

Request for Proposals (RFP)

For

Electric and Natural Gas Demand Side Management (DSM) Market Potential Study

Issued by:



Issued:
1 / 11 / 2012

REVISION 1
CORRECTIONS MADE TO DATES

Proposals Due:
2 / 10 / 2012, 4:00 PM (Central Time)

For more information and questions/answers visit:

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1 EXECUTIVE SUMMARY

On October 1, 2010, Ameren’s Illinois utilities (AmerenCIPS, AmerenCILCO and AmerenIP) completed a reorganization into a single public utility — Ameren Illinois Company (“Ameren Illinois”). Ameren Illinois, serves about 1.2 million electric customers and 800,000 natural gas customers in Central and Southern Illinois. Ameren Illinois is issuing this Request for Proposal (RFP) for the selection of an experienced contractor to perform an Electric and Natural Gas Demand Side Management (DSM) Market Potential Study (“Study”).

The Study will consist of three primary components: **market research**, a full **DSM potential analysis**, and **quantification of wasted energy due to customer behavior**. The market research component will collect electricity end-use data, end-use saturation data, customer demographics and psychographics to provide information on how Ameren Illinois customers make decisions related to electric and natural gas usage and energy efficiency investment decisions. The DSM potential piece will assess the resulting cost-effective¹ technical, economic, and realistic achievable energy efficiency potential in each of the residential, commercial, and industrial sectors for the service area. The wasted energy component will identify and quantify customer driven unnecessary and/or excessive use. Analysis of demand response potential is not required. The relevant Study time horizon is 3 years spanning from June 2014 to May 2017.

Ameren Illinois will use the results of this Study in its DSM planning process to optimally incorporate energy efficiency related savings. The selected contractor should plan to capture synergies and coordinate with Illinois statewide DSM planning initiatives.

The Study will be used to identify the potential to achieve the kWh and therm annual load reduction targets within the rate caps identified in the Illinois Public Utilities Act² (“Act”). Table 1 states the targets for June 2014 through May 2017 per 220 ILCS 5/8-103 (electric) and 220 ILCS 5/8-104 (natural gas) applied to Ameren Illinois’ projected energy sales for 2014, 2015, and 2016.

Table 1: Ameren Illinois – June 2014-May 2017 Targets*

Time Period	% Incremental Annual Electric Energy		% Incremental Annual Natural Gas Energy	
	kWh at Meter	% of Sales	Therms at Meter**	% of Sales
6/1/2014 -5/31/2015	681,578,946	1.8%	9,407,231	0.8%
6/1/2015 -5/31/2016	754,647,580	2.0%	11,759,038	1.0%
6/1/2016 -5/31/2017	756,674,760	2.0%	14,110,846	1.2%

* The Department of Commerce and Economic Opportunity (DCEO) is responsible for achieving 20% of these savings and Ameren Illinois is responsible for achieving 80%. This potential study is limited to the Ameren Illinois customer segments only and portion of savings as specified in the Act and their Plan.

** Large commercial and industrial (C&I) gas customers are allowed to opt-out of program which decreases the savings goal. The gas savings in this table do not account for the opt-out decrease.

¹ As defined by the Total Resource Cost Test per the definition provided in the Illinois Power Agency Act: <http://www.ilga.gov/legislation/ilcs/ilcs5.asp?ActID=2934&ChapAct=20%>

² <http://www.ilga.gov/legislation/ilcs/ilcs5.asp?ActID=1277&ChapterID=23>

In addition, the electric component of the Study will be used to identify the potential to achieve kWh goals specified in Illinois SB 1652. Section 8-103A requires identification of the energy efficiency potential by rate class absent the rate cap limitations specified in the Act.

Ameren Illinois seeks an experienced, motivated contractor who can achieve goals within budget while providing cutting-edge expertise, data collection, analysis, and presentation of the Study. More in-depth objectives for the DSM Potential Study include, but are not limited to the following:

DSM Potential Study Tasks

- Conduct market research to assemble data for the Ameren Illinois service territory, including: electric and natural gas end-use data, end-use saturation data, and customer demographics and psychographics.
- Understand how customers in the Ameren Illinois service territory make decisions related to their energy use and energy investment decisions.
- Develop Ameren Illinois specific market acceptance rates for energy efficiency for the June 2014 - May 2017 planning period that, when applied to economic potential, will yield realistic achievable potential.
- Propose a best practice strategy for collecting primary data. Assess and understand the load reduction potential and associated cost of the various tiers of DSM Potential which the above items dictate for the Ameren Illinois service territory: Technical, Economic, Achievable and naturally occurring potential.
- Among the universe of all available DSM measures, give particular attention to the subset of Ameren Illinois existing measures. Specifically highlight the potential of Ameren Illinois's current DSM programs, opportunities for improvement, and ways to get there from here.
- Employ updated baselines that reflect the latest federal, state, local codes and standards, and energy efficiency legislation, including, but not limited to the American Recovery and Reinvestment Act of 2009, the Emergency Economic Stabilization Act of 2008, Energy Independence and Security Act (EISA) of 2007, the National Appliance Energy Conservation Act (NAECA) of 2006, and the Energy Policy Act (EPACT) of 2005. Identify all known pending legislation that may also impact DSM potential.
- Clearly communicate the results of the Study Tasks in an objective way that is useful for Illinois Power Agency, Illinois Commerce Commission, Illinois stakeholders, Ameren Illinois senior management, Ameren Illinois energy efficiency staff, and Ameren Illinois DSM portfolio Implementers.

2 BACKGROUND

2.1 Ameren Illinois Utilities - Company Overview

Ameren Corporation is a large investor-owned utility covering large parts of Illinois and Missouri. The Figure below presents the divisions of the Ameren Illinois service territory, which cover Central and Southern Illinois. Ameren Corp. also operates Ameren Missouri over a large geographic area in Missouri. A breakdown of Ameren Illinois electric and natural gas customers is available in Tables 2 and 3.

Figure 1: Ameren Illinois Utilities Service Territory



Table 2: Ameren Illinois – 2010 Electric Customer Details

2010 Ameren Illinois Electric Customer Data ³			
Rate Class	Sales (MWh)	Peak (MW)	# of Customers
DS-1	12,215,685	3,338	1,063,219
DS-2	5,502,919	129	143,467
DS-3	4,628,240	905	4,086
DS-4	12,672,698	1,994	462
DS-5	341,707		
DS-1: Residential DS-2: Small Commercial (<150kW) DS-3: Commercial (150kW - 1000kW) DS-4: Commercial & Industrial (>1000kW) DS-5: Street Lighting			

Table 3: Ameren Illinois Utilities – Natural Gas Customer Details

2010 Ameren Illinois Gas Customer Data ⁴		
Rate Class	Sales (Therms)	# of Customers
GDS-1	588,442,776	745,120
GDS-2	183,317,070	67,169
GDS-3	86,009,190	1,647
GDS-4	498,100,301	399
GDS-5	22,469,905	194
GDS-7	245,059,396	4
GDS-1: Residential GDS-2: Small General GDS-3: Intermediate General GDS-4: Large General GDS-5: Seasonal GDS-7: Special Contract		

The geographic area served by Ameren Illinois has a diverse mix of electric-only customers, gas-only customers, combined electric and gas customers, as well as non-customers. Additionally, there is a diverse mix of urban versus rural customers.

³ Data from 2011 Load Research/Corporate Planning Group

⁴ Data from 2011 Load Research/Corporate Planning Group

2.2 Ameren Illinois Utilities - DSM Plan Overview

In November 2007, Ameren Illinois filed their first three-year electric DSM portfolio for residential, commercial, and industrial energy efficiency and demand response programs, in order to satisfy Section 8-103 of the Act.⁵ Ameren Illinois also implemented a voluntary gas energy efficiency program during this time. Ameren Illinois's gas and electric DSM 2008-2011 ("Plan 1") portfolios launched June 1, 2008 and ended May 31, 2011.

In September 2010, Ameren Illinois filed the second three-year electric DSM portfolio to satisfy the requirements of Section 8-103 and the first filing of a statutory gas energy efficiency Plan to satisfy the requirements of Section 8-104 of the Illinois Public Utilities Act, 220 ILCS 5/8-103, 220 ILCS 5/8-104. Ameren Illinois's DSM 2011-2013 ("Plan 2") portfolios launched June 1, 2011.

The Ameren Illinois current electric and gas DSM portfolio plan is shown in [Table 4](#) below for programs starting June 2011 and ending May 2014 as stated in the Compliance Filing. Contractors are encouraged to closely review the Ameren Illinois *Energy Efficiency and Demand-Response Plan* dated September 30, 2010, the compliance filing dated January 2011, and the resulting ICC Orders. (See Appendix E: Reference Materials.)

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Table 4: Ameren Illinois Utilities Total DSM Portfolio 2011-2013 exclusive of DCEO's responsibility

ENERGY EFFICIENCY	Incremental MWH Savings			Incremental Therm Savings		
	2011	2012	2013	2011	2012	2013
RES-Lighting	82,485	61,974	42,418	0	0	0
RES-Efficient Products	11,079	11,999	13,110	324,590	463,622	552,133
RES-HVAC	13,448	14,187	15,109	896,800	1,147,316	1,480,704
RES-Appliance Recycling	19,889	20,070	16,036	0	0	0
RES- Home Energy Performance	2,593	2,665	2,728	100,890	103,916	107,034
RES-New Construction	273	304	329	12,831	14,268	15,449
RES-Multi-family	4,874	5,217	5,285	247,126	290,831	313,078
RES-Behavioral Modification	21,705	21,705	21,705	664,527	664,517	664,517
RES-Moderate Income	1,732	1,774	1,800	64,850	66,795	68,899
RES-Voltage Optimization (DR pilot)	0	0	0	0	0	0
RES-TOTAL	158,078	139,895	118,521	2,311,593	2,751,267	3,201,714
BUS-Standard	41,476	33,498	29,740	1,145,345	1,306,813	1,429,883
BUS-Custom	55,620	54,490	50,648	189,043	210,919	223,281
BUS-RCx	3,309	3,196	3,019	5,654	5,002	4,651
BUS-New Construction	8,194	7,123	6,454	51,483	50,035	47,131
BUS-TOTAL	114,938	105,458	97,456	1,391,525	1,572,768	1,704,945
PORTFOLIO TOTAL	273,016	245,353	215,977	3,703,118	4,324,035	4,906,659

*Filed therm savings exceed Ameren Illinois statutory goal which is 1,881,446 for Y4, 3,762,892 for Y5, 5,644,338 for Y6.

⁵ Illinois Public Utilities Act. See sections 8-103 and 8-104:
<http://www.ilga.gov/legislation/ilcs/ilcs5.asp?ActID=1277&ChapterID=23>

These programs were all designed based on national best practices. The DSM portfolio as a whole is modeled to be cost-effective with a TRC above 1.0.

Current Situation

Section 16-111.5B of Illinois SB 1652 requires that Ameren Illinois “shall annually provide to the Illinois Power Agency by July 15 of each year, or such other date as may be required by the Commission or Agency, an assessment of cost-effective energy efficiency programs or measures that could be included in the procurement plan. The assessment shall include the following:

(A) *A comprehensive energy efficiency potential study for the utility’s service territory that was completed within the past 3 years.”*

It is essential that this potential study be completed in its entirety no later than December 17, 2012.

Ameren Illinois Electric DSM Portfolio

The Illinois electric energy efficiency legislation requires that electric utilities implement measures to reduce energy delivered by 0.2 percent in program year 2008 (June 1, 2008 through May 31, 2009), and continue to implement measures towards the target of 2.0 percent of energy delivered in program year 2015 (June 1, 2015 through May 31, 2016). Achievement of these targets is subject to a cost cap (or spending limit) of the greater of, 2.0% of the amount paid by retail electric customers for the year ending May 31, 2007, or an incremental annual increase of 0.5% per year of the amount paid by retail electric customers for the year ending May 31, 2007 through May 31, 2010. Under no circumstance is the amount paid by eligible retail electric customers to exceed the greater of 2.015% of the amount paid per kWh by those customers during the year ending May 31, 2007 or the incremental amount per kWh paid for these measures in 2011. Every three years beginning in November 2007, the utilities are to file plans with the Illinois Commerce Commission describing how these targets are to be met. In addition, the Act requires the Company to meet demand-response targets.

In 2011, the Illinois legislature passed SB 1652. The purpose of SB 1652 is to address electric infrastructure improvement/modernization and regulatory reform. Section 8-103A of SB 1652 requires the utility to provide an analysis of cost-effective measures that could be implemented absent the rate cap. The statutory requirements of Section 8-103A of SB 1652 state:

“(220 ILCS 5/8-103A)

Sec. 8-103A. Energy efficiency analysis. Beginning in 2013, an electric utility subject to the requirements of Section 8-103 of this Act shall include in its energy efficiency and demand-response plan submitted pursuant to subsection (f) of Section 8-103 an analysis of additional cost-effective energy efficiency measures that could be implemented, by customer class, absent the limitations set forth in subsection (d) of Section 8-103. In seeking public comment on the electric utility’s plan pursuant to subsection (f) of Section 8-103, the Commission shall include, beginning in 2013, the assessment of additional cost-effective energy efficiency measures submitted pursuant to this Section. For purposes of this Section, the term “energy efficiency” shall have the meaning set forth in Section 1-10 of the Illinois Power Agency Act,

and the term "cost-effective" shall have the meaning set forth in subsection (a) of Section 8-103 of this Act. (Source: P.A. 97-616, eff. 10-26-11.)"⁶

Ameren Illinois Gas DSM Portfolio

Being both a gas and electric utility and recognizing the benefits of an integrated dual fuel savings portfolio of services for its customers, Ameren Illinois received approval by the Commission for a voluntary gas energy efficiency plan on October 15, 2008 (Docket No. 08-0104) (part of Plan 1). Consistent with this philosophy, Ameren Illinois presented a Plan 2 in September 2010 and revised in January 2011, with a portfolio that integrated both electric and gas savings measures. That plan is shown in Table 4.

Sections 8-103 and 8-104 of the Act set forth electric and gas savings targets, spending limits, and other requirements for Plan 2. In addition, the Act requires Ameren Illinois to meet certain demand-response savings targets for the electric portion of Revised Plan 2. Table 4 of Revised Plan 2 summarizes these savings targets including gas targets and associated spending limits.

Illinois SB 1652 is not applicable to natural gas.

2.3 Summary of Solicitation

Ameren Illinois is issuing this RFP for the execution and delivery of a DSM potential study for electric and natural gas energy efficiency in their service territory for June 2014 through May 2017.

This contract is being competitively bid, and all Bidders will be required to submit a time and materials, "not to exceed" price bid.

Requested services are expected to commence by March 5, 2012 and be completed by December 17, 2012.

The following is a high-level overview of Ameren Illinois expectations for contractor's roles and responsibilities under this solicitation:

- Propose financial plan and budget.
- Propose and develop Study execution plan, timeline, and milestones.
- Implement and execute Study plan and deliver results within established timeline.
- Implement a system for quality control and verification of data and results.
- Communicate and coordinate with Ameren Illinois on a regular basis by preparing monthly progress reports.

⁶ Illinois Public Utilities Act, Section 8-103A <http://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=022000050K8-103a>

- Attend up to four stakeholder meetings in Illinois, and assist Ameren Illinois with stakeholder data requests and explanations as required. Special attention on stakeholder collaboration to be placed on:
 - Selection of measures to be screened
 - Process for estimating market acceptance rates for achievable potential
 - Process for estimating incremental costs for incremental increases in energy efficiency.
- Determine opportunities to collaborate with Ameren Illinois and ComEd DSM portfolio evaluators and potential study contractors to achieve budgetary, logistical, and methodological synergies (as appropriate).
- Coordinate the inclusion of measure values, to the extent possible, with the development of an Illinois Statewide Technical Reference Manual ("TRM") which will be completed by June 2012.
- Organize the results of the study in a format jointly agreed to by Ameren Illinois and the contractor.
- Provide the necessary regulatory support after the completion of the study, including but not limited to responding to data requests.

3 SCOPE OF WORK

The following section details the major task categories for the completion of the Study. Contractors are requested to discuss in detail their strategy to achieve the objectives of each task.

3.1 Task 1 – Market Research

Your proposal should address, but is not limited to, the following areas:

- Discuss your approach for obtaining market data for the Ameren Illinois service territory, including: electric and natural gas end-use data, end-use saturation data, and customer demographics and psychographics. Propose a best practice strategy for collecting primary data. Aside from that which will be available from the Evaluation work, Ameren Illinois does have pre-existing primary market data from its 2010 DSM Potential Study.
- Describe how you will acquire understanding of customer decision-making in the Ameren Illinois service territory regarding energy-use decisions. Discuss planned data collection methods such as, but not limited to:
 - Surveys: telephone, mail, on-site, Internet
 - Focus groups, live and Internet, one-time and persistent
- For data collection efforts, identify best practice confidence levels and confidence intervals you plan to implement.
- Introduce any related new and innovative ideas, as well as your proven best practice approaches from around the country that may be appropriate for Ameren Illinois.
- Identify expectations for data required from the Ameren Illinois customer information systems, metering systems, avoided energy cost forecasts, and other data sources.
- Compare/contrast the results of both the 2012 residential and business market assessments to the results of the Ameren Illinois market assessment completed in 2010.

3.2 Task 2 – Energy Efficiency Potential Analysis

Your proposal should address, but is not limited to, the following areas:

- Describe how you will measure, assess, and communicate the various tiers of Energy Efficiency Potential for both **electricity** and **natural gas** in the Ameren Illinois service territory: Technical, Economic, Achievable and naturally occurring potential. In other words, provide a summary of your proposed analytical steps to be used in the study.
- Among the universe of all available energy efficiency measures, give particular attention to the subset of Ameren Illinois existing measures. Specifically highlight the potential of

Ameren Illinois's current energy efficiency programs, opportunities for improvement, and ways to get there from here.

- Describe your research methodology for calculating the various levels of potential. Does it rely on specific databases? How will you estimate measure costs, savings, and expected useful lives? What methodology do you propose to move from economic potential to achievable potential?
- Describe the process that you will use for estimating baseline energy efficiency. Include a thorough discussion of how recent and anticipated federal, state, and local energy efficiency codes & standards and legislation influence the baseline estimate.
- Describe how you plan to identify and quantify naturally occurring energy efficiency.
- Discuss how you would reconcile and integrate energy efficiency potential with Ameren Illinois' load forecast assumptions for end-use efficiency improvements.
- Provide a brief overview of the software and data systems you propose to use for the analysis; capabilities, and examples of data fields used.
- Identify expectations for data required from Ameren Illinois.
- Specify the format for delivering the data to Ameren Illinois upon the completion of the study. It is important that these data be provided in a transparent format.

3.3 Task 3 – Costs to Achieve Incremental Energy Efficiency Load Reductions

Electric

- Generate energy efficiency achievable potential (“AP”) supply curves which clearly show the incremental cost of increasing energy efficiency efforts for each year of the study
- Incremental cost-effective energy savings and costs, are to be defined as follows (exclusive of those segments served by DCEO):
 - AP in aggregate for all rate classes
 - AP disaggregated by rate class
 - AP disaggregated by rate class by rate cap limits specified in the Act
 - AP disaggregated by rate class by 0.5% increments above rate cap limits all the way to the estimated limit of AP
 - AP disaggregated for the “bundled service” customer segment defined as “eligible retail customers” per the Illinois Public Agency Act and which are 150KW and below and not obtaining energy from alternate retail energy suppliers

Natural Gas

- Generate energy efficiency achievable potential (“AP”) supply curves which clearly show the incremental cost of increasing energy efficiency efforts for each year of the study

- Incremental cost-effective energy savings and costs, are to be defined as follows (exclusive of those segments served by DCEO and those large self-direct customers who have opted out of program participation):
 - AP in aggregate for all rate classes
 - AP disaggregated by rate class
 - AP disaggregated by rate class by rate cap limits specified in the Act
 - AP disaggregated by rate class by 0.5% increments above rate cap limits all the way to the estimated limit of AP

The development of realistic achievable potential supply curves at the program level by rate class and by year is the essence of this study. It is imperative that the successful bidder to this RFP clearly articulates the proposed methodology for developing the achievable program potential supply curves.

Note: Task 3 is the essence of this study. The results of Task 3 will be used to help the Company, Commission, and Legislature understand the realistic limits of Ameren Illinois achieving cost-effective load reductions. The final report on Task 3 will clearly state the following:

1. **The amount of realistic energy efficiency reductions given the rate cap limits specified in the Act for each year of the study.**
2. **The cost to achieve the Act’s annual statutory load reductions, assuming no rate cap limits, for each year of the study. If the annual statutory load reductions cannot be cost effectively achieved, clearly explain the reasons why.**
3. **Given the statutory rate cap limits, clearly identify the amount of incremental energy efficiency that can realistically be achieved assuming discrete increments of 0.5% rate cap increases all the way to the estimated limit of AP.**

3.4 Task 4 – Wasted Energy Potential

Your proposal should address, but is not limited to, the following areas:

- Define the term “wasted energy”.
- Describe how you will measure, assess, and communicate energy waste by electric and natural gas end use in homes and businesses by select end-use categories. In other words, provide a summary of your proposed analytical steps to be used in the study. We recommend that the end-use categories include:
 - Space heating
 - Space cooling
 - Water heating
 - Lighting
 - Electronics

- Refrigeration
 - Washers/Dryers/Dishwashers
 - Cooking
 - Computers
 - Other
- Describe how you will estimate achievable potential for annual load reductions attributable to the minimization of wasted energy.
 - Present best practices for utility sponsored programs to address customer behavior based wasted energy.

3.5 Task 5 – Final Report

Your proposal should address, but is not limited to, the following areas:

- Describe your approach to clearly communicate the results of the Study Tasks in an objective way that is useful for Illinois stakeholders, the Illinois Power Agency, Ameren Illinois senior management, Ameren Illinois energy efficiency staff, and Ameren Illinois DSM portfolio Implementers.
- Provide an outline or table of contents of your proposed final report.

3.6 Task 6 – Regulatory Support

Your proposal should address, but is not limited to, the following areas:

- Discuss your vision for holding up to four (4) workshops in locations to be determined in Illinois (most likely Chicago or Peoria) to build common understanding of key assumptions, analytical parameters, and Study results among relevant stakeholders. Also discuss your vision for interviewing select Ameren Illinois stakeholders prior to beginning the Study, in order to understand their expectations for the Study. The Illinois Power Agency is a stakeholder who will be using the results of this study for energy procurement purposes. The Illinois Stakeholder Advisory Group (SAG) is a number of parties interested in the status of energy within the State. Its members include the Illinois Attorney General's office, Illinois Commerce Commission Staff, the City of Chicago, Citizens Utility Board, Midwest Energy Efficiency Alliance, Environmental Law and Policy Center, the Department of Commerce and Economic Opportunity (DCEO), and other ratepayer, governmental, and environmental advocacy groups. The SAG meets periodically to share the status of the Illinois energy efficiency programs and shape their development in a collaborative manner.

- Describe your experience working with state power procurement processes, state commissions and commission staff, and stakeholder groups.

3.7 Task 7 – General Administration & Management

Contractors should describe their proposed approach for general management, budgeting, financial management, and reporting. This section should also cover the ways in which the contractor proposes to handle the required data, information technology, and reporting functions. This section should also include the approach to overseeing the performance of potential sub-contractors.

Please address, although you are not limited to, the following areas in your proposal:

- Describe the qualifications of your firm and any proposed sub-contractor in performing energy efficiency potential studies, including examples of similar studies conducted for other utilities.
- Discuss your approach and strategy for completing the DSM Potential Study, including a timeline Gantt chart, milestones, budgets, research methodology, data sources, and any other information deemed relevant.
- We expect to have biweekly project management calls and several face-to-face meetings throughout the project. What will be the systems and teams you will propose (e.g., design, technical review, project manager, etc.) to ensure coordination and effective decision making with Ameren Illinois personnel, Ameren Illinois DSM program implementation prime contractors, and Ameren Illinois evaluation prime contractors?
- Describe your staffing proposal for the Ameren Illinois Study, including an organizational chart, indicating staff name, title, and office location, and percent of FTE equivalent. Please provide details of who will be the overall day-to-day primary program manager and Ameren Illinois key contact. Describe proposed approaches for soliciting, selecting, and hiring staff or subcontractors to complete the Study. Discuss your approach to potential field operations, including anticipated number of field staff and/or office locations.

4 QUALIFICATIONS AND EXPERIENCE

Contractors are requested to describe their team's experience and capabilities in performing and delivering studies such as those requested in this RFP. Contractors must provide detailed information on their overall core team qualifications and experience, including the following:

4.1 Minimum Qualifications

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

- At least five years of experience with analysis and execution of similar types of energy efficiency potential studies.
- Demonstrated organizational, financial, and data processing and reporting abilities.
- Demonstrated commitment to quality and customer service.

4.2 Management Structure

In this section, contractors are requested to:

- Include a management and organizational chart that depicts the relationships and proposed agreements among team members (prime and subcontractors) to accomplish the tasks in the Scope of Work.
- Describe the business structure under which you typically operate (i.e., for-profit corporation, not-for-profit corporation, partnership, etc.). If a new organizational structure is planned by a contractor, that structure should be described fully and clearly.
- Contractors must clearly specify any anticipated subcontractors who will be used, roles, responsibilities, and proposed subcontractor mark-up percentage.

4.3 Qualifications and Experience

Please use this section to address your team's qualifications and experience, drawing on lessons learned and personal best practices. At a minimum, please address the following; adding additional information if it is deemed relevant:

Market Research

- Describe your experience and ability to develop region-specific electric and natural gas end-use data, end-use saturation data, and customer demographic and psychographic data.
- Discuss your experience in characterizing the decision-making process of consumers, particularly residential, commercial, and industrial consumers of energy.

DSM Potential Studies

- Describe previous experience performing DSM Potential Studies with other Utilities or Energy Initiatives.

Relevant Experience and Understanding

- Do you have previous experience working directly in Illinois or the Midwest as it relates to energy efficiency?
- What is your current understanding of the Illinois residential and business markets with regard to opportunities for energy efficiency? What opportunities and challenges do you anticipate, and how will you address them?
- Discuss your experience and lessons learned with other utilities in incorporating the results of such studies into the DSM planning process.

4.4 Resumes and Bios

Contractors are requested to identify key personnel to be assigned to this project, describe their primary responsibilities in a brief bio (1 paragraph), and include a one (1) page resume that describes the individual's experience and qualifications.

Resumes and bios should describe relevant responsibilities from other projects that will help the Ameren Illinois committee evaluate the qualifications and experience of key personnel.

4.5 Client References

Contractors are requested to provide up to four (4) references from current or recent clients for whom they have performed projects that are relevant to the Scope of Work. References should include a brief synopsis of specific services provided, company name and location, contact name, contact title, telephone number and, email address of the reference.

4.6 Disclosure

Contractors are requested to describe any potential conflict of interest that may be a factor which could potentially be grounds for rejection by Ameren Illinois. Specifically, contractors are requested to disclose if they have ever worked for any Ameren company directly or indirectly in the past; detailing briefly the year and activities undertaken. Previous experience working for Ameren Illinois is not necessarily a conflict of interest; however, it must be disclosed. Additionally, contractors are requested to disclose if they are a manufacturer of any hardware or software which they propose to use in the course of performing this assignment. If contractors have any questions, they are encouraged to seek clarification by submitting questions through the RFP website or contacting Bob Ferguson at Rferguson2@ameren.com.

4.7 Financial Information Requirements

Contractors are requested to demonstrate and verify that they have the financial resources and stability to perform the proposed work.

- Note any other related and pertinent financial information or disclosures that the contractor considers important.
- Specify any preferred or desired financial terms which will facilitate your firm's ability to respond to this RFP (e.g. – monthly billing, expect payment within X days, etc).

- A non-public or non-profit entity shall provide adequate information comparable to the information required above, that allows an assessment of financial status and capability.

5 BUDGET

5.1 Budget Submittal

Using the Budget Forms, bidders must provide labor and other direct costs by project task for services in the scope of work. Figures 2 and 3 show examples of the Budget Forms. See Appendix C: Budget Forms. **Bidders must submit budget data in a Microsoft Excel file provided as an attachment in the Ameren Oracle Sourcing Tool. Bid submissions that do not use this form may be disqualified by Ameren Illinois.**

To summarize, the following are the budget submittal requirements:

- The completed Excel budget must be submitted as a separate file. Please include Bidder Name in the file name.
- The budget tables must be “pasted” into the proposal document as part of Section 5.

Figure 2: EXAMPLE Budget Form 1: Staffing and Rates

Job Title	Employee Name	Prime or Sub-Contractor	Billing Rates \$/hour
President	John Smith	Prime	\$ -
Project Manager	Jane Doe	Prime	\$ -
Engineer	Glenn Person	Prime	\$ -
Title 1	Person 1	Prime	\$ -
Title 2	Person 2	Prime	\$ -
Title 3	Person 3	Sub	\$ -
Title 4	Person 4	Sub	\$ -
Title 5	Person 5	Sub	\$ -
Additional staff rows as needed			
Markup (percent) on subcontractor labor and materials/directs:			10%
Markup (percent) on prime contractor materials/directs:			5%

Figure 3: EXAMPLE Budget Form 2: DSM Potential Study Budget

Implementation Service Fees

Please complete the pricing table below for fees related to your firm's implementation services

Please note the following:

- White (clear) cells are header information, require no input for your response, and are locked.
- Blue cells contain formulas that add or multiply your inputs. They require no input for your response, and are locked.
- Gold cells require input and are not locked. Please clear the examples provided before adding inputs in these cells.
- This spreadsheet extends from cell A13 to N46.

Company Name:

*Time and Materials by craft			Project Tasks Estimated Hours							Total Hrs	Est. Fees (\$)	Expenses (\$)	Total Not to Exceed Estimate (\$)
Billing Title	Name	Billing Rate (\$/hr)	Market Research	DSM Potential Analysis	Wasted Energy	Final Report	General Admin & Mgmt	Other	Other				
President	Joe Smith	\$ 150.00	100						50	150	\$ 22,500.00	\$ 1,000.00	\$ 23,500.00
Proj Manager	Bob Jones	\$ 35.00	200	200	200	200	200	200	200	1400	\$ 49,000.00	\$ 500.00	\$ 49,500.00
Engineer	Sally Smith	\$ 90.00		50			50			100	\$ 9,000.00	\$ 200.00	\$ 9,200.00
Title 4		\$ -								0	\$ -		\$ -
Title 5		\$ -								0	\$ -		\$ -
Title 6		\$ -								0	\$ -		\$ -
Title 7		\$ -								0	\$ -		\$ -
Title 8		\$ -								0	\$ -		\$ -
Title 9		\$ -								0	\$ -		\$ -
Title 10		\$ -								0	\$ -		\$ -
Totals			300	250	200	200	250	200	250	1,650	\$ 80,500	\$ 1,700	\$ 82,200

Please provide any assumptions, clarifications, or comments below.

6 ESSAY QUESTIONS

Concisely address the following questions with an essay response.

1. Discuss your strategies for completing thorough but efficient market assessments and potential analyses for both electric and natural gas measures by December 17, 2012 using Ameren Illinois specific primary market research data. Discuss the type(s) of survey instruments you think are appropriate for this study.
2. The estimation of realistic achievable program potential by assigning discrete market acceptance rates by rate class for each year of the study is a critical component of this engagement. Discuss in detail how you will accomplish this task. It would be helpful to cite the approaches you may have taken for similar work that you have successfully completed for other clients.
3. Do you think DSM Potential studies with a start date of 2012 should have meaningfully different estimates of realistic achievable potential relative to prior studies that may have been completed in the 2009-2010 timeframe. Why?
4. Discuss in detail how you will both identify and quantify naturally occurring energy efficiency
5. How common is an assessment of wasted energy in DSM Potential studies? Discuss the pros and cons of attempting to quantify wasted energy.
6. What experience does your firm have testifying in rate cases and regulatory environments?
7. What experience does your firm have with collaborating with multiple stakeholders and contractors in statewide initiatives and environments, particularly in terms of leveraging similar surveys, data collection, methodology and reporting?
8. Discuss how you will account for energy efficiency measures with dual fuel savings in this study. Describe your approach to count electric savings versus natural gas savings.
9. Ameren Illinois's service area is diverse in terms of electric-only customers, gas-only customers, combined electric and gas customers, and non-customers. It is also diverse in terms of rural versus urban customers. Discuss strategies to deal with these challenges during your data collection and potential analysis.
10. List all mergers and acquisitions involving your company over the past 3 years. Provide the name(s) of all entities involved and any key personnel that were added or lost in the transaction.

7 GENERAL CONDITIONS AND TERMS

7.1 Intent to Bid

Potential bidders are encouraged, but not required, to submit a notification of intent to submit a proposal in response to this RFP. This information helps Ameren Illinois administer the RFP. Bidder's notice of intent to bid should be submitted according to the RFP Time Frame (See Section 7.5) using the *acknowledge participation* option found on Ameren's strategic sourcing web site. Instructions and assistance can be provided by calling the Help Desk at 1-877-418-3591.

Ameren will post on the RFP web page the names and contact information of firms that have requested to register on Ameren's strategic sourcing website, unless a firm requests otherwise. The names and contact information of registered firms that have not elected to opt out will be posted shortly after the bidder's conference call. Posting of interested firms can facilitate teaming arrangements by making the parties known to each other.

For those bidders not receiving this RFP through the Ameren Sourcing Tool, please respond to Bob Ferguson at Rferguson2@ameren.com with your intent to participate. Complete and return page 1 only of the Supplier Information Form in the following link provided with your intent to submit a proposal: <http://www.ameren.com/BusinessPartners/Suppliers/Documents/AmerenSupplierInformationForm.pdf>

Upon receipt of this information you will be granted access to Ameren Oracle Sourcing referenced above. Follow the instruction above for further participation.

7.2 Bidders' Conference Call

Contractors are encouraged, although not required, to participate in a bidder's conference call. The conference call will provide interested firms with an opportunity to seek clarification on the requirements of the DSM Market Potential Study RFP. Following are the schedule and instructions for the conference call:

Date:	Monday, January 23, 2012
Time:	11:15 am (Central Time)
Call-In Number:	(314) 554-4004
Conference ID:	64745673
Passcode:	8959

7.3 RFP Questions, Inquiries, and Clarifications

Any questions or other inquiries from your firm concerning this RFP should be submitted using the Oracle Sourcing Tool. If clarifications to this RFP become necessary as a result of questions from your firm or other firms, such clarifications will be issued by Ameren to all firms who received the RFP via the Oracle Sourcing Tool (<https://ebusiness.ameren.com>). It is your firm's responsibility to check the site

periodically for questions and Ameren's responses. The Oracle Tool does not issue email notifications when a question or response is posted. In the event the Oracle Sourcing Tool is unavailable to you at the time of a question or submission, please contact Bob Ferguson at 314-554-3945.

7.4 RFP Due Date

All proposals must be received no later than 4:00 PM Central Time on: **Friday, February 10, 2012**. All proposal documents should be electronically submitted through the Oracle Sourcing Tool at <https://ebusiness.ameren.com>.

Ameren Illinois reserves the right to reject as non-responsive any proposals that do not contain the information requested in this RFP. Late proposals will be rejected. Ameren Illinois is not liable for any costs incurred by any person or firm responding to this RFP or participating in final interviews.

7.5 RFP Time Frame

Ameren Illinois anticipates the following dates in connection with review and analysis of qualified proposals:

Day	Date	Activity
Monday	January 11, 2012	Issue RFP
Friday	January 20, 2012	RFP questions no longer accepted after NOON CT
Monday	January 23, 2012	Bidders' conference call
Tuesday	January 31, 2012	Intent to bid due
Friday	February 10, 2012	Proposals due at 4:00 PM CT
	February 13 – March 1, 2012	Vendor meetings scheduled as necessary
Friday	March 2, 2012	Tentative award completion
Monday	March 5, 2012	Anticipated contractor start date
Monday	December 17, 2012	Anticipated completion of scope of work (9 months)

7.6 Proposal Response Format

Your proposal must be prepared in accordance with the format and instructional requirements of this RFP. Your proposal should provide a concise explanation of your firm's ability to satisfy the requirements of this RFP, with emphasis on completeness and clarity of content. **INCOMPLETE PROPOSALS OR PROPOSALS THAT ARE NOT PREPARED IN ACCORDANCE WITH THIS RFP MAY BE REJECTED AND RETURNED TO THE BIDDER.** Ameren Illinois reserves the right to request additional information from any bidder submitting a proposal.

As outlined in Appendix A “Required Proposal Checklist,” proposals must adhere to the following format:

- Proposal cover
- Signed cover/transmittal letter
- Table of Contents (include proposal date and page numbers on each page of proposal)
- Completed Proposal Checklist (see Appendix A for format)
- General Company Information (see Appendix B for format)
- Executive summary
- Scope of Work and Schedule
- Staffing plan
- Qualifications and Experience
- Budget
- Exceptions to contract terms (as needed)
- Disclosures (as needed)
- Appendix - Resumes (1 page per resume)
- Separate Microsoft Excel file with budget
- Separate signed Services Agreement (unless exceptions to contract terms offered)

7.7 Proposal Evaluation

Ameren will evaluate each firm's proposal in a consistent and objective manner. Responses to questions or requirements identified in this RFP will form the primary basis of the evaluation. Finalist(s) will be invited, as necessary, to present their proposal(s) to the Ameren evaluation team. Ameren's final decision regarding proposal selection and contract award will be subject to management and legal review and approval.

Ameren Illinois will evaluate all proposals using the following process:

Step 1: Threshold Review

To pass this step of the selection process, proposals must contain all the required elements. The bidder will also have demonstrated that there are no legal claims/judgments that would create a potential conflict for the bidder's performance.

Step 2: Evaluation Criteria

At this step, eligible bids will be reviewed and scored based on the submitted proposal. Evaluation criteria will include:

- Technical Approach
- Organization and Management Capability
- Cost

Step 3: Interview

Top-ranked bidders may be invited to an interview. Presentations and answers to reviewer questions are scored. Criteria will include:

- Quality of Presentation
- Interaction and cohesiveness of the team
- Responses to questions

Note that the Ameren Illinois reserves the right to forego this step should a single proposal be ranked in Step 2 of the selection process as clearly superior to others.

Ameren Illinois will rank contractor proposals using a percentage weighted system. Each section is given a percentage weight, and within each section, individual items have been ordered according to their importance to Ameren. See Table 5. Each proposal will be reviewed, discussed, and scored individually. References may be called for additional perspective.

Table 5: RFP Evaluation Criteria / Scoring Matrix

	Weighted Percent
Part A: Technical Approach	40%
1. Proposed research and data gathering methods	
2. Analysis design, implementation, and administration strategy	
3. Best practice, innovation, & likelihood for success in proposed technical approach	
4. Time to implement/deliver programs	
Part B: Organizational and Management Capability	35%
1. Demonstrated competence and experience	
2. Management structure & references	
Part C: Cost	25%
1. Material costs	
2. Labor costs	
3. Ability to achieve goals within budget	
Total	100%

7.8 Contract Award

Following the review of all qualified proposals, Ameren will notify each bidder regarding the desire to conduct (or not conduct) further negotiations with their firm. Any acceptance of a proposal is contingent upon the execution of a written contract and Ameren shall not be contractually bound to any bidder prior to execution of the contract.

7.9 Services Agreement

Ameren is including its typical Services Agreement for your review. A ***list of exceptions to this document should be returned with your response***. The Agreement is included as an attachment in the Oracle Sourcing Tool (See Appendix D). The specific Services Agreement and Statement of Work will be negotiated with the finalists to reflect the terms and conditions of the agreed upon solution.

7.10 Modification of Request for Proposal

After the analysis of proposals submitted in response to this RFP is completed, Ameren reserves the right to modify the requirements and terms of this RFP. Ameren may also request resubmission of some or all items from some or all of the initial bidders.

7.11 Proposal Validity

Your electronic copy proposal must be electronically signed by an authorized official of your firm and shall remain valid for a period of 120 days beyond the proposal due date.

7.12 Disclaimers

Bidder is hereby advised that Ameren is not committed to any course of action as a result of its issuance of this RFP and/or its receipt of a proposal from any bidder in response to it. Further, Ameren reserves the right to:

1. Reject any proposal which does not conform to instructions and specifications which are issued herein;
2. Not accept proposals after the stated submission deadline;
3. Reject any or all proposals, if it so decides;
4. Negotiate with one or more firms;
5. Award a contract in connection with this RFP at any time;
6. Award only a portion of the contract; or
7. Make no award of any contracts;
8. Maintain current vendor arrangements;
9. Introduce new pricing mechanisms such as unit based or lump sum bidding at any future time;
10. Implement EDI, XML, or other electronic billing processes at any future time. Further, Ameren expects selected bidders to have electronic billing capability.

Provisions for payment for any additional work or changes in the scope of the work shall be mutually agreed upon at the time the Provider is requested to perform additional work or change the scope of the work.

Ameren explicitly reserves the right to contract with a Vendor for reasons other than the lowest price. Ameren will not reimburse any bidder for any proposal preparation costs or other work performed in connection with this RFP.

7.13 Disclosure and Confidentiality Terms

The information contained in this RFP (or accumulated through other written or verbal communication) is confidential. It is for proposal purposes only and is not to be disclosed or used for any other purpose. Information received in response to this RFP will be held in strict confidence and not disclosed to any party, other than Ameren and its agents, without the express written consent of the bidder.

APPENDIX A: REQUIRED PROPOSAL CHECKLIST

Request for Proposals for DSM Market Potential Study		
The Ameren Illinois Utilities		
REQUIRED PROPOSAL CHECKLIST		
Bidder Information		
Name of Bidder:		
Contact Name:		
Contact Phone:		
Contact Email:		
Proposal Checklist & Locator	Included	Section/Page
Proposal Cover		
Signed cover/transmittal letter		
Table of Contents (include proposal date and page numbers on each page of proposal)		
Completed Proposal Checklist (see Appendix A for format)		
General Company Information (see Appendix B for format)		
Executive summary		
Scope of Work and Schedule		
Staffing plan		
Qualifications and Experience		
Budget		
Exceptions to contract terms (as needed)		
Disclosures (as needed)		
Appendix - Resumes (1 page per resume)		
Separate Microsoft Excel file with budget		
Separate signed Services Agreement (unless exceptions to contract terms offered)		

APPENDIX B: GENERAL COMPANY INFORMATION FORM

Company Information	
Company Name:	
Street Address:	
City:	
State:	
Telephone:	
Website:	
Prime bidder office location for this project:	
Contact Information	
Contact Name:	
Title/Position	
Telephone:	
Email:	
Address:	
Business Information	
Nature of Business:	
Ownership (LLC, corporation, etc) :	
Years in Business:	
2009 and 2010 Annual Revenues:	
Parent Company (if any):	
Affiliates (if any):	
Subsidiaries (if any):	
For Profit / Non-Profit Status:	
Management Information	
List of Company's Controlling Personnel	
	<i>Add rows as needed</i>
Prime Bidder Staffing Information	
Total No. Permanent Employees:	
Teaming Information	
Subcontractor Name / Principal Role (list all proposed)	Subcontractor Location (City/State)
	<i>Add rows as needed</i>

APPENDIX C: BUDGET FORMS

See attachment for both Budget Forms.

APPENDIX D: SERVICES AGREEMENT

Services Agreement is included as an attachment in the Oracle Sourcing Tool.

APPENDIX E: REFERENCE MATERIALS

Included as attachments in the Oracle Sourcing Tool:

All respondents should read and use relevant information from the following documents when preparing their bids. The documents are located on the Ameren Illinois Evaluation RFP website for downloading.

1. **Sections 8-103 and 8-104 of the Illinois Public Utilities Act (220 ILCS 5)**. Law that mandates Energy Efficiency targets for Illinois Utilities.
<http://www.ilga.gov/legislation/ilcs/ilcs5.asp?ActID=1277&ChapterID=23>
2. **Ameren Illinois Electric and Gas Energy Efficiency and Demand-Response Plan (Compliance Filing)** dated January 20, 2011. This detailed plan includes descriptions of the Energy Efficiency programs and implementation approaches for the two portfolios. Ameren Illinois has flexibility to change portfolio programs. These descriptions are subject to change based on input from the Implementation Contractors and the Evaluators.
<http://www.icc.illinois.gov/docket/files.aspx?no=10-0568&docId=160813>
3. **Ameren Illinois Docket #10-0568 Order** dated December 21, 2010. This document

details the evaluation framework, in addition to what was provided in this RFP. The sections titled Commission Analysis and Conclusions provide the directives for the Ameren Illinois Plan. <http://www.icc.illinois.gov/docket/files.aspx?no=10-0568&docId=159818>

4. **Ameren Illinois Docket #10-0568 Order on Rehearing** dated May 24, 2011. This document provides clarifications of Order language pertaining to the statewide TRM (must be completed prior to the start of Plan 3) and confirming the use of the NTG framework. <http://www.icc.illinois.gov/docket/files.aspx?no=10-0568&docId=167031>
5. **Illinois Public Utilities Act.** Laws governing the procurement process. Includes definitions of eligible retail customer and total resource cost test. <http://www.ilga.gov/legislation/ilcs/ilcs5.asp?ActID=1277&ChapterID=23>
6. **Illinois Senate Bill 1652, Sections 8-103A and 16-111.5B.** Provides requirements for assessment and potential study data for energy efficiency plans and procurement plan. <http://www.ilga.gov/legislation/BillStatus.asp?DocNum=1652&GAID=11&DocTypeID=SB&SessionID=84&GA=97>

APPENDIX F: SUPPLIER DIVERSITY

Please respond to Appendix F as it applies to your company and its subcontractors. See [Appendix F Attachment.xlsx](#) for more information. If this does not apply to your company, exclude the attachment from your submission.