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December 16, 2016

Via Hand Delivery

Lora W. Johnson, CWC
Clerk of Council
City of New Orleans
City Hall, Room 1E09
1300 Perdido Street
New Orleans, Louisiana 70112

Re: Entergy New Orleans, Inc.'s Report Identifying its Choice of Third Party Administrator for the New Orleans Energy Smart Programs (Docket No. UD-08-02)

Dear Ms. Johnson:

Enclosed please find an original and three copies of Entergy New Orleans, Inc.'s *Report Identifying its Choice of Third Party Administrator for the New Orleans Energy Smart Programs in Council Utility Docket No. UD-08-02*. We respectfully request that you file the original and two copies into the record of the Docket listed above, and return to us a date-stamped copy. Please note that Attachments to the Report, which are designated as Highly Sensitive Protected Materials, are being provided to the Council Advisors pursuant to the Council's Official Protective Order.

Should you have any questions regarding the above matter, please do not hesitate to contact me. Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Harry M. Barton".

Harry M. Barton

HMB:bkd

Enclosure

cc: Official Service List UD-08-02 (via electronic mail)

UD-08-02
C. H.

**Report of Entergy New Orleans, Inc. Identifying its Choice for
Third Party Administrator of the Energy Smart Programs in
Council Utility Docket UD-08-02**

I. Introduction

Pursuant to the provisions of subsections (c) and (d) of paragraph no. 49 of the Agreement in Principle adopted by Council Resolution R-09-136, Entergy New Orleans, Inc. (“ENO” or the “Company”) submits this Report that describes its choice of Chicago Bridge and Iron Company, Inc. (“CB&I”), ADM Associates (“ADM”), and Accelerated Innovations LLC, (“AI”) as ENO’s choice of Third Party Administrator (“TPA”), Third Party Evaluator (“TPE”) and Behavioral Program Implementer, respectively, of the Energy Smart Programs originally approved by the Council in Resolution R-09-143. As a result of the Request for Proposal (“RFP”) process required by Council Resolution R-15-140, ENO has selected CB&I to serve as the TPA, ADM to serve as TPE and AI to serve as the Behavioral Program Implementer, based on ENO’s evaluation process. A more detailed description of the RFP process is set forth below.

II. RFP Timeline and Process

A summary of the steps related to the issuance, bid process, and negotiation of the RFP process is set forth in the table below:

<u>Task</u>	<u>Start</u>	<u>Completion</u>
RFP advertisements were placed in the New Orleans Times-Picayune and New Orleans Daily Advocate.	5/11/2016	N/A
RFP Issued.	5/23/2016	N/A
Deadline for submission of bidder questions prior to pre-bid meeting.		6/1/2016
Pre-bid Conference Call and On-line Meeting.	6/7/2016	6/7/2016
Time period for submission of additional questions from bidders	6/7/2016	6/10/2016
Responses to bidders’ questions sent to all bidders.		6/22/2016
Proposal Submission Deadline; a total of 17 active bidders were on the bid list until the due date. Six proposals were received by the deadline for RFP.		7/15/2016
Sealed Bids Opened	7/15/2016	
Evaluation of Bids; All bids were advanced to the final round due to the number of proposals.	7/15/2016	

Four Bid Finalists Interviewed.	8/23/2016	8/29/2016
Bidder evaluations completed.	12/5/2016	12/5/2016
Contract negotiations with selected TPA choice.	12/5/2016	-----
Remaining bidders informed they were not selected as the TPA choice.	12/5/2016	12/5/2016
Submission of ENO's choice of TPA to Council.	12/16/2016	

III. Third Party Administrator Selection

A. Details of Energy Smart Programs and CB&I's Bid

Energy Smart Programs to be implemented by CB&I

CB&I, as TPA, will be required to design, implement, deliver and administer the Energy Smart Programs as summarized in the RFP dated May 23, 2016, "Third Party Administrator for the New Orleans Energy Smart Programs," and subsequent addendums, and in the contract that will outline the agreement between ENO and CB&I. A draft of the RFP was filed on October 1, 2015. Subsequently, a technical conference was held to discuss any issues with the draft. Issues were resolved and a final version of the RFP was filed with the Council on May 2, 2016. Applicable portions of the RFP response are being provided to the Council Advisors pursuant to the terms of the Council's Official Protective Order in Docket UD-08-02.

The programs that CB&I has proposed are as follows:

- Home Performance with Energy Star
- Energy Smart for Multifamily
- High Efficiency A/C Tune Up
- Residential Lighting and Appliances
- NOLA Wise School Kits
- Low Income
- Residential Direct Load Control
- Large C&I Solutions
- Small Business
- Publicly Funded Institutions

Additionally, in its role as TPA for the "New Orleans Energy Smart Plan", CB&I shall be responsible for development, oversight and execution of all programmatic and project management related functions necessary to effectively implement, deliver and administer the programs set-forth in the plan. These major areas of responsibilities are defined in the Scope of

Work section of the ENO RFP. These responsibilities shall include, but not be limited to the following:

- Program Design, Implementation and Delivery;
- Marketing;
- Data Management and Tracking; and
- General Administration, Funds Management and Reporting.

B. Basis for Selection

CB&I's proposal submission included a well-designed program, implementation, and delivery strategy. CB&I has an established local office with a significant Louisiana presence and specific expertise in administering southern climate demand side management programs. In addition, CB&I clearly demonstrated in its proposal an understanding of customer needs, the local contractor market and local building stock. Lastly, CB&I has a successful track record with programs similar to those required in the Energy Smart plan in Wisconsin, at Duke Energy, the Louisiana Department of Natural Resources, and American Electric Power.

Key components of the selected bid include:

- An established Louisiana presence with current offices in Metairie and Baton Rouge with plans of opening an office in Orleans Parish.
- Recognized as one of the nation's leading energy management service providers. GoodCents also recognized as an industry leader with residential energy efficiency program implementation as its core business.
- Team of experienced staff and local contractors:
 - Two core contractors are Disadvantaged Business Enterprises ("DBEs").
 - 10% of contract work devoted to DBEs.
- Partnerships are New Orleans based:
 - Subcontractors
 - Non-Profits
 - Trade Associations
 - Universities
- Detailed plan to recruit and train participating local contractors.
- Detailed training process for contractors.
- Prepared to rapidly roll out new programs following contract execution and implementation plan approval.

- Desire to involve stakeholders through the administration of a Stakeholder Advisory Panel.
- Addressed the importance of customer satisfaction and stakeholder involvement throughout the proposal.
 - Provided a customer dispute resolution process.
 - Provided training and corrective action plan for local contractors.
- A portion of the TPA's compensation is tied to their performance.
 - Performance metrics based on kWh savings and customer satisfaction metrics.
 - Willing to work with ENO on the appropriate amount of "at-risk" compensation.
- Experienced, proven Data Management/Tracking system will allow for more rapid program roll out.
- Proposal is for a comprehensive set of programs.
- Proven ability to deliver award-winning energy efficiency programs.
 - CB&I has won awards with its Wisconsin Energy program.
 - GoodCents has also been recognized nationally as a leader in residential programs.
- Proposed costs are in-line with other bidders.
- Financially sound company with a track record of success in business ventures.
- Declining Non-incentive/incentive cost ratio over the three year period.

IV. Third Party Evaluator Selection

A. Details of ADM's Bid

ADM submitted a proposal to handle the Evaluation Measurement & Verification ("EM&V") services for the Energy Smart programs for the time period, April 2017 – March 2020. These major areas of responsibilities are defined in the Scope of Work section of the ENO RFP. These responsibilities include, but are not limited to:

- Developing both impact and process evaluations annually;
- Updating the New Orleans-Specific Technical Resource Manual;
- Performing Field Audits; and
- Measurement and Valuation Support Services.

Applicable portions of the RFP response are being provided to the Council Advisors pursuant to the terms of the Council's Official Protective Order in Docket UD-08-02.

B. Basis for Selection

ADM submitted a very detailed and comprehensive proposal which covered Energy Smart's EM&V requirements. ADM provided detailed plans for their approach to impact and process evaluation.

Key components of the selected bid include:

- Familiarity with the New Orleans climate, having performed EM&V in New Orleans and throughout the state of Louisiana.
- Proven record of evaluations in many states including Arkansas, California, Ohio, Oklahoma, Virginia, et al.
- Proven ability to provide regulatory support for filings.
- Innovative approach to reduce EM&V costs by moving to bi-annual impact evaluations of certain programs.
- Established connection with a local New Orleans contractor to handle field audits.
- Most rigorous proposal at the lowest cost.

V. Behavioral Program

A. Details of AI's Bid

AI submitted a proposal to handle the Behavioral Program for the Energy Smart program for the time period, April 2017 – March 2020. The proposed Behavioral Program represents an expansion of the current Behavioral Pilot Program. These responsibilities of the Implementer include, but are not limited to:

- Developing and executing an energy efficiency program to help New Orleans residents become more energy efficient by modifying their behavior; and
- Providing regular reports on the progress of the program.

Applicable portions of the RFP response are being provided to the Council Advisors pursuant to the terms of the Council's Official Protective Order in Docket UD-08-02.

B. Basis for Selection

AI was the only company to submit a proposal for the Behavioral Program Implementer RFP.

Key Components of AI's bid:

- Performance-based contract.
- Proven record of successful programs having been evaluated by a third party evaluator.
- Familiarity with local stakeholders.

VI. Conclusion

ENO has evaluated the responses to the RFP based on the criteria established and set forth in the RFP, as directed by Council Resolution R-15-140. Consistent with these requirements, ENO has selected Chicago Bridge and Iron Company, Inc. to serve as TPA, ADM Associates, Inc. to serve as TPE, and Accelerated Innovations, LLC to serve as the Behavioral Program Implementer. Accordingly, ENO respectfully requests that the Council assent to the selection of CB&I, ADM, and AI as the Third Party Administrator, Third Party Evaluator, and Behavioral Program Implementer, respectively for the Energy Smart programs.

CERTIFICATE OF SERVICE

Docket No. UD-08-02

I hereby certify that I have this 16th day of December 2016, served the required number of copies of the foregoing report upon all other known parties of this proceeding, by the following: electronic mail, facsimile, overnight mail, hand delivery, and/or United States Postal Service, postage prepaid.

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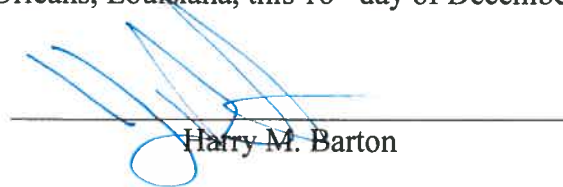
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New Orleans, Louisiana, this 16th day of December 2016.



Harry M. Barton