

# **Exhibit A**

## **PIER Strategic Plan Development**

### **Scope of Work**

#### **I. Introduction**

The Public Interest Energy Research (PIER) Program was established in 1996 to make state funds available for energy-related, public interest research, development, and demonstration (RD&D) projects that are not adequately provided by competitive and regulated markets. The goal of the PIER Program is to ensure that public interest RD&D benefits electricity and natural gas consumers and ratepayers in California, while advancing science and technology.

State law (California Public Resources Code Section 25620.11) required the Energy Commission to establish a PIER Advisory Board, composed of key stakeholders and research organizations. The Advisory Board has been meeting regularly, and recently recommended the development of a five-year Strategic Plan to guide future investments in energy RD&D. The Advisory Board will provide strategic advice on future research priorities to inform the Strategic Plan development process.

The Strategic Plan will be developed, with work starting in July 2011, as part of the Energy Commission's *2011 Integrated Energy Policy Report* proceeding. The Contractor will be asked to engage key stakeholders from government, the business community, utilities, venture capitalists, and public interest groups in formulating the Strategic Plan. In addition, a scientific review group composed of nationally recognized representatives from the academic and research community will be formed to provide input for the Plan development.

#### **II. Policy Context**

The Energy Commission's PIER Program funds research which responds to state energy and climate change policy and to direction from the California Legislature. The current PIER research portfolio includes projects which correspond to the "loading order" of preferred energy resources:

- Meets the state's energy needs with energy efficiency and demand response.
- Integrates renewable energy resources and distributed generation, using energy storage and smart grid technology.
- Advances clean generation technologies and improves the state's transmission infrastructure.
- Reduces the environmental impacts from energy generation, transmission, distribution and end-use.
- Advances transportation technologies and alternative fuels to reduce air pollution and greenhouse gas emissions.

### **III. Proposed Plan Elements**

The PIER Strategic Plan is intended to outline a five-year planning horizon, with an eye toward achieving California's renewable energy, energy efficiency, and climate change policy goals for 2020. Specifically, the Strategic Plan will:

- Articulate an overarching vision for the PIER program.
- Establish well-defined program goals and research priorities through a more transparent decision-making process.
- Define research strategies needed to accomplish the goals.
- Focus funding opportunities on the later stages of the RD&D continuum, without sacrificing critical research needs.
- Better integrate the PIER research agenda with other state agencies, including the Air Resources Board, California Public Utilities Commission and California Independent System Operator.
- Involve California's utilities, the scientific community, and the private sector in the process of formulating research proposals and selecting worthy research projects.
- Connect PIER program goals to clean energy, job creation, workforce development, and a green economy.
- Build in measurement tools to quantify and record the benefits of PIER funded research to California's electric and natural gas ratepayers.
- Perform a technological assessment to identify research gaps.

### **IV. Components of a Suggested Plan Outline**

- Introduction and Purpose: Five-Year Strategic Plan
- Overarching Vision for the PIER Program
- Research Goals by program area
- Strategies to achieve these Goals
- State Policy Context: Achieving 2020 Goals
- Strategic Planning Process
- Principles to Guide Future Research
- Governance and Decision Making Process
- Role of the PIER Advisory Board and Advisory Sub-committees

- Action Plan/Implementation
- Measuring Program Benefits to Ratepayers
- Integration/Coordination with other State Agencies, the scientific community, and Key Stakeholders

**V. Period of Performance**

The period of performance for this Agreement shall be 24 months, commencing on the date the Agreement is signed, with the expectation that the majority of the proposed work and deliverables will be completed during the first six months.

**VI. Amount**

The total amount of this Agreement shall not exceed \$195,000.

**VII. Plan Development Activities and Schedule**

The Contractor shall complete the activities below within the proposed timeline:

<b><u>Activity</u></b>	<b><u>Proposed Timeline</u></b>
1. Hold exploratory meetings with key stakeholders	August 2011
2. Review examples of other Strategic Plans	August to September 2011
3. Prepare and submit a proposed outline for the Plan	September 2011
4. Conduct focus group meetings (optional)	August 2011
5. Complete Draft Strategic Plan	September 2011
6. Hold public workshop on Plan	October 2011
7. Submit Revised Draft to RD&D Committee	Early November 2011
8. Present Final Review Draft to PIER Advisory Board	November 2011
9. Publish Final Strategic Plan	January 2012
10. Administrative Activities (described below)	Ongoing

**VIII. Strategic Plan Deliverables**

The deliverables shall include the following and be delivered consistent to the schedule above:

- Plan Outline
- Draft Strategic Plan
- Revised Draft Plan

- Final Strategic Plan document

## **IX. Administrative Activities**

### **1. Kickoff Meeting:**

The Contractor shall attend a two-part kick-off meeting at the Energy Commission to discuss aspects of the administrative tasks and strategic plan deliverables, including goals and expectations, pertaining to this Agreement. For the administrative portion of the meeting, the Contractor shall bring its Project Manager, Contracts Administrator, and Accounting Officer to meet with the Commission Contract Manager, the Contracts Officer and the Accounting Officer to discuss the Terms and Conditions and other administrative tasks pertinent to this Agreement.

For the technical (strategic plan deliverables) portion of the kick-off meeting the Contractor shall bring its relevant principals, be prepared to present its research approach, and answer any questions that the Commission Contract Manager and the Division management team may have. The Commission Contract Manager will provide an agenda to meeting participants three (3) working days prior to the kick-off meeting.

### **2. Progress Meetings:**

The Contractor shall present mid-term deliverables, such as an Initial and Revised Draft Strategic Plan and Final Plan documents, in person at the Energy Commission. Progress meetings provide the opportunity for the Energy Commission and the Contractor to discuss the findings and the direction of the project with considerations to the resource reality of the PIER Program.

The Commission participants shall include the Commission Contract Manager, the Division management team, and other Commission staff designated by the Commission Contract Manager. The Contractor shall bring its Project Manager and the relevant principles. The Commission Contract Manager will provide an agenda to meeting participants three (3) working days prior to each progress meeting. Additional progress meetings or conference calls may be scheduled at the Commission Contract Manager's discretion.

### **3. Final Meeting:**

The Contractor shall attend a final meeting at the Energy Commission. The Contractor shall be prepared to present the Summary of Recommendations, discuss the recommendations, and answer any questions the Division management team may have. Participants of this meeting shall include the Commission Contract Manager, the Division management team, and other Commission staff designated by the Commission Contract Manager. The Contractor shall bring its Project Manager and the relevant principles. The Commission Contract Manager will provide an agenda to meeting participants three (3) working days prior to the final meeting.

## **X. Contractor Responsibilities**

### **1. Accountability:**

The Contractor shall perform all tasks described within the Agreement in a timely and professional manner. All deliverables are considered draft until approved by the Commission Contract Manager. The Commission Contract Manager will provide written comments on draft deliverables back to the Contractor within ten (10) working days of receipt. The Contractor shall respond to the comments within five (5) working days.

### **2. Communication:**

The Contractor shall actively keep the Commission Contract Manager informed of progress made and provide early warning of potential problems that may jeopardize the Contractor's ability to carry out the tasks described within the Agreement on schedule and within budget.

### **3. Confidentiality:**

The Contractor shall interview Division employees during the discovery phase and shall exercise discretion to ensure employee/data confidentiality as appropriate.

## **XI. Payments and Invoicing**

1. Payments will be made monthly, in arrears, for services satisfactorily rendered upon receipt and approval of each invoice. All progress reports and deliverables due for the billing period shall be included with the invoice.
2. A request for payment shall consist of, but not be limited to: unit number, quantity per unit, product or service description, unit price and extended item number.
3. Final invoice must be received by the Energy Commission no later than 30 calendar days after the Agreement termination date.
4. The Energy Commission will accept computer generated or electronically transmitted invoices, provided the Contractor sends a paper copy the same day to the Energy Commission. The date of "invoice receipt" shall be the date the Energy Commission receives the paper copy.

Send invoices to:

California Energy Commission  
Accounting Office, MS-2  
1516 Ninth Street  
Sacramento, California 95814

5. The selected Contractor will be compensated only for authorized and actual expenses incurred and work performed on this contract, which may not exceed the value quoted.

6. Retention

The Energy Commission shall retain from each invoice ten per cent (10%) of that invoice, excluding equipment invoices, pursuant to Public Contract Code section 10346. The retained amount shall be held and released only upon approval that work has been satisfactorily completed and the Final Report (if required) has been received and approved. The Contractor must submit a separate invoice for the retained amount. Retained funds may be withheld by the Energy Commission to compensate or credit for amounts that were paid in error, or amounts that were paid but exceed the actual allowable incurred costs.

7. Travel and Per Diem Rates

The Contractor shall ~~not~~ **only** be reimbursed for **necessary** in-state travel and per diem expenses **using the Energy Commission Contractor Travel Rates in accordance with the contract budget. The Contractor must pay for travel in excess of these rates. The Contractor may obtain current rates from the Energy Commission's Web Site at:**

[http://www.energy.ca.gov/contracts/TRAVEL\\_PER\\_DIEM.PDF](http://www.energy.ca.gov/contracts/TRAVEL_PER_DIEM.PDF).

- A. **The Energy Commission will reimburse travel expenses from the Contractor's office location.**
- B. **The Contractor must retain documentation of travel expenses in its financial records. The documentation must be listed by trip and include dates and times of departure and return. Travel receipts and documentation of travel expenses, including travel meals and incidentals, shall be submitted with invoices requesting reimbursement from the Energy Commission.**