

**DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
(CSD)**

LOW-INCOME WEATHERIZATION PROGRAM (LIWP)

FOR

**SINGLE FAMILY ENERGY EFFICIENCY (EE) AND
SOLAR PHOTOVOLTAICS (PV) SERVICES**

REQUEST FOR INFORMATION

2016-RFI-45



State of California
Department of Community Services and Development
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I. PURPOSE OF REQUEST FOR INFORMATION (RFI) AND PROGRAM INFORMATION

The Department of Community Services and Development (CSD) invites interested parties to provide information to expand the single family Low-Income Weatherization Program (LIWP). The program is funded by the State of California Climate Investments (CCI). In 2012, the Legislature passed and Governor Brown signed into law three related bills—Assembly Bill (AB) 1532 (Perez, Chapter 807), Senate Bill (SB) SB 535 (De Leon, Chapter 830), and SB 1018 (Budget and Fiscal Review Committee, Chapter 39). Among other things, these bills mandate a portion of the State’s Cap-and-Trade auction proceeds be invested to benefit disadvantaged communities. These investments also further the goals of the California Global Warming Solutions Act of 2006 (AB 32)¹. LIWP’s primary focus is to reduce greenhouse gas (GHG) emissions and provide co-benefits to California’s disadvantaged communities on a cost-effective basis.

Installation of energy efficiency measures presents the lowest-cost approach to significant pollution reduction and has the potential for generating good paying jobs within the disadvantaged communities. Your feedback on alternative strategies for energy efficiency retrofits and service delivery models will be considered by the Department as it gears up LIWP planning activities for the next two fiscal years.

The information sought through this RFI is to be used for planning purposes only. The objective is to survey the marketplace for not only ‘who is out there’ that can provide energy efficiency and solar photovoltaics (PV) services to CSD, but also ‘what else can be reasonably done to achieve significant GHG reductions’ in the single family housing sector. This document is accompanied by an online informational survey that gauges the breadth and depth of the pool of potential contractors in order to determine the scope of the necessary technical experience and production capability needed to assist CSD in the implementation of LIWP.

This is not a procurement, and respondents will not, on the basis of this request, be excluded or included with respect to any future Request for Proposals (RFP) associated with LIWP. Information provided by respondents may be used to compile a list of interested parties for purposes of communication and to solicit additional input pertinent to program implementation and related procurement matters.

¹ AB 32 (Nunez, Chapter 488, Statutes of 2006) established California as a global leader on reducing greenhouse gases and prescribes a comprehensive and long-term approach to addressing climate change in a way that aims to improve the environment and natural resources while maintaining a robust economy. The bill mandated the return of state GHG emissions to 1990 levels by the year 2020.

A. Department Background

CSD is a state department under the California Health and Human Services Agency (CHHS). Its mission is to reduce poverty by leading the development and coordination of effective and innovative programs for low-income Californians. CSD partners with a network of private, non-profit and local government organizations that are dedicated to improving their communities by helping low-income residents achieve and maintain self-sufficiency, better manage their home energy needs and reside in housing free from lead-based paint hazards. More information about CSD and its programs is available at <http://www.csd.ca.gov/>.

B. Low-Income Weatherization Program (LIWP)

CSD received an initial appropriation of \$75,000,000 from CCI funds in Fiscal Year (FY) 2014-15, for the launch of LIWP, which was allocated across three program sub-components as follows:

1. Single-Family (SF)/Small Multi-Family (SMF) Energy Efficiency and Solar Water Heating (\$24 million) – funds the installation of cost effective energy efficiency measures² in low income housing;
2. Single-Family Solar Photovoltaics (PV) (\$22.3 million) – provides rooftop solar PV systems to qualifying low-income single family households; and
3. Large Multi-Family (LMF) Energy Efficiency and Renewables (\$24 million) – provides energy efficiency upgrades and renewable energy systems, such as solar PV and solar water heating systems, to large low-income multi-family buildings with 20 or more separate housing units.

All LIWP services are being provided to dwellings located in census tracts (CT) identified as targeted “disadvantaged communities” (DACs). These DACs were designated to be critically challenged on a variety of environmental and poverty indices by the California Environmental Protection Agency (CalEPA) using the CalEnviroScreen 2.0 scoring tool.³

CSD currently utilizes its existing network of non-profits and local government organizations for the local administration of its SF/SMF Energy Efficiency and Solar Water Heating program services under LIWP. Under the current program model, direct project costs are estimated at \$3,000 for each SF dwelling but costs may vary depending on future program design.

² See **Attachment B** for a complete list of current LIWP-SF Energy Efficiency (EE) measures.

³ See **Attachment A** for a map of disadvantaged communities. A complete description of CalEnviroScreen 2.0 is available at: <http://oehha.ca.gov/ej/pdf/CES20Finalreport2014.pdf>.

Recently, CSD expanded the network of service providers to include other non-profit organizations to support the administration of its LMF Energy Efficiency and Renewables and SF Solar PV program services. They are the Association for Energy Affordability, Inc.; GRID Alternatives; and the Fresno Economic Opportunities Commission-led consortium for a Solar PV Pilot. RFI respondents could view these organizations as recent examples of innovation in LIWP service delivery models.

This RFI offers interested parties the opportunity to indicate interest in partnering with CSD to reduce GHG emissions and poverty. It is also an opportunity for those with expertise in either energy efficiency policies or building science concepts to bring to our attention innovative design concepts that will better align services with the needs of the targeted low-income communities.

C. Funding

Under State Fiscal Years 2014-15 and 2015-16, CSD received a total of \$145 million in local assistance funding for LIWP.

CSD is contemplating methods for awarding approximately \$45 – \$55 million of its FY 2015-16 appropriation, as well as potential funds that may be appropriated by the next 2016-17 State Budget Act, through a future RFP.

The table below describes potential LIWP funding levels to demonstrate the proposed scale of the SF EE and Solar PV program components over a two year period starting from July 2016 through to June 2018.

Funding	Estimated Households to be served by LIWP
2015-16 Funding Pending Allocation: SF Energy Efficiency (EE): \$30-\$40 million SF Solar PV: \$15 million	SF EE: 10,000 households SF Solar PV: 750 households
2016-17 Projected Budget: SF EE \$ 24 million SF Solar PV: \$10.5 million	SF EE: 7,500 households SF Solar PV: 500 households

II. LIWP OBJECTIVES

LIWP was established to reduce GHG emissions by increasing energy efficiency in low-income residential housing by installing energy efficiency retrofits and solar renewable energy systems. Currently, all LIWP-funded projects are within disadvantaged community areas as defined by the CalEnviroScreen 2.0 tool developed by the CalEPA Office of Environmental Health Hazard Assessment.

Additionally, LIWP has a secondary goal of delivering important co-benefits to disadvantaged communities that include, but are not limited to, workforce training and employment, monetary savings from reduced energy bills, and health and safety improvements to homes to further optimize GHG returns and service benefits to disadvantaged communities from California Climate Investments. In addition to these co-benefits, fund leveraging has a multiplying effect in stimulating the economy in the DACs.

These underlying principles are the foundation of LIWP, though the mechanics of delivering on these principles are open to innovation.

III. RFI-45 PRIORITIES

CSD elected to leverage its existing federal weatherization program infrastructure and funding to implement LIWP with its initial appropriation of CCI funds. However, for new CCI funding appropriations, CSD is considering the development of a stand-alone program with the flexibility and capacity to evolve and expand as necessary. As such, CSD is interested in exploring program design options that encompass new methods of delivering energy efficiency services to low income communities.

This Request for Information (RFI) encourages respondents to share their ideas on tactical ways of streamlining services as well as their vision for how service delivery may work. Feedback received will form the basis of stakeholder engagement in future.

Below is a brief summary of specific program design and implementation concepts that are being considered by CSD for enhancement through this RFI process. Respondents are encouraged to address and critique the following:

A. Contracting

Traditionally, CSD enters into service agreements with local government and community-based organizations for the administration of funds and services to a specified service region or community. Local administration typically encompasses responsibilities that include, but are not limited to, all aspects of program implementation - outreach and marketing, service delivery, reporting, building effective partnerships, maintaining local oversight over program operations and providing stewardship of awarded funds.

An alternative contracting model would involve CSD contracting for specialized services, i.e., retaining primary responsibility for the provision of services to a service region such as marketing, outreach, technical consulting/ support, workforce development, construction management or high volume production.

Respondents are being asked to weigh in on the merits of these alternatives and to discuss how the service delivery model options can be streamlined for targeted coverage and widespread distribution of services within the DACs. However, CSD does appreciate that each geographic area has its unique challenges and so welcomes your ideas, or proven solutions, to address them.

Input received from respondents, will help inform CSD decision-making on future program implementation methods and mold CSD solicitation for future LIWP contracting opportunities.

B. Integrating Energy Efficiency and Renewable Energy Services.

Currently, single family energy efficiency services and solar PV are two separate and distinct programs, resulting in some duplication of effort. CSD is interested in exploring methods to streamline both the administration and offerings of both these services to eligible households.

While CSD appreciates that there are fundamental differences between energy efficiency activities and solar PV services with respect to service delivery, the required technical expertise and capacities of contractors, as well as differences in program support requirements, it would like to explore the benefits of merging the two program components into a unified program structure to streamline delivery of both services to eligible beneficiaries and dwellings.

Share your views on how this may be achieved cost effectively so money spent on direct program activity is optimized and duplication of support activities is reduced.

C. Regionalization.

Typically most CSD service agreements have been awarded on the basis of county allocations, so the service territories of providers tend to correspond to county boundaries. However, because of the geographical distribution of DACs, varying climatic conditions from area to area, economies of scale, varying production costs and other factors, it may be desirable to organize “service areas” on a regional basis to enable contractors to focus their efforts and specialize geographically, if they choose. That said, if reasonable alternative business solutions are provided that support high production on a cost effective basis, they will be considered by CSD. Accordingly, a service provider may choose to serve multiple regions or, for that matter the entire state for all, or selected, LIWP service components.

Any Regional Administrator would ideally be a community-builder, bringing together organizations large and small to ensure that qualifying low-income people in the region know about and have an opportunity to participate in the program. Depending on the characteristics of the region, the Administrator would need to successfully reach out to diverse languages and cultures, both urban and rural customers, and clients with a wide range of income, from extremely poor to working poor.

Because it would likely strain the capacity of any one service provider to do this alone, CSD anticipates partnerships, or even consortia, may form an important part of any Regional Administration model.

While no final decision has been made about the regional approach or about the geographical configuration of possible regions, the county groupings described below may help inform respondents of contemplated needs and opportunities.

The DACs include 1,993 individual census tracts distributed among 29 counties, with a total population of 5.1 million at or below 200% of the federal poverty level. Potential regional groupings of these counties are listed below for energy efficiency and solar PV services for context along with the number of qualifying DAC census tracts currently eligible for LIWP services, and poverty population data. Illustrative allocations from the FY 2015-16 appropriations^[1] are added for each region to provide respondents with an understanding of relative scale and scope of the potential offering. Final allocations will be based on programmatic considerations; capacity levels identified in part by responses to this RFI; and future appropriations.

- **Region 1, Northern California:**
Butte (3), Sacramento (43), Tehama (1), Yolo (3) and Yuba (3).
 - Total DAC census tracts (CT): 53
 - Poverty population: **138,821**
 - Estimated allocation: \$1.2 million - \$1.5 million

- **Region 2, San Francisco Bay Area:**
Alameda (32), Contra Costa (23), Monterey (7), San Francisco (3), San Mateo (2), Santa Clara (23), Santa Cruz (1) and Solano (2).
 - Total DAC CT: of 93
 - Poverty population: **211,562**
 - Estimated allocation: \$1.9 million - \$2.3 million

- **Region 3, Central Valley:**
Fresno (131), Kern (73), Kings (14), Madera (13), Merced (36), San Joaquin (64), Stanislaus (50), Tulare (50).
 - Total DAC CT: 431
 - Poverty population: **1,283,447**
 - Estimated allocation: \$11.2 million - \$13.8 million

- **Region 4, Los Angeles Metropolitan:**
Los Angeles (1,018), Santa Barbara (1), Ventura (8).

^[1] Regional allocations are for illustrative purposes only and may not represent final regional allocations.

- Total DAC CT: 1,027
- Poverty population: **2,350,373**
- Estimated allocation: \$20.6 million - \$25.2 million

- **Region 5, Southern California:**
 - Imperial (13), Orange (86), Riverside (104), San Bernardino (160), San Diego (26)
 - Total DAC CT: 389
 - Poverty population: **1,114,702**
 - Estimated allocation: \$9.8 million - \$11.9 million

Respondents are encouraged to share their ideas on how delivery of services can be optimized across these regions and demonstrate how viable options may equitably provide services to benefit the top 25% of California's most disadvantaged communities.

D. Workforce Development

CSD is committed to supporting job creation within the disadvantaged communities to spur economic development and self-sufficiency. Since planning is for the next two fiscal years, and production is anticipated to be scaled up significantly, respondents are being asked to share their vision of robust hiring and/or workforce development that results in jobs. Options under consideration include and are not limited to, regional full time placements, limited term placements, part-time jobs, professional development of DAC hires, professional development and placement of the long term unemployed⁴, establishing branch offices in the DAC, hiring of veterans, hiring of sub-contractors located in the DAC, and other strategies such as utilizing volunteers for marketing and outreach, translations, clerical work, client service, etc.

Respondents are encouraged to share their ideas on job creation strategies for a two year funding timeframe.

E. Competitive process and contractor eligibility

CSD is committed to the competitive process for its LIWP procurements. In order to obtain optimal program outcomes and results, the procurement process will consider program design and the capabilities, capacities, and availability of qualified contractors and other productive resources. While cost and competitive bidding are likely to figure prominently into any procurement process, contractor experience and proven expertise, specifically in providing services to disadvantaged communities will also weigh heavily upon the selection process and the ultimate program design considerations.

It is anticipated that some form of Request for Proposals (RFP) will be employed in the selection process.

⁴ Long term unemployed – refers to individuals that have been unemployed for over six months.

IV. REQUIREMENTS FOR RESPONSE AND SUBMISSION PROCEDURE

Respondents are requested to complete the 2016-RFI-45 informational survey, which may be accessed by using the link below.

<https://www.surveymonkey.com/r/CSD2016-RFI-45LIWPSurvey>

The survey provides respondents the opportunity to indicate their interest in the program. Respondents, particularly those interested in becoming Regional Administrators, have the option of submitting a more comprehensive narrative response by e-mail. However if additional information or suggestions are being sent to CSD please follow the submission procedures described below.

Submission Procedure

1. All respondents are being requested to submit their responses to CSD's informational survey "online" by using the above link. Completing the Informational Survey will be deemed as being fully responsive to the 2016-RFI-45.
2. Respondents opting to send any additional input are requested to e-mail their submittals to CSD. E-mail all submittals to Kavita.Dorai@csd.ca.gov.

Please ensure that the following information is included on the cover page of the attachment or in the text of the e-mail if the email has no attachments:

- a. Title: "Response to RFI: Single Family Energy Efficiency and Solar PV Services"
- b. Company name and address
- c. Name of contact person concerning response
- d. Contact telephone
- e. Contact e-mail

To be deemed responsive, the surveys (and any submittals) must be returned to CSD by **5:00 p.m. on Wednesday March, 30, 2016**. Responses sent after this deadline will not be included in the review process.

Those who are simply interested in staying posted on future LIWP developments, and not participating in the Informational Survey, may sign up for periodic e-mail alerts using the link: <http://www.csd.ca.gov/Services/LowIncomeWeatherizationProgram.aspx>

V. EVALUATION PROCESS

This announcement constitutes an RFI for planning purposes only, i.e., no procurement award will be made on the basis of responses received. Service provider selection will be

based on a subsequent RFP/competitive bid process, based on information gathered by CSD through this RFI and other inquiries and undertakings.

We welcome any additional comments or suggestions about LIWP and this process. Thank you for your interest in reducing GHG emissions.

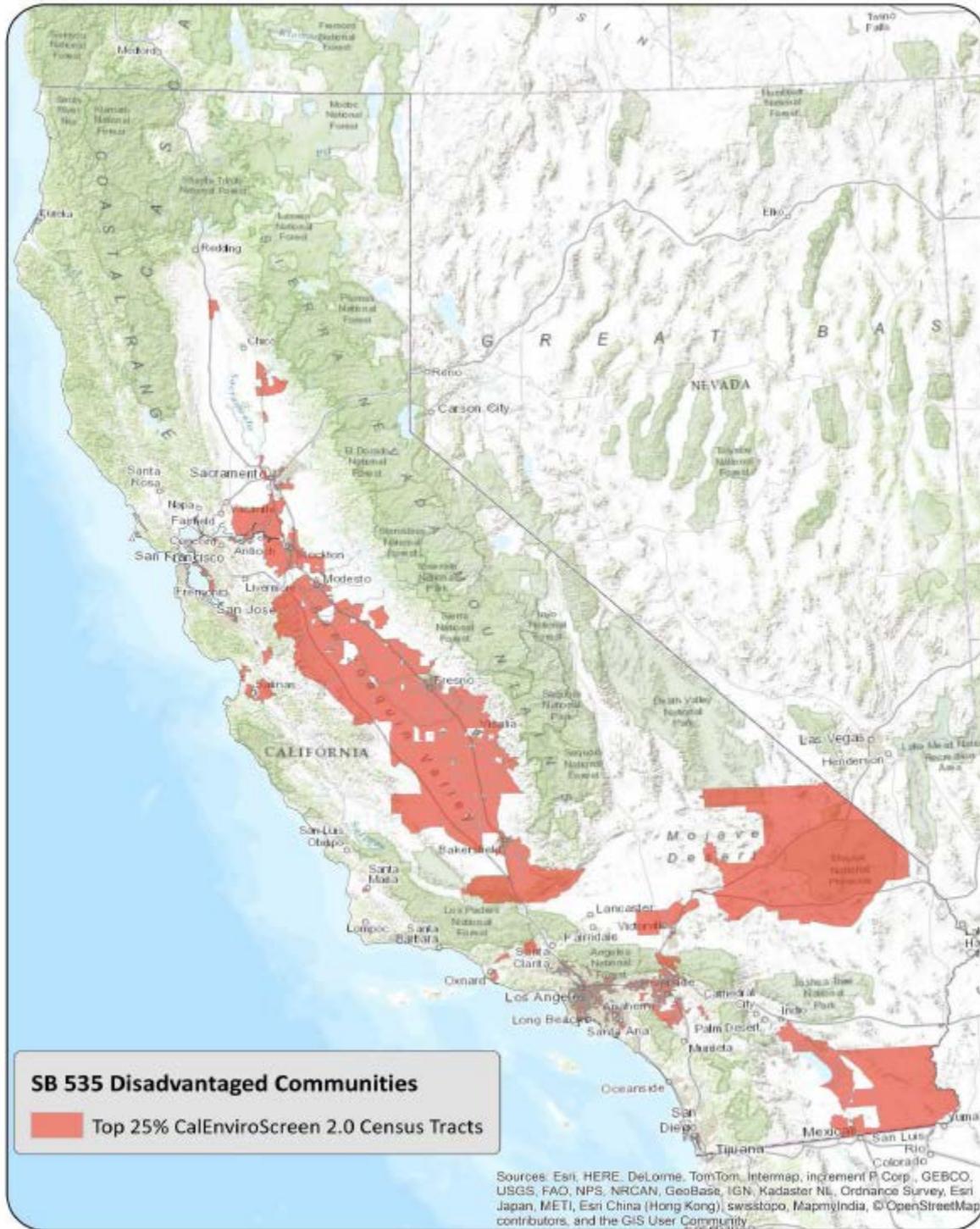
Please direct any questions about this RFI or the submission procedure to Kavita.Dorai@csd.ca.gov.

[END OF REQUEST FOR INFORMATION]

EXHIBITS

EXHIBIT A

MAP OF DISADVANTAGED COMMUNITY CENSUS TRACTS



**EXHIBIT B- CHART OF CURRENTLY ELIGIBLE LIWP ENERGY
EFFICIENCY AND WEATHERIZATION MEASURES**

WATER FLOW RESTRICTOR, HAND-HELD LOW FLOW SHOWERHEAD
HOT WATER FLOW RESTRICTOR, LOW FLOW SHOWERHEAD
HOT WATER FLOW RESTRICTOR, FAUCET RESTRICTOR
THERMOSTATIC SHOWER VALVES
COMPACT FLUORESCENT LIGHTBULBS
LED LIGHTBULBS
LED NIGHT LIGHTS
OCCUPANCY SENSORS
FLUORESCENT TORCHIERE LAMP REPLACEMENT
"SMART" POWER STRIPS
WATER HEATER BLANKET
MICROWAVE OVEN
CEILING FANS
REFRIGERATOR REPLACEMENT
WATER HEATER REPAIR
WATER HEATER REPLACEMENT
DUCT REPAIR AND REPLACEMENT
WALL INSULATION
FLOOR INSULATION
CEILING INSULATION
WINDOW REPLACEMENT
COOLING REPLACEMENT, EVAPORATIVE COOLER - WINDOW/WALL
COOLING REPLACEMENT, AC WALL/WINDOW
COOLING REPLACEMENT, EVAPORATIVE COOLER - ROOF UNIT
COOLING REPLACEMENT, AC FORCED AIR UNIT (SPLIT SYSTEM)
COOLING REPLACEMENT, AC FORCED AIR UNIT (SPLIT SYSTEM)
HEATING SOURCE REPAIR, PACKAGE (DUAL PACK)
HEATING SOURCE REPLACEMENT, FORCED AIR UNIT, SPLIT SYSTEM
HEATING SOURCE REPLACEMENT, PACKAGE UNIT (DUAL PACK)
HEATING SOURCE REPAIR, FORCED AIR UNIT, SPLIT SYSTEM
HEATING SOURCE REPLACEMENT, EXT. WALL DIRECT VENT, INT. WALL AND FLOOR FURNACE
HEATING SOURCE REPLACEMENT, FAU, SPLIT SYSTEM
SOLAR WATER HEATING