in Sections 4 and 5 of this RFP. The organizational structure (numbering system) of the questions/instructions in these sections must be used to describe the proposed services. Bidders do not need to provide responses in the tabular format used in Sections 4 and 5, but the category letter, topic number, and topic name should be clearly labeled to identify which question/information request is being addressed.
- 2) Proposals must be prepared using 12 point Times New Roman or similar font with 1 inch margins on all sides. Illustrative tables or graphics may use alternative font styles and sizes.
- 3) PNM has not established specific page limits. However, **bidders are encouraged to be concise in their responses**, answering the questions directly and referencing supplemental materials in an appendix where necessary.
- 4) Additional materials that the bidder believes *will substantially improve PNM’s understanding of the bidder’s capabilities and/or proposal* may be submitted as appendices or attachments.

Requirements for bid submission are discussed in Section 7.5.

Bidder Checklist

Item	Description
Intent to Bid	Email providing PNM with an indication of your intent to submit a proposal, a declaration of the bid options that you intend to propose, and confirmation of the appropriate contact person and contact information. See Section 7.2.
<i>Technical Proposal Documents, including:</i>	
Table of Contents	Identifies all major sections of the proposal and their starting page numbers
Technical Responses	Responds to all questions in RFP Section 4 regarding your proposed technology solution.
Bidder Information and Qualifications	Responds to all questions in RFP Section 5 regarding your organization, experience, and references.

Resumes of Key Team Members	In an appendix to your proposal, provide resumes (preferably no more than 2 pages per person) for key project team members listed in the organization chart requested in RFP Section 5, Item 4.
<i>Pricing Proposal Document, consisting of:</i>	
Pricing Proposal	Provide pricing by responding to all questions and instructions contained in the Pricing Attachment to this RFP.
<i>Other Documents:</i>	
Terms and Conditions Exceptions	Indicate and identify any exceptions that your organization has with PNM's Terms and Conditions. (See RFP Section 7.6 and the separate attachment.)

7 RFP and Bid Procedures

This section of the RFP addresses procedures governing the submission of bids and the solicitation process.

7.1 RFP Schedule

The anticipated schedule for this solicitation, subject to change at PNM's sole discretion, is as follows:

January 25, 2016	RFP Issued
January 28, 2016	Intent to Bid Deadline
February 1, 2016	Bidder Teleconference
February 24, 2016	RFP Question Period Ends
March 2, 2016	Proposals Due
April 15, 2016	Energy Efficiency Program PRC Filing
April/May 2016	Interview Finalists
May/June 2016	Anticipated Contractor Selection
November 6, 2016	Anticipated PRC Approval

The above schedule is subject to change at the discretion of PNM. Notification of changes may be sent by PNM to the individual designated as bidder's contact (in either the intent to bid or the proposal).

7.2 Intent to Bid

Bidders are strongly encouraged, although not obligated, to indicate their "intent to bid" by sending an email no later than January 28, 2016 to the DR RFP email address at CIDR-RFP@pnm.com. PNM would also appreciate receiving notice of any bidder's decision not to participate in this solicitation, including an indication of the reason.

Please include the following items in your intent to bid:

1. Contact information for the principal point of contact, including:
 - Name
 - Title
 - Company name
 - Mailing address
 - Email address
 - Telephone number

2. A preliminary indication of which bid options from Section 4.1 of this RFP that you intend to bid on. These options are:
 - *Primary Provider* – Minimum of 15 MW, in whole or in part from PNM’s existing participants
 - *Supplemental Provider* – Minimum of 5 MW, principally by targeting new customer segments, end uses, or higher value load curtailment performance
 - *Alternate Proposal* – Bidder’s discretion

Bidders providing an Intent to Bid will receive follow-up communications from PNM regarding clarifications or changes to the RFP and the solicitation process.

Only those organizations explicitly invited by PNM are eligible to bid on this RFP. If your organization is interested in bidding but was not initially invited, you may send an email to CIDR-RFP@pnm.com. Identify how you received the RFP, explain why you are interested in bidding, and provide a brief description of your experience and qualifications. At its sole discretion, PNM may allow additional bidders that were not initially invited to participate in this RFP.

7.3 Bidder Conference Call

Vendors are encouraged, although not required, to participate in a bidder conference call. The conference call will provide interested firms with an opportunity to seek clarification on the requirements of the RFP.

Date: February 1, 2016
Time: 2:00-3:00 p.m. Mountain Time
Call-In Number: +1 (888) 812-1022
Conference ID: 6462561#

7.4 Questions and Communications

Technical or program-related questions related to this RFP should be submitted by email to the RFP email address at CIDR-RFP@pnm.com any time after issuance of this RFP. However, PNM does not guarantee a response to questions submitted after February 24, 2016. Responses to any questions applicable to all bidders will be provided to all bidders via email.

Commercial or administrative questions related to this RFP should be directed to:

Sean L’Ecluse
(505) 241-2909
CIDR-RFP@pnm.com

No other contact with PNM employees or its contractors related to this RFP shall be made throughout this entire process. Any unauthorized contact may result in immediate disqualification.

RFP web site: RFP documents, responses to bidder questions, and other relevant material will be posted to PNM's RFP web site at <http://www.pnm.com/demandresponse>.

7.5 Submission of Proposal Responses

Bidders must submit both hard copy and electronic versions of their proposals by the due date and time listed below. Any proposals received after this date and time may be rejected. Proposals that do not contain the information requested in this RFP may also be rejected at PNM's sole and absolute discretion.

- 1) **Deadline for Submission** – March 2, 2016 at 5:00 p.m. (Mountain Time) for electronic copies to be received by PNM. Hard copies must be postmarked or shipped by the deadline, but may be received by PNM the following business day.
- 2) **Proposal Submission** – Bidders are required to submit both hard copies and electronic copies of their proposal as follows:

Hard copies. Bidder shall submit **five (5) hard copies** of their proposal. Hard copies should include the Technical Proposal Documents, Terms and Conditions Exceptions, and any other attachments or supplemental materials that bidder wishes to provide (see Bidder Checklist in Section 6 above). Responses to the Pricing Attachment should be contained in a separately bound document, but may be included in the same package. Proposals must be enclosed in a sealed envelope or box clearly marked "C&I Proposal" and sent to the following address:

Attn: C&I Proposal
Sean L'Ecluse
PNM
414 Silver Avenue SW
Albuquerque, NM 87102

Electronic copies. In addition to the hard copies, bidders shall email **two electronic copies** of their full proposal to CIDR-RFP@pnm.com. One copy should be in PDF format, for internal distribution, and a second in Microsoft Word for purposes of facilitating preparation of contracts. Electronic copies should be organized into the following separate files (see Bidder Checklist in Section 6 above):

- Technical Proposal (resumes may be included if desired)
- Resumes (if not included in Technical Proposal)
- Pricing Proposal
- Terms and Conditions Exceptions
- Other attachments or supplemental materials

Important: Please note that emails with attachments larger than 10MB may not pass through PNM's firewall. Bids should be submitted via separate emails if necessary to ensure that attachments do not exceed this limit.

- 3) **Verification of Receipt of Proposal** – It is the bidder's sole responsibility to ensure that hard copies of its proposal are sent by the deadline and received at the address specified above no later than the following business day.
- 4) **Errors or Omissions** – A bidder that discovers an error or omission in its proposal response package may withdraw that package and resubmit one, provided that it does so before the deadline for submission of proposal responses.
- 5) **RFP Withdrawal** – PNM reserves the sole and absolute right to withdraw this RFP at any time before the duly authorized execution of the contract/purchase order with bidders for any reason including, but not limited to, action by the New Mexico Public Regulation Commission (PRC). In its sole and absolute discretion, PNM may accept or reject any or all proposals, and may accept other than the lowest-cost proposal. PNM will not assume any liability, under any circumstances, to any bidder submitting a proposal in response to this RFP.
- 6) **Proposal Preparation Costs** – Bidder accepts any and all costs and expenses incurred prior to the duly authorized execution of the contract/purchase order and will not seek any costs and expenses from PNM. This includes proposal preparation and any requested on-site interviews or contract negotiation expenses.
- 7) **Proposal Confidentiality** – To the extent possible, PNM will attempt to keep submitted proposals confidential. However, it is possible that proposals may be requested by the PRC for review, or by other interveners, and as such, full assurance of complete confidentiality is not possible. Furthermore, PNM will not assume any liability to a Bidder or other party as a result of any public disclosure of any proposal or contract/purchase order.

7.6 Terms and Conditions of Submission

Bidders are requested to review PNM's contract terms and conditions (see Attachment). Bidders must make note of any exceptions to the terms of this document either by itemizing exceptions or marking up an electronic copy.

All proposals, along with all other documentation, submitted in connection with this RFP shall become and will remain the property of PNM and will not be returned to the Bidder.

By submitting a proposal pursuant to this RFP, Bidders acknowledge and agree that (a) they will be fully bound by the terms and conditions of this RFP and PNM Terms and Conditions in submitting their proposals, (b) they have had the opportunity to seek independent legal and financial advice of their own choosing with respect to the RFP and their proposals, (c) they have obtained all necessary authorizations, approvals and waivers, if any, required by them as a condition of submitting their proposals, (d) they are submitting their proposals subject to all applicable laws, and (e) they have not engaged and will not engage in communications with any other Bidder in the RFP concerning the price or other economic terms contained in their

proposals and have not engaged in collusion or other unlawful or unfair business practices in connection with this RFP.

7.6.1 Reservation of Rights and Disclaimers

This program and any contracts signed in association with it are and will be contingent upon NMPRC approval. PNM reserves the right not to accept the proposals of any of the respondents to this RFP. PNM also reserves the right not to make an award, to re-bid the proposed program, to decline to enter into an agreement with any respondent and to terminate negotiations with any respondent, all at PNM's sole discretion.

PNM reserves the right to revise, suspend, or terminate this RFP process and any associated schedules at its sole discretion without liability to any person or entity responding to this RFP or any other person or entity. PNM will communicate by e-mail to respondents regarding any changes to this RFP, schedules, or the RFP process.

Respondents who submit proposals do so without legal recourse against PNM, PNM's parent company or affiliates, and the directors, management, employees, agents or contractors of any of them, for any reason arising out of this RFP. Respondents are solely responsible for all of their costs incurred to prepare, submit, or negotiate its proposal, a definitive agreement, or any other activity related thereto.

7.6.2 Non-Confidentiality of Submissions

Bidders acknowledge and agree that the submission of a proposal or other information to PNM does not establish any fiduciary or confidential relationship between the Bidder(s) and PNM, nor is there one intended or created by reason of this RFP and/or submission of a proposal. The Bidder(s) agree that PNM shall not be obligated to return the proposal to the Bidder(s), and the Bidder(s) release PNM from any and all liability if the proposal is lost, misplaced, stolen or destroyed.

Bidders should not submit any information containing its or any third party's trade secrets or other proprietary or confidential information. Bidders are hereby advised that PNM may use non-utility industry consultants to assist them in evaluating proposals, and for such work, PNM will allow these selected consultants to review all proposals that it will be evaluating, including pricing and other Bidder-provided materials within the proposal. These consultants will be required to sign a non-disclosure agreement with PNM.

Bidders are also hereby advised that PNM may also disclose proposals, or any information contained therein, by legal process or to judicial, governmental or regulatory authorities. PNM may elect to enter into mutual nondisclosure agreements with Bidders selected for further participation in transactions which are the subject matter of this RFP, but is not agreeing to such an arrangement at this time and will infer that information which is submitted by each Bidder is not deemed confidential or proprietary information of the Bidder or any third party.

7.6.3 Post Proposal Negotiation and Awarding of Contracts

PNM reserves the right to negotiate both price and non-price factors during any post-proposal negotiations with a finalist. PNM has no obligation to enter into an agreement with any

respondent to this RFP and may terminate or modify this RFP at any time without liability or obligation to any respondent. This RFP shall not be construed as preventing PNM from entering into any agreement that it deems appropriate at any time before, during or after this RFP process is complete. This includes requesting a clarification of the technical proposal and pricing of a firm proposed as a subcontractor should PNM wish to enter into direct contract negotiations with only the proposed subcontractor.

7.7 Bidder Selection Process

7.7.1 Minimum Qualifications

Bidders responding to this RFP must have at least the following qualifications to be considered for selection:

- At least five years of experience with providing load curtailment technology or delivering similar types of load management programs for utility sponsored or ratepayer funded programs.
- Demonstrated organizational, financial, and data tracking and reporting abilities.
- Demonstrated commitment to quality and customer service.
- Contractors are encouraged to locate key delivery team members in New Mexico. Staffing of the prime contract manager in Albuquerque, NM is strongly preferred.

7.7.2 Proposal Evaluation Criteria

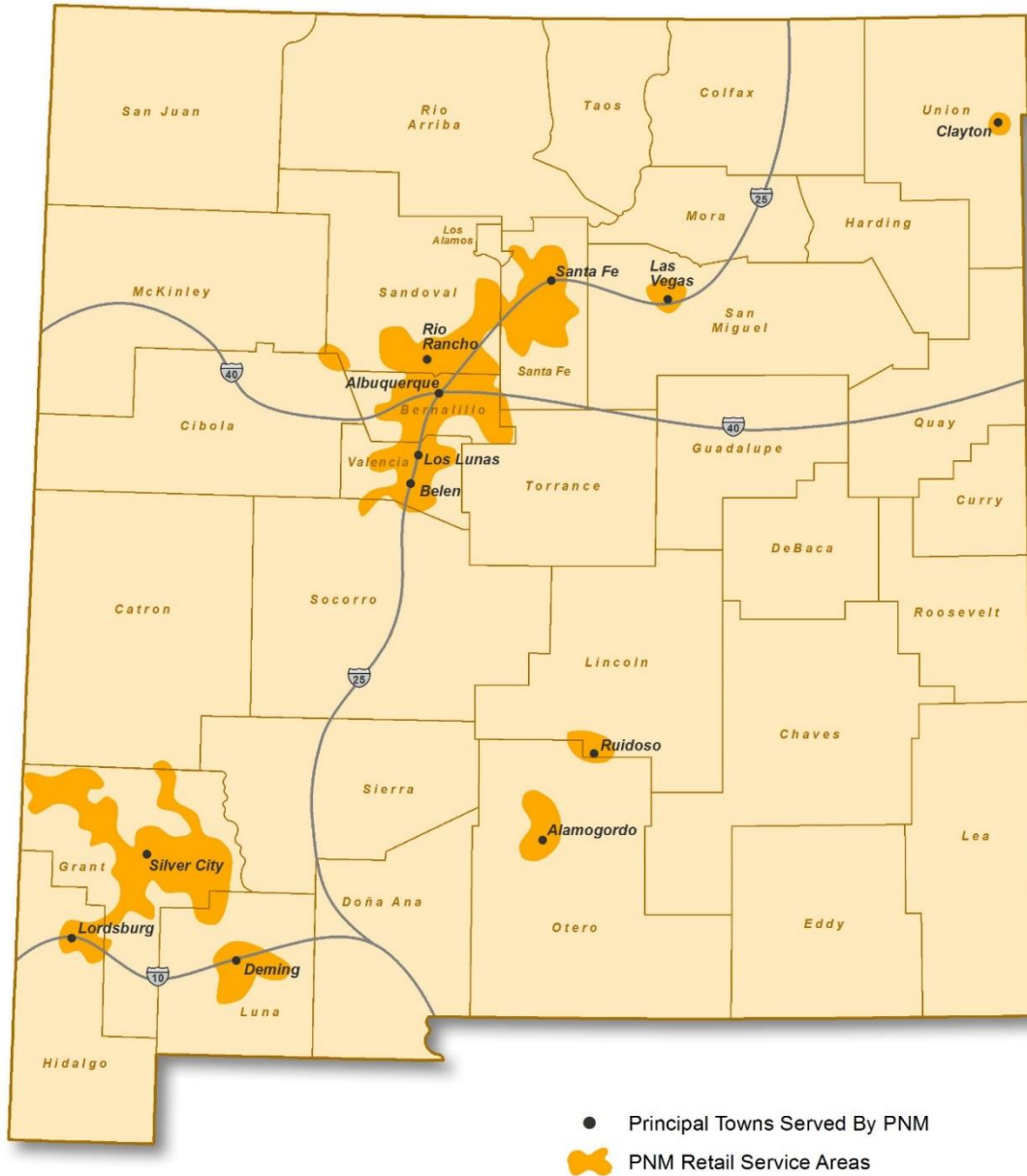
Proposals will be reviewed and bidders selected for interviews and/or contract negotiations based on a variety of criteria including, but not limited to: demonstrated competence and experience; management structure and assigned personnel; quality of proposed equipment and services; pricing; and performance guarantees.

PNM reserves the right to contact a bidder at any time for clarifications about any part of the Bidder's proposal. Proposal review questions and communications will focus on clarifying the information set forth by the Contractor in the proposals and will not be an opportunity for the Contractor to revise terms.

7.7.3 Negotiations and Finalizations

Once the bidder(s) has been selected for the program, contract negotiations will be conducted. These negotiations will relate to the scope of work, specific program delivery features, program budgets, schedules, and payment terms. The contractual terms will include general terms and conditions. PNM reserves the right to simultaneously conduct negotiations with both the prospective vendor/contractor and an alternate bidder. PNM also reserves the right to terminate negotiations with any bidder in the event that PNM and the bidder are unable to agree on contract terms and conditions within a reasonable period of time to be determined in PNM's sole and absolute discretion.

Appendix A: PNM Electric Service Territory Map and List of Cities



List of cities in PNM's service territory

Adelina	Los Ranchos
Alamogordo	Meadow Lake
Albuquerque	Mimbres
Algodones	Mule Creek
Amistad	North Hurley
Arenas Valley	Pena Blanca
Bayard	Peralta
Belen	Pino Altos
Bernalillo	Placitas
Bosque Farms	Pueblo
Buckhorn	Red Rock
Clayton	Rio Communities
Cliff	Rio Rancho
Cochiti	Rodeo
Cochiti Lake	Ruidoso
Corrales	Ruidoso Downs
Cotton City	San Felipe Pueblo
Deming	San Juan
Dixon	San Lorenzo
East Mountain	Sandia Pueblo
Faywood	Santa Ana Pueblo
Fort Bayard	Santa Clara
Gila	Santa Fe
Gila Hot Springs	Santo Domingo
Hanover	Sedan
Hurley	Sherman
Isleta Pueblo	Silver City
Jarales	State Fair
La Luz	Tesuque Pueblo
Lake Roberts	Tome
Las Vegas	Tijeras Canyon
Lordsburg	Tularosa
Los Chavez	Tyrone
Los Lunas	Valencia (Hwy 47)
	Vanadium
	White Rock