

# **Request for Proposals (RFP)**

## **Technology and Implementation Services**

### **In support of**

**Public Service Company of New Mexico (PNM)  
Direct Load Control (DLC) Program**

RFP Issued:	January 22, 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 residential and small business Direct Load Control (DLC) Program. PNM is issuing this Request for Proposals (RFP) for program delivery for 2017 through 2022 (program years).

**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 “Peak Saver”) 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 Peak Saver 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 Peak Saver 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<sup>1</sup> program and 20 MW from the Peak Saver 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

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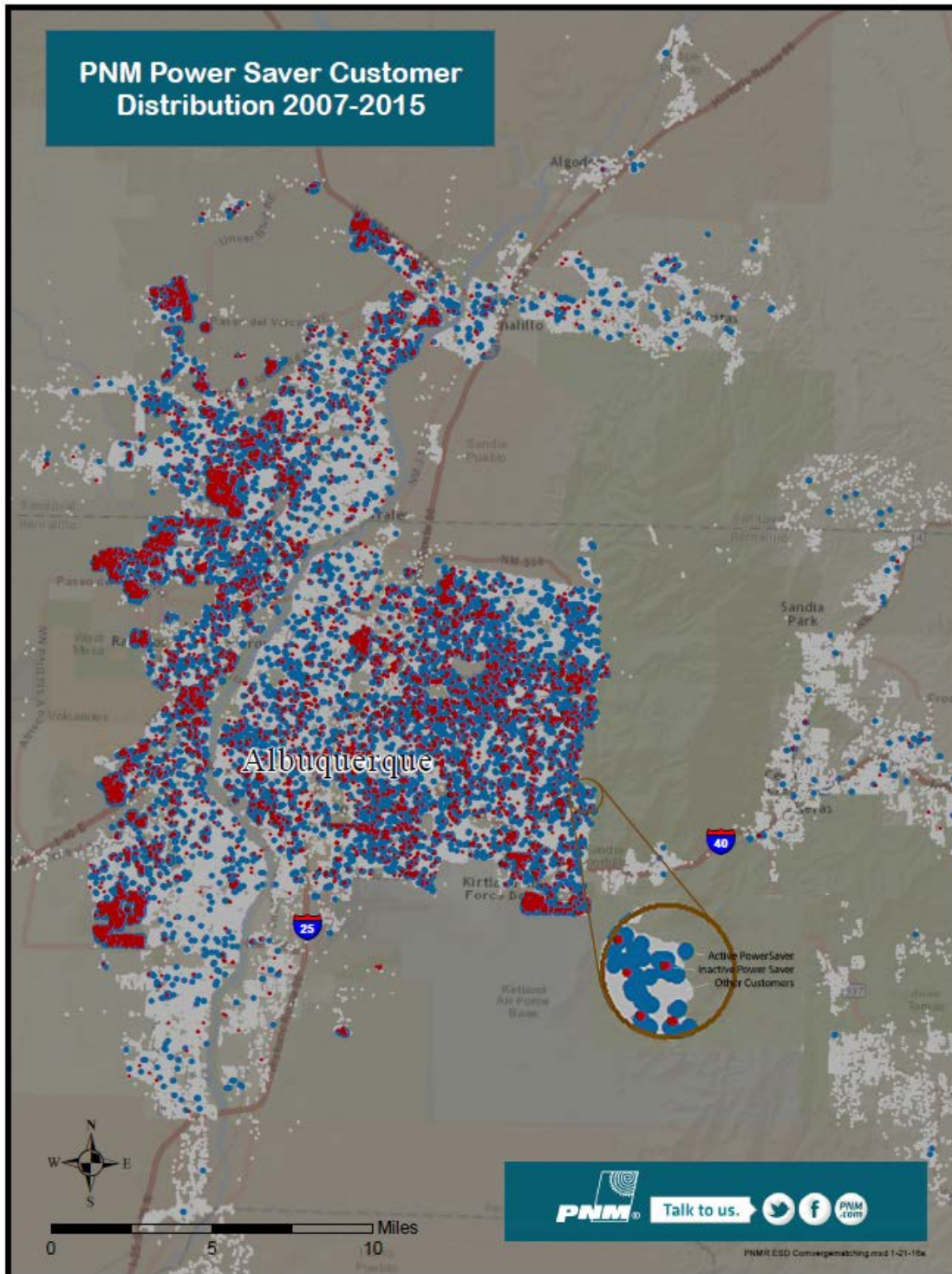
<sup>1</sup> The 40 MW of capability of the Power Saver program is based on a 50% cycling strategy applied on summer afternoons when the temperature is above 95 degrees.

approximately 34,000 residential, 4,500, Small Power, and 5,000 General Power. The number of devices by county, both active devices and total installed, is provided in the table below. The geographic density of devices across the service territory is illustrated in the map that follows. 110 General Power and Large Power customers were enrolled in the Peak Saver program in 2015.

<b>Current Device Count</b>		
<b>City</b>	<b>DCU's *</b>	
	<b>Total</b>	<b>Active</b>
ALBUQUERQUE	40729	31906
RIO RANCHO	6502	4871
SANTA FE	3680	2898
LOS LUNAS	1481	1068
ALAMOGORDO	772	536
LOS RNCHS ABQ	581	494
BELEN	497	392
SILVER CITY	456	362
DEMING	421	351
BERNALILLO	364	280
CORRALES	246	168
PLACITAS	187	136
BOSQUE FARMS	97	81
TIJERAS	91	71
CEDAR CREST	31	28
PERALTA	31	17
SANDIA PARK	27	21
SANTO DOMINGO PUEBLO	22	22
ALGODONES	10	8
LOS RANCHOS	8	8
TULAROSA	7	7
SAN FELIPE	4	4
BOSQUE	3	3
COCHITI LAKE	3	2
LA LUZ	2	1
LAGUNA	2	
EDGEWOOD	1	
<b>Grand Total</b>	<b>56255</b>	<b>43735</b>

\* DCUs (Digital Control Units) as of 2015

# Geographic Density of Installed Devices (2015)



## 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 40 MW from direct load control residential and small commercial customers
2. Expand DR capability from the PowerSaver program by 15 MWs by 2020 or sooner, provided it meets the criteria in Item 3 below
3. Ensure DR resource is cost effective and can meet the following performance requirements, at a minimum:<sup>2</sup>
  - a. Be available weekdays between 1pm and 8pm during June 1 through September 30
  - b. Provide for a response time of 10 minutes or less
  - c. For PowerSaver, a maximum of one event per day may be called, and event duration shall be a maximum of 4 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.<sup>3</sup>
6. Support the use of smart thermostats for mass market DLC. PNM is not committed to using thermostats; the Company may choose to continue with switches only, to replace switches with thermostats, or to introduce thermostats while maintaining the use of load control switches.
7. Increase customer engagement and satisfaction
8. Engage more small business customers (under 50 kW peak demand) than have participated in the past
9. Provide year-round DR capability
10. 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.
11. Have the capability to call DR events for select substations and/or feeders

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<sup>2</sup> For purposes of this RFP, bidders should assume that megawatts will be measured based on average load reductions across all events, assuming an A/C unit cycling strategy that limits usage to 50% of the expected run time during the event. Further assume that events occur on summer weekdays between 2pm and 6pm when daytime high temperatures are 97 degrees F. Vendor performance in providing the contracted curtailment capability will be determined via a mutually agreed upon method of measurement and verification (M&V).

<sup>3</sup> PNM currently has monitoring capability for large commercial customers in Peak Saver, but not for the Power Saver DLC program. Two-way communication for DLC is desirable, but not a requirement. PNM is interested in the benefits of near real-time monitoring of load curtailment, but will weigh these benefits against any incremental costs.

12. “Future proof” technologies and communications by diversifying and ensuring long-term interoperability and scalability (see Table B, Question 4 in Section 4.2 below)

### **Direct Load Control Program Requirements**

The residential and small commercial DLC 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 residential customers and commercial customers whose peak demand is estimated to be below 50 kW.<sup>4</sup> Further, **PNM intends to continue to control central A/C units and will also consider other end uses**, such as window A/C units and pool pumps. The viability of including these end uses in the ultimate solution will be assessed on the value they bring to PNM relative to costs.

**PNM will consider any type of end use control technology** (e.g., switches, thermostats, etc.), **delivery mechanism** (e.g., direct install, bring-your-own-device [BYOD], etc.), **or combination of technologies and delivery mechanisms**, provided the proposed solution meets PNM’s primary objectives stated above. PNM also seeks to transition over time (or all at once prior to June 2018) from the existing DLC communications infrastructure (based on commercial paging) to an alternative infrastructure to be proposed by bidders. See Section 4 for requirements of bidders’ technical proposals.

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<sup>4</sup> PNM is also soliciting proposals for its Large Power curtailment program (named “Peak Saver”) for approximately the same time period. The target population for this program will remain customers with over 150 kW of peak demand, but the program will also expand its focus on medium-sized customers between 50 kW and 150 kW of peak demand.



PNM envisions selecting a proposed solution or set of solutions that result in one of the following three scenarios, or an alternate scenario or variation as proposed by bidders:

Scenario 1: Maintain the existing DLC hardware and infrastructure indefinitely at approximately 40 MW curtailment capability, and replace switches as they fail with new switches and/or new thermostats<sup>5</sup>

Scenario 2: Scenario 1, with the proactive addition of new switches and/or thermostats to increase DLC curtailment capability by 15 MW by 2020 or sooner, for a total of 55 MW

Scenario 3: Replace all switches with new switches and/or thermostats by June 2018, and establish a new two-way communications infrastructure (e.g., WiFi, cellular, mesh network, or a combination of the above)

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 for incremental hardware and services only, or introducing a new vendor for all hardware and services.

## 2.4 PNM Customers

The following tables provide information on PNM customer counts and usage by rate code and county. Less than one percent of residential customers are on a time-of-use rate. As of 2013, central air conditioning was the primary cooling source for 29% of single family homes and 40% of multi-family homes. For more information on customer demographics and home appliances, see findings from the Residential Appliance Saturation Study which is included as an attachment to this RFP.

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: <a href="https://www.pnm.com/rates">https://www.pnm.com/rates</a>	

<sup>5</sup> PNM may seek to replace existing switches proactively rather than only upon failure.

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				
<b>Grand Total</b>	<b>461,827</b>	<b>52,406</b>	<b>2,538</b>	<b>722</b>	<b>180</b>	<b>2</b>	<b>158</b>	<b>1</b>	<b>1</b>

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				
<b>Grand Total</b>	<b>3,165,332,809</b>	<b>938,025,919</b>	<b>1,708,378,287</b>	<b>199,976,279</b>	<b>1,323,783,855</b>	<b>95,604,880</b>	<b>181,904,156</b>	<b>81,194,524</b>	<b>478,747,904</b>

### 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 Direct Load Control 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*

- The DLC technology and its support.
- Participation options appropriate for residential and small business customers up to 50 kW.
- A hosted or in-house system/application that will act as the head-end (Control) system for DLC. The system must be compatible with all DLC hardware deployed as part of this project.
- A customer web portal and mobile app, if the load control devices require customer interaction (e.g., smart thermostats).
- Ability to do each of the following:
  - Curtail the contracted amount of load within 10 minutes of dispatch by PNM
  - Selectively control the amount and duration of load shed in a predetermined manner.
  - Control remote devices, individually, as a whole, or as multiple groups, based on device type, feeding substations, or distribution line feeder.

- Upgrade the communication options to adopt new technology and/or systems and services.
- Provide curtailment forecasts for all DLC deployment.
- Produce near real-time monitoring of curtailments in process.
- Provide post event reporting on load shed achieved.

Please note that a submission will only be considered if the vendor presents a fully-integrated architectural solution that includes all elements, including:

- Utility Interface (UI)
- Head-end application
- Load control devices
- All necessary communications between UI, head-end, and load control devices (may leverage the customer's broadband internet)

*Provision of Workforce*

- Set up network/workforce to install and service devices.
- Ensure proper electrical and HVAC licensing in the state of New Mexico.
- 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 DLC program marketing materials. PNM to approve materials.
- Recruit customers
- Enroll, schedule, route, install, and service the program participants.
- Manage all inventories of equipment, materials, and supplies associated with installation of load control devices.
- Perform quality assurance audits on all installations by a new employee.
- Perform maintenance/inspection for all installed devices.

*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 Anticipated Utilization of the DR Resource

In addition to meeting the objectives presented in Section 2.3, the system and devices must be able to manage central A/C and heat pump systems for residential and small business customers up to 50 kW peak demand and/or refrigerated air conditioning units for Small and General Power customers. The system and devices must be able to perform A/C load cycling at various levels of duty cycling, including, but not limited to, 33%, 50%, 67%, and 100%. The duty cycle refers to the share of time during a load control event (broken down into hourly or narrower intervals) that A/C units are *not allowed* to operate. Vendors may be asked to provide flexible, dynamic cycling strategies that ramp up or down to match PNM’s load shape or to meet other objectives. It is expected that bidders will provide descriptions of any “intelligent cycling” algorithms that may be employed, such as utilizing individual customer’s historic run-time data to create a baseline duty cycle against which cycling strategies are applied. Additionally, bidders should describe any “temperature set point” based cycling methods that you propose.

### 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. 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)
- Device diagnostics capabilities 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 (e.g., the "Thermostat" field would not apply for a vendor proposing only load control switches, and some fields may not apply to vendors offering a bring-your-own-device [BYOD] solution only). Bidders should indicate fields that are not applicable to their proposed solution in their response.

*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 Level Overview, Question 1. System Level Diagram).*

Example Response Format:

**Section 4.2 Technology Products and Related Services**

**B. System Level Overview**

1. System Level Diagram

[insert diagram here]

2. Description of Features/Functions

[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. Multiple mutually exclusive options will give PNM a choice of vendor solutions, but only one solution will ultimately be selected from a given vendor.

## 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. Augment and Transfer</p>	<ul style="list-style-type: none"> <li>• YES – Bidder proposes to provide new switches and/or thermostats, associated marketing and implementation services, and the necessary supporting communications, IT, and customer service infrastructure to <i>augment</i> curtailment capability, beginning with 5 MW by June 2017 and reaching 15 MW by June 2019—enabling PNM to reach a total of 55 MW including the 40 MW of capability that currently exists. You will also provide the necessary implementation services, equipment, and supporting infrastructure to <i>transfer</i> to your system some or all of the existing switches that fail or that PNM chooses to proactively replace.*</li> <li>• NO – Bidder is not offering this option to PNM.</li> </ul> <p>* Under this scenario, PNM’s current provider will maintain the existing 40 MW of capacity, or any portion of it that is not assumed by another vendor, should another vendor be selected to provide new equipment for replaced switches. The Pricing Attachment will allow for bidder pricing alternatives to reflect various rates of switch replacement or other caveats to pricing that bidders which to describe.</p>
<p>2. Full Replacement</p>	<ul style="list-style-type: none"> <li>• YES - Replace all switches with new switches and/or thermostats by June 2018, and establish a new communications infrastructure (e.g., WiFi, cellular, mesh network, or a combination of the above). You may also be selected by PNM—at PNM’s sole discretion—to provide the necessary marketing, implementation services, equipment, and supporting infrastructure to increase curtailment capability by 15 MW, for a total of 55 MW by June 2020 (or sooner).</li> <li>• NO – Bidder is not offering this option to PNM.</li> </ul>
<p>3. Alternate Proposal</p>	<ul style="list-style-type: none"> <li>• YES – Describe an alternate proposal that you wish PNM to consider. You must provide pricing in the Pricing Attachment to this RFP.</li> <li>• NO – Bidder is not offering this option to PNM.</li> </ul>

## 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 Level Overview

1. System Level Diagram	Provide a system level block diagram of the DLC 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 devices, and the return path for communications back to PNM if a two way solution is being proposed. Note: 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.
2. Description of Features/Functions	Based on the system-level diagram, describe the major functions/features of that system (please limit functional features/descriptions to less than ten per system element).
3. Requirements for PNM	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.
4. 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>
5. Security	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.

## C. Load Control Equipment

1. Technical Descriptions	<p>Provide technical descriptions of the load control equipment you are proposing. If proposing (or providing options for) more than one type of equipment, be sure that your response addresses each equipment type as needed. Clearly indicate whether a given response applies to all types, and if not, identify any differences. Data sheet type information is acceptable as long as it covers all the necessary information and is referenced by brief responses according to the following outline:</p> <p><b>(Note: If part of bidder's proposal, thermostats should be covered in this table as appropriate. Additional questions specific to thermostats are also included in Table D.)</b></p> <ol style="list-style-type: none"> <li>a. Identify the specific load control equipment to be installed at customer homes, including manufacturer and a high level description of its functionality.</li> <li>b. Discuss if devices are capable of using intelligent cycling (i.e., cycling logic based on a specific AC unit's uncontrolled cycling levels).</li> <li>c. Discuss the various cycling approaches you plan to make available,</li> </ol>
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	<p>including alternative cycling methods such as “Temperature set point” methods.</p> <p>d. Discuss if these devices can be able to randomize their starting and ending times (or a similar approach) within an event to avoid shocks to the system.</p> <p>e. Explain if commands and controls can be sent immediately to the devices and if they can be executed instantly upon receipt of signal, without using the random start feature, if so instructed.</p> <p>f. Discuss if the remote devices can be controlled in response to critical peak price signals that may be generated by PNM. Discuss how this will be performed – both setup and execution.</p>
2. End Uses	Provide a complete list of all end-use load types that can be integrated as part of the DLC solution. Specify common makes and models of load-type devices that you have under control at prior implementations, and identify makes or models that are particularly difficult for your system to integrate with. Central A/C and heat pumps must be included; other end uses, such as window A/C units and pool pumps may be proposed as well and will be assessed on the value they bring to PNM relative to costs.
3. Customer Interaction	<p>a. Discuss any customer action with the load control device(s) that is required or possible.</p> <p>b. Discuss how the customer override of a control event works (if available) and what options are available.</p> <p>c. Discuss periodic maintenance required by participants (e.g., battery replacement) on the devices or any other types of customer equipment.</p>
4. Data Collection	<p>Discuss what data the devices can collect and store, and how long data can be stored on the device. Include a description of how this data would be retrieved and shared with the utility, and how frequently. As part of your response:</p> <ul style="list-style-type: none"> <li>Describe any limitations to accessing the data and how these limitations might impact the program implementation and/or program costs. Discuss how you have mitigated issues with data access limitations in the past.</li> <li>Address the capability of device-specific metering of demand, voltage or other operational data.</li> </ul>
5. Diagnostics	Describe what the diagnostic capabilities are at the device level. Include a description of remote diagnostics from either the Head-end or on-site diagnostics.
6. Warranty	Describe what type of warranty you will provide to ensure proper, long-term functioning of the proposed equipment. Specify time limits, conditions, costs, and other terms of the product warranty.

<b>D. Thermostats – (if applicable to bidder’s proposal)</b>	
1. Achieving PNM Objectives	Discuss the proposed approach, benefits, and drawbacks to achieving PNM’s objectives set forth above in Section 2.3 by using thermostats (as opposed to other types of load control devices) as part of the program.

2. Control Strategies	Describe in detail the cycling, temperature offset, pre-cooling, or other control strategies that the thermostats (and supporting head-end control system) are capable of. In particular, describe the flexibility in how temperature adjustments may be used, including the precision and frequency with which set-point temperatures can be raised and the resulting consistency in hourly and sub-hourly load curtailment. <i>Note: To the extent that this information is covered in Table C.1 above, bidder may reference the response to that relevant question(s).</i>
3. Compatibility	Discuss if the thermostats are compatible with two-stage compressors.
4. Advanced Analytics	Discuss whether the thermostat has any advanced analytics features (e.g., “learning” capabilities) that can help provide energy efficiency savings.
5. Two-way Communications	Discuss if thermostats are capable of two-way communications and describe the options for communications.
6. Dynamic Pricing	Discuss if the thermostat can be programmed with temperature settings and strategies based on price tiers to support a time differentiated pricing tariff as an underlying part of the program.
7. Customer Interface	Discuss the web interface and/or smart phone app and other ways used by the customer for programming the thermostat.
For proposals with a BYOD component, please also respond to the following questions:	
8. Multiple Brands	How many different thermostat brands do you propose for inclusion? Describe the relationships you have with existing thermostat manufacturers, and provide evidence that you can (or have in the past) successfully control thermostats of each brand and receive set point and temperature data.
9. Data Accessibility	Describe any limitations to accessing the data from specific thermostat manufacturers and how these limitations might impact the program implementation and/or program costs. Discuss how you have mitigated issues with data access limitations in the past.

<b>E. Communications</b>	
1. Infrastructure Description	Based on the system-level description, provide a complete description of the communication infrastructure that will be needed.
2. Device Control	Describe the ability and options to communicate with discrete end devices and with groups of end devices, including: <ul style="list-style-type: none"> <li>• Can end devices be addressed and <b>controlled</b> individually?</li> <li>• Can groups of end devices be <b>controlled</b> with a single command that is broadcast to the group?</li> <li>• Can the end devices be <b>grouped</b> by substation or distribution line feeder and controlled as a group?</li> <li>• Can the system issue a system wide command to <b>invoke</b> all DLC devices during a system emergency that PNM may declare?</li> <li>• What is the latency when issuing a system level emergency command to invoke all DLC capabilities until the command is executed by all devices?</li> <li>• If a single system level emergency load dump command is not available, what are the capabilities to handle system level emergencies?</li> </ul>

3. Network/System	<p>Describe the system in full and include all of its capabilities, including:</p> <ul style="list-style-type: none"> <li>• Describe how it will be used to send control signals to the remote devices.</li> <li>• What additional equipment and other components will be necessary to implement this system along with a complete description of where and how they will be installed.</li> <li>• Indicate which companies and/or services would be used.</li> <li>• Indicate which radio frequencies or other transmission facilities would be used in each geographic area.</li> <li>• Describe the communications coverage for our entire service territory, including an assessment of the probability that load control devices will not receive and respond to the control messages and the recommended strategy for managing this risk.</li> </ul>
4. Confirmation of Operation	<p>Discuss what process or procedure will be in place for the implementation bidder to determine at the premise whether or not communication is being received at a level to ensure reliable operation of the end device in the desired manner. How quickly will PNM be able to view this information?</p>
5. Device Management	<p>Discuss the flexibility and adaptability of communications options used to monitor, control, and manage the remote devices. Discuss your ability to upgrade the communications options to adopt new technology and/or systems and services (e.g., AMI). Provide information about your proposed future communication options, the proposed time frame for these, and the additional features and capabilities this will provide.</p>

<b>F. Head-End (or Control) System</b>	
1. Technical Description(s)	<p>Based on the system-level diagram, provide technical descriptions of the system management software that is proposed for the control of all deployed load control equipment and other infrastructure that may need to be controlled and managed.</p>
2. Operator Interface	<p>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.</p>
3. Control Strategy Validation	<p>Describe how your process will be tested when new load control strategies are implemented.</p>
4. Hosting	<p>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.</p>
5. Status and Reporting	<p>Based on the system-level diagram, describe your reporting capability as it relates to displaying the current system status and to log system status and activity for subsequent analysis.</p> <p>Describe the data reports available for each element of the system.</p>

<b>G. Additional Equipment and Services</b>	
1. Customer Interface	<p>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.</p>

2. Necessary Equipment	Describe any other equipment that will be needed to install, use, and maintain the system.
3. 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.

## H. Maintenance and Upgrades

1. Maintenance	Describe the maintenance requirements and activities during the project phase. Include any equipment required and describe how the maintenance will be performed.  Also describe software maintenance that is expected.
2. Upgrades	Describe how the devices will be upgraded over their lifetime and whether and how they will be able to comply with changing industry standards.

## I. Impact Assessment

1. Measurement and Verification of Load Impacts	Describe your proposed process for measuring loads and retrieving load data for use in estimating impacts, including: <ul style="list-style-type: none"> <li>• What device(s) will measure loads, how many will be deployed, and how will you (and ultimately PNM) receive the data for analysis?</li> <li>• How quickly after an event will data be available, and how quickly will load reduction estimates be available?</li> <li>• How will baseline usage be estimated and what are the algorithms, formulas, and/or methods for estimating impacts?</li> </ul>
2. Estimated Load Impacts	Provide an estimate of the average load reduction (in kW per participant) and energy savings (in kWh per year per participant) that can be expected from PNM DLC participants based on various customer segments, load control device types, A/C sizes, temperature, humidity, and the control strategies discussed above. How, if at all, will the load curtailment vary by hour and/or month during the target period of 1pm to 8pm, June through September?
3. Estimated Energy Impacts	If your proposal includes technology or incentives for reduction of energy consumption, provide an estimate of the average energy savings (percent of monthly or annual bill per participant) that can be expected from PNM DLC program participants based on various customer segments or other criteria. A range of values, or caveats to the estimate, is acceptable. Provide supporting evidence, and reference your relevant history, if applicable.
4. Load Response Flexibility	PNM requires at a minimum that bidders meet the performance requirements identified in Section 2.3 (under Primary Objective #3). However, PNM is also interested in DR resources that provide greater flexibility, speed of response, and operational value. PNM envisions that such resources may include characteristics such as higher limits on annual event hours, response times of less than one minute, load-following capability, and regulation service. Additionally, PNM values resources that can deliver load response throughout the year and at hours of the day beyond those identified in Section 2.3.  Please describe your ability to provide load response that exceeds the stated requirements. How will the load response vary by hour and/or month?

5. Reliability	Describe your approach to ensuring reliable peak load reduction and your history in doing so.
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### 4.3 Implementation Services

<b>A. Summary of Proposal (2-page limit)</b>	
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.

<b>B. Marketing, Recruitment, and Retention</b>	
1. Customer Segmentation	Provide a complete list of all customer sectors and end uses targeted for participation in the DLC program.
2. Engagement Plan	Detail the strategy for public outreach, deployment and plan to engage end-use customers and solicit enrollment into a program. Include discussion of the particular customer sectors and sub-sectors to be targeted.
3. Branding	Describe the “brand recognition” of any customer interaction, equipment, or systems which the end-use customer may encounter, such as the customer portal.
4. Incentive Payments	Propose a customer incentive structure, if your marketing plan calls for incentives. Include discussion of any incentives for initial enrollment, on an annual basis, for equipment, or other variation. Provide a rationale for your proposed incentive structure, and provide alternative structures and rationales, if desired. PNM is not predisposed to the use of monetary incentives and understands that the provision of a thermostat and related services, for example, may be sufficient incentive. The selected vendor will be responsible for any incentive payments to participants.
5. Coordination with PNM	Describe how you will coordinate with other existing PNM programs to improve the program delivery. Include discussion on how you and PNM could 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.

## C. Equipment Installation and Operation

1. Staffing	<p>Describe your current network of equipment installers and/or your proposed subcontractor or subcontracting approach for installation of load control devices and related equipment. Discussion should address the following:</p> <ul style="list-style-type: none"> <li>• Existing or planned coverage in/near PNM service territory</li> <li>• Your qualification requirements for using subcontractors and your process for identifying, training, and utilizing local contractors, if applicable</li> <li>• Your process for evaluating performance, ensuring professional conduct, and maintaining adequate capacity to meet program goals</li> </ul>
2. Processes	<p>Describe the process for installing equipment in homes of customers who have agreed to participate. Discussion should address the following:</p> <ul style="list-style-type: none"> <li>• Scheduling installations and providing appointment information to installers</li> <li>• Verification that home qualifies for participation</li> <li>• Quality assurance for installations/new installers</li> <li>• Typical installation times and number of installations performed by a single installer in one month</li> </ul>
3. Inventory management	<p>Describe your inventory management processes, including equipment storage, minimum stocking requirements, and restocking procedures.</p>
4. Verification of equipment operation	<p>Describe your practices for verification and testing of equipment while installer is onsite.</p>
5. Equipment maintenance	<p>Describe your maintenance, auditing, and repair practices for installed devices to ensure continued operation (this may include site visits and/or use of two-way communications to verify operation).</p>

## D. 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"> <li>• 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?</li> <li>• What access will PNM staff have to account status, and what information will be available?</li> <li>• What types of status reporting will be provided to PNM, with what level of detail, and with what frequency?</li> <li>• What are your data retention policies?</li> <li>• What is your QA/QC process for ensuring that your customer data is correct and valid?</li> </ul>
4. Reliability and Backup	<p>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.</p>
5. Testing Approach	<p>Describe how the data transfer processes will be tested initially and how they will be checked during the project to assure functionality and accuracy.</p>

<b>E. Customer Service and Satisfaction</b>	
1. Call center staffing	<p>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.</p>
2. 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"> <li>• Call center hours, days of availability/non-availability</li> <li>• Will there be a dedicated toll free number?</li> <li>• What other responsibilities/clients will the call center staff also have? What share of each staff person's time will be dedicated to PNM?</li> <li>• What is the capacity for receiving calls and what are contingency plans for overflow?</li> <li>• Define your call-center metrics, such as answer time and call abandonment.</li> </ul>
3. Service calls	<p>Describe your method of responding to customer service requests requiring onsite visits. What is the typical time from the service call to a response from a scheduler? To resolution of the problem? How are decisions made regarding whether service work is needed and covered under your responsibilities?</p>
4. Customer satisfaction	<p>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?</p>



<b>F. Additional Services</b>	
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.
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 <a href="https://www.pnm.com/regulatory">https://www.pnm.com/regulatory</a> . Include discussion on engagement strategies for coordinating with other utility vendors, 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

<b>A. Roles and Expectations of PNM</b>	
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. Equipment Installation and Operation	
3. Data Support	
4. Customer Service and Satisfaction	
5. Other	

<b>B. Schedule and Delivery</b>	
1. Implementation schedule (Augment and Transfer Option; see Section 4.1)	<p><i>Bidders should only provide pricing for this item if they are bidding on the <b>Augment and Transfer Option</b> in Section 4.1 of the RFP.</i></p> <p>Provide a detailed schedule for major implementation tasks, including, but not limited to marketing, equipment installation, establishment of communications infrastructure, 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).</p>

<p>2. Implementation schedule (Full Replacement Option; see Section 4.1)</p>	<p><i>Bidders should only respond to this item if they are bidding on the <b>Full Replacement Option</b> in Section 4.1 of the RFP.</i></p> <p>Provide a detailed schedule for major implementation tasks, including, but not limited to marketing (for incremental MW), equipment installation, establishment of communications infrastructure, 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).</p>
<p>3. Extenuating factors</p>	<p>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?</p>

## 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.

<b>A. General Company Info</b>	
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"> <li>a. Form of organization: corporation; partnership; individual d/b/a; or other as applicable.</li> <li>b. State of incorporation or registration</li> <li>c. Federal Identification Number or Social Security Number as applicable</li> <li>d. Website URL</li> <li>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?</li> </ul>
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>B. Relevant Project Experience</b>	
1. Existing Customers	List existing direct load control utility customers.
2. Customer Documentation	Provide documentation that describe up to five existing utility customers of your proposed DLC system solution (type of installations, # devices, 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. Specific Relevant Experience	Describe your experience delivering DLC products and services under each of the following circumstances, as applicable to your proposal: <ul style="list-style-type: none"> <li>a. Using a BYOD approach where customers provide their own thermostats to a DLC program</li> <li>b. Using WiFi communications to send control signals and to receive data from switches or thermostats such as control signal receipt confirmation, run times, temperature set points, and indoor temperature.</li> <li>c. Transitioning participants from existing equipment (either from your company or a different vendor) to newer equipment</li> </ul>
4. 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.
5. 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.)
6. Project Team Resumes	In an appendix to your proposal, provide resumes for the key team members identified in Item 4 above.

**Small Business Subcontracting Plan**

(if applicable; see item #5 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	In an appendix to your proposal, provide resumes (preferably

Members	no more than 2 pages per person) for key project team members listed in the organization chart requested in RFP Section 5, Table B, 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 22, 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 DLC RFP email address at [DLC-RFP@pnm.com](mailto:DLC-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:
  - *Augment and Transfer* – 15 MW of incremental curtailment capability
  - *Full Replacement* – Replacement of existing switches, plus 15 MW of incremental curtailment capability
  - *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 [DLC-RFP@pnm.com](mailto:DLC-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: 1:00-2:00 p.m. Mountain Time  
Call-In Number: +1 (888) 812-1022  
Conference ID: 7061349#

### 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 [DLC-RFP@pnm.com](mailto:DLC-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  
[DLC-RFP@pnm.com](mailto:DLC-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 "DLC Proposal" and sent to the following address:

Attn: DLC 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 [DLC-RFP@pnm.com](mailto:DLC-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 control 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***

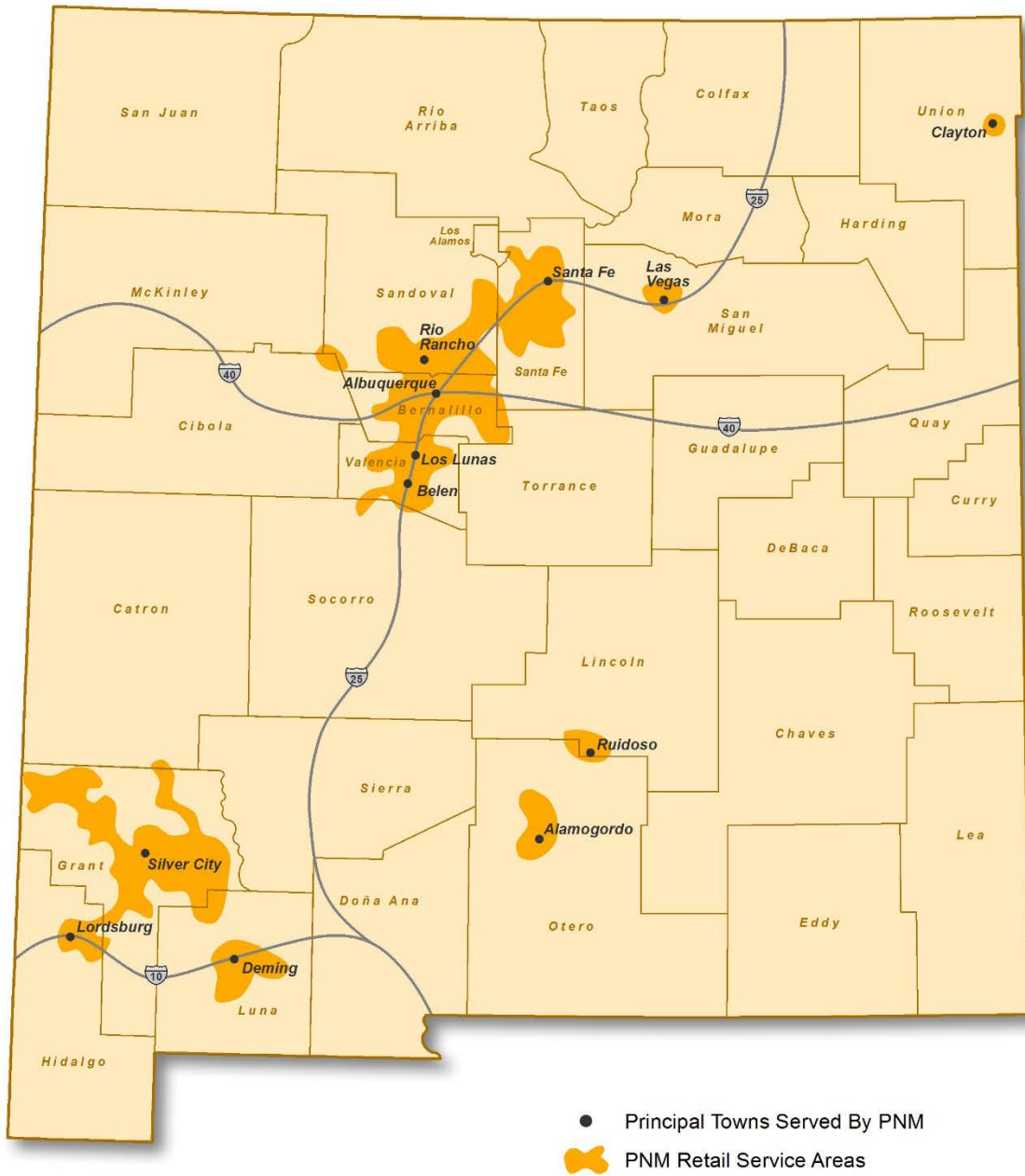
Proposals will be reviewed and bidders selected for interviews and/or contract negotiations based on a variety of criteria including, but not limited to: demonstrated competence and experience; management structure and assigned personnel; quality of proposed equipment and services; pricing; and performance guarantees. Submitted proposals will be evaluated based on the merits and cost effectiveness of each proposal versus maintaining the existing system.

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