Demand Side Management Policy

A. Terms of Reference

1 The project will have four main components, with various activities to achieve its objectives. The bidder may propose other activities to strengthen the delivery of the intended outcomes. Descriptions of the tasks follow.

2 **Component A: Draft Demand Side Management (DSM) Policy:** This component aims to develop a comprehensive and cohesive DSM policy for the Philippines.

3 Task A.1 Establish and coordinate a DSM Technical Working Group (TWG). In consultation with DOE - Energy Utilization Management Bureau (EUMB), a TWG consisting of representatives from relevant DOE bureaus, other agencies and other stakeholders will be formed to guide the development of the DSM policy and to be consulted throughout the Project. The consultants or implementing partner (IP) will provide secretariat functions to the TWG, which will include supporting the conduct of meetings, documenting minutes, and coordinating with the TWG members. The IP will also collate and maintain all relevant documents, presentations, and other materials resulting from the TWG meetings. Ownership of the materials will be transferred to DOE - EUMB at the end of the TA.

4 Task A.2 Draft the DSM Policy. Building on foundational studies on DSM delivered to the DOE by other programs, draft the DSM policy document for the power industry, with a focus on distribution utilities and economic zones. It should define specific demand response strategies, and align with other demand-side strategies (energy efficiency, “prosumer” renewable energy generation, Energy Storage Systems).

5 Elements that will advance DSM, such as advanced metering infrastructure (AMI), own-use renewable energy, and guidance for interoperability across the power industry sectors (generation, transmission, distribution, including for end-users) should be included.

6 Policy frameworks and guidance in the form of DOE Department Circulars (DC) are already in place for some of these elements (e.g. BESS, Time of Use, EE, AMI/smart meter rules etc). The DSM policy should be aligned with existing DCs and the Energy Efficiency and Conservation Act. The IP must recommend any necessary amendments to existing DCs or regulations.

7 The DSM Policy document must clearly define the roles and responsibilities of relevant DOE bureaus as well as other agencies and stakeholders. The EEC Act identified the DOE - EUMB as the regulator for DSM. Other DOE bureaus also have authority over some DSM aspects such as the DOE - Renewable Energy Management Bureau (REMB) over distributed renewable energy, or the DOE - Electric Power Industry Management Bureau (EPIMB) over power supply and energy storage. In addition, the responsibilities and requirements of distribution utilities and economic zones will be highlighted in the policy. The potential role of third-party actors, e.g. energy service companies (ESCOs) and retail energy suppliers, may be included.

8 Other DSM policy features, including incentives, and other elements that will be identified by DOE - EUMB and the DSM TWG, should be included in the policy statement. The IP may recommend other features for the TWG's consideration and deliberation.

9 The IP is expected to support DOE - EUMB in all hybrid consultations (total of 6 consultations: 4 public consultations - 1 Central Luzon, 1 Southern Luzon, 1 Visayas, 1 Mindanao, and 2 Manila workshops with government agencies).

10 **Component B: Capacity Building on DSM for Policy-makers and Energy Planners:** This component aims to deepen understanding of DSM among policy-makers, and technical energy planners to enable them to effectively manage the national DSM policy and to develop support programs for DUs to implement DSM.

11 The activity shall develop and deliver a targeted training program to support DOE in enforcing the DSM policy. A separate technical training program for DOE's energy planners should be delivered. The details of the training will be determined in coordination with the DOE. When submitting a proposal, bidders should consider holding 6 sessions of on-site training for 50 persons in Manila.

12 As part of the training materials, at least 6 case studies on DSM must be developed - focusing on technology or business models, and country-specific case studies focusing on impact, challenges, and success factors.

13 **Component C: DSM Implementation Plan**: This component will support the DOE in setting national DSM targets and drafting an implementation plan, aligned with the EE&C Roadmap, to support the enforcement of the DSM policy.

14 Task C.1. Assessment of the Readiness of the Philippine Distribution Sector for DSM. There are 151 DUs operating across the Philippines, each has unique customer profiles, electricity

sales patterns, and demand drivers. These DUs also vary in their technical capabilities and resources, thus differ in their readiness to implement DSM strategies. Given these variations in capacity, it will be difficult for the government to roll out a standard DSM program in one go. A phased implementation may be explored.

15 This activity will evaluate the readiness of all DUs to perform DSM and propose a system for classifying DUs in preparation for a possible phased DSM program implementation. A similar assessment must be undertaken for the economic zones.

16 Task C.2 Develop the DSM Implementation Plan. The activity will develop the DSM implementation plan, setting specific goals and timelines for implementing the DSM policy across the country. In consultation with relevant stakeholders and the DSM TWG, the activity must clearly define the objectives and set the target for the national DSM policy. The Project must deliver the evidence or analysis for setting a realistic time-bound target.

17 The DSM implementation plan should define the overall strategy or implementation framework, and include specific actions to reach the country's DSM goals. The assessment of the readiness to implement DSM in Task C.1 should serve as the basis for developing the implementation plan. A phased or tiered implementation approach may be considered. The implementation plan should also include estimates of financing required, identify available sources of financing, explore business models where third-parties may come in, and identify any regulatory constraints.

18 Other components of the Plan may include a broad analysis of supply chain for goods and services/expertise, and identify available and planned support programs (public, private, or donor-led) to facilitate the implementation of the DSM policy.

19 Task C.3 Design the Monitoring and Evaluation (M&E) Framework. This activity must develop the M&E framework for tracking the implementation of the DSM program. The M&E Framework must identify measurable indicators of performance, set the benchmark data for each DU or DU cluster, and develop a reporting regime. The IP must also propose an organizational structure for implementing the M&E, identifying key personnel and their responsibilities. A scanning of appropriate monitoring or tracking technologies should be included.

20 **Component D: Distribution Utility DSM Toolkit.** This component will develop a toolkit to support DUs develop and implement their DSM plans.

21 Task D.1. DSM Toolkit for DUs. The activity will develop a toolkit or a guidebook that will support DUs and economic zones develop and implement DSM plans. The toolkit must

include recommended methodologies or templates for analyzing demand patterns, DSM target-setting, estimating impact on the load, and other necessary analyses. The engagement with third parties, such as energy service companies (ESCOs), must be explored, identifying business models. The IP should draw from international best practices and lessons learned. The toolkit may include templates for contracts with third parties, a database of product and service providers, and other information that will make it easier for DUs to implement their DSM plans.

22 Task D.2. Capacity Building for DUs and Economic Zones. This activity aims to build DUs and economic zones' capability to design and implement DSM plans using the DSM toolkit developed under Activity D.1. The training may cover modeling tools[1], DSM technologies, business models, regulatory requirements, reporting system to the national agency, securing financing and other topics identified from a training needs analysis. The capacity building program should involve a diverse group of DUs and economic zones. The details of the training should be finalized with the DOE, but bidders should consider delivering a set of 3-4 days of hybrid workshops each for DUs in Luzon, Visayas, and Mindanao; for 80 - 100 participants, covering as many DUs and economic zones.

B. Implementation Modality & Arrangement

23 The implementation of the technical assistance will be undertaken by a team of consultants or the Implementing Partner (IP) that must maintain regular project coordination with ETP, who will have oversight of the project. In addition to the team of experts, the IP must identify a contract manager who will be the focal for all administrative aspects of implementing the TA.

24 It is necessary to have a local team on the ground that will ensure the timely delivery of the activities and maintain coordination with all relevant stakeholders, especially the DOE.

25 Engaging with various DOE bureaus and other energy agencies is critical for the success of this TA given that elements of a DSM policy and program cuts across various power industry sectors. An important role of the IP will be to serve as the secretariat of the DSM Technical Working Group that will be formed under this project, to gather their inputs and feedback. The IP must also engage with distribution utilities and other private sector entities, such as ESCOs, to be able to design a relevant DSM program for the country.

[1] Modelling tools developed and introduced by other programs may be considered such as GIZ-CASE's Python, PyPSA, LEAP, and other tools.

26 It is recommended to hold as many activities on the ground as possible, instead of virtually, to better understand actual needs, and to effectively deliver capacity building and consultation.

C. Deliverables and Reporting Timelines

27 This TA is expected to be delivered over 18 months. A tentative timeline is depicted in the chart below. Bidders may propose an alternate timeline.

Components	Months																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Inception Stage																		
Component A: Demand Side Management Policy																		
A.1 Establish a DSM Technical Working Group																		
A.2 Draft the DSM Policy																		
Component B: Capacity Building on DSM for Policymakers and Energy Planners																		
Component C: DSM Implementation Plan																		
C.1 Assessment of the Readiness of the Philippine Distribution Sector for DSM																		
C.2 Develop the DSM Implementation Plan																		
C.3 Design the M&E Framework																		
Component D: DSM Toolkit and Capacity Building																		
D.1 DSM Toolkit for DUs																		
D.2 Capacity Building for DUs																		

28 The expected deliverables under this TA are tabulated below (Table 1).

Table 1. ETP Outcome and Project Outputs

Milestones	Deliverables	Expected Delivery	Payment Schedule
Milestone 1	**Inception Report**	Week 2 from kick-off meeting	10%
Milestone 2	**First Interim Report**: All Component A deliverables - Establishment of DSM technical working Group - DSM Policy document/Department Circular approved by DOE-EUMB - Minutes of DSM TWG meetings	End of Month 4	20%
Milestone 3	**Second Interim Report**: All Component B deliverables - Training Program for Policymakers - Training Program for Energy Planners - Training Materials - 6 Case Studies - Minutes of DSM TWG meetings	End of Month 7	20%
Milestone 4	**Third Interim Report**: All Component C deliverables - Assessment of Readiness of Distribution Utilities and economic zones for DSM - DSM Implementation Plan - M&E Framework - Minutes of DSM TWG meetings	End of Month 13	20%
Milestone 5	**Fourth Interim Report**: All Component D deliverables: - DSM Tookit/Guidebook - Training Program for DUs and economic zones - Minutes of DSM TWG meetings	End of Month 17	20%
Milestone 6	**Final Report**: - A summary of all project activities and project outputs - Final presentation to DOE and relevant agencies on all project outputs. - Turnover of outputs to DOE	End of Month 18	10%

29 In addition to project outputs, the implementing partner must submit progress reports for each project stage that narrate the activities completed, explain the next steps, and summarize the outputs. They must be in a publishable format and appropriate for the general public, and accompanied by a presentation deck. The Results-Based Monitoring Framework (RBMF), with disaggregated gender data, must be updated throughout the implementation of the project and submitted with the progress reports. A Final Report must be submitted at the end of the project that summarizes project activities and outputs, analyzes the project's impact on the Philippines' energy transition, and provides recommendations. The Final Report should be accompanied by a Presentation Deck that explains the rationale, objectives, strategic action, outputs, recommendations of the Project, and other relevant information.

30 The implementing partner must be prepared to present on project status to ETP, to ETP's steering committee, to the DOE and its stakeholders at any time. Experts may be invited to speak at ETP and the DOE's workshops, webinars, and other events.

31 All documentation of workshops, consultations, webinars, meetings, and other similar events should include a list of participants, with disaggregated gender data. The implementing partner should be mindful to involve female experts, trainers, moderators, and leaders in the implementation of this project.

32 All outputs must reflect ETP's, its funders', and relevant partners' logos. Visibility guidelines will be provided to the winning bidder.

33 All outputs and deliverables will be reviewed by the DOE and ETP. They will only be accepted once they are found satisfactory by both.

34 The Project should be managed according to best practices and have robust contingency procedures to deal with project risks.

D. Qualifications Criteria of the Service Provider and Consultants

35 UNOPS-ETP is looking for a firm or consortium of firms to deliver this project. The bidder may propose a project team that should include all essential roles and expertise to execute the project. CVs of the proposed personnel should be used to provide information on expertise and experience. The **lead** individual should have the following qualifications:

Education

- A Master's Degree in Energy, Engineering, Economics, Development, or other related fields is required.

Work Experience

- A minimum of 10 years of relevant experience in a similar role, with a minimum of 3 years of leadership experience
- Professional experience in the following areas: energy efficiency, demand side management, demand response, grid technology, digitalization, grid flexibility, economics, and finance.
- Previous successful involvement with, and good knowledge of, donors, government, private sector, and civil society is desired
- Knowledge of the energy sector, energy transition, political, economic, and social situation in the Philippines is desired.
- Understanding and/or experience working with the Philippines distribution sector is desired.
- Computer literacy in Google Suite packages (Google docs, sheets, slides, etc) is desired.

36 Bidders should propose a team that has the required skills, knowledge, and experience to provide the service within the timeframe outlined in this Terms of Reference. While ETP does not prescribe the composition of the team, the below list might be used as a reference for the expertise that the proposed team may have:

a) Energy efficiency and Demand Side Management Expert
b) Power distribution sector expert
c) Capacity building specialist
d) Monitoring & Evaluation Specialist

37 The bidder must attach the CVs of the proposed team members with the application. The team members should have the following qualifications:

- Minimum university degree in engineering, energy economics, energy policy, development, and other related fields is required. Post-graduate university degrees are preferred.
- Minimum five (5) years of relevant work experience in the energy sector is required, preferably in energy transition, energy efficiency, energy policies and regulations, energy economics.
- Ability to engage with UN agencies, development partners, government, and other stakeholders

38 The bidder should also assign a Contract Manager who would liaise on the non-technical part of the contract implementation, including coordination, liaising with key counterparts, liaising with UNOPS on submission of invoices and payment-related documents.

39 Fluency in oral and written English is required. Local language proficiency is desired.

E. Evaluation Criteria

a. Eligibility and Formal Criteria

The criteria contained in the table below will be evaluated on **Pass/Fail** basis and checked during Preliminary Examination of the proposals.

Criteria	**Documents to establish compliance with the criteria**
1. Offeror is eligible as defined in Instructions to Offerors, Article 4	Form A: Joint Venture Partner Information Form, all documents as required in the Form, in the event that the Proposal is submitted by a Joint Venture. Form B: Proposal Submission Form
2. Completeness of the Proposal. All documents and technical documentation requested in Instructions to Offerors Article 10 have been provided and are complete	All documentation as requested under Instructions to Offerors Article 10, Documents Comprising the Proposals
3. Offeror accepts UNOPS General Conditions of Contract as specified in Section IV	Form B: Proposal Submission Form

b. Qualification Criteria

The criteria contained in table below will be evaluated on **Pass/Fail** basis and checked during Qualification Evaluation of the proposals.

Criteria	**Documents to establish compliance with the criteria**
1. The company should have a minimum of 5 years of continuous experience in delivering similar projects in the past with a track-record of success. In case of JV, the experience will be calculated as accumulation of the experience of the JV members	Certification of incorporation of the Offeror Form F: Performance Statement Form
2. Offeror must provide a minimum of two (2) customer references from which similar services have been successfully provided, within any of the last 5 years In case of JV, the customer reference can be accumulated from the JV members	Form F: Performance Statement Form

c. Technical Criteria

Technical evaluation will be carried out to bids that pass the eligibility, formal and the qualification criteria, with requirements as follows:

- The maximum number of points that a bidder may obtain for the Technical proposal is 80. To be technically compliant, Bidders must obtain a minimum of 56 points
- Minimum pass score: 70% of maximum 80 points = 56 points

Overall Technical proposal points allocation

Section number/description		**Points Obtainable**
1	Offeror's qualification, capacity and expertise	20
2	Proposed Methodology, Approach and Implementation Plan	30
3	Key Personnel proposed and Sustainability Criteria	30
Total Technical Proposal Points		80

Section 1: Offeror's qualification, capacity and expertise

Section 1: Offeror's qualification, capacity and expertise		**Points**	**Sub-points**
1.1	Brief description of the organization, including the year and country of incorporation, and types of activities undertaken, including the relevance of specialized knowledge and experience on similar engagements done in the past. Bidders partnering up with a Philippines-based entity or engaging local experts to conduct strategic consultations and coordination, provide local context and expertise, and engage with stakeholders is considered a valuable asset. (Max 4 pages written text plus 1 Matrix)	15	
	Experience in projects of comparable size, type, complexity, and technical specialty		5
	Experience in providing similar services in the region, especially in the Philippines		5
	Understanding of local context, having a local office, engaging local experts, or partnering up with a Philippines-based entity to provide for the strategic consultation, translations; as well as the communications expertise.		5
1.2	General organizational capability which is likely to affect implementation: management structure, and project management controls. (Max 4 pages written text)	5	
	1. Management structure, management controls, and extent to which any part would be subcontracted		3

Section 1: Offeror's qualification, capacity and expertise		**Points**	**Sub-points**
	2. Financial Capacity/financial stability: Bidder should have minimum annual turnover of 300,000 USD in any of the past 2 years Liquidity / quick ratio should be minimum 1, in any of the past 2 years . In case of a joint venture, annual turnover is calculated based on the total annual turnover of the JV members. In case of a joint-venture, at least one of the JV members should have 1 liquidity/quick ratio in any of the past 2 years.		2
Total points for section		20	

Section 2: Proposed Methodology, Approach and Implementation Plan

Section 2: Proposed Methodology, Approach and Implementation Plan		**Points**	**Sub-points**
2.1	Description of the Offeror's approach and methodology for meeting or exceeding the requirements of the Terms of Reference	20	
	1. Description of the offeror's approach to developing the DSM policy		10
	2. Description of the offeror's approach to designing an implementation strategy for distribution utilities in the Philippines		10
2.2	Quality Assurance	5	
	A plan outlining how the bidder intends to ensure oversight and quality assurance throughout the assignment. Quality Assurance plan should include discussion on risk assessment and its mitigation plan		5
2.3	Implementation Timeline	5	
	Bidder submits a detailed implementation timeline which includes detailed activities to be undertaken during this assignment and is completed with a Gantt chart		5
Total points of the section		30	

Section 3: Key personnel proposed and Sustainability Criteria

Section 3: Key personnel proposed and Sustainability Criteria		**Points**	**Sub-points**
3.1	Qualifications of key personnel proposed	25	
	1. Project lead Education: Master's Degree or higher education in Engineering, Energy, Economics, Environment, Climate Change, Development Policies, Social Sciences or related fields is required. Work Experience ● A minimum of 10 year- experience in energy efficiency, energy transition ● Previous experience working in the energy sector in the Philippines are preferred; ● Previous successful involvement with the Department of Energy and other relevant energy agencies in the Philippines is desired; ● Knowledge of demand side management and its sub-topics (demand response, distributed generation, etc.) is desired; ● Computer literacy in Google Suites and/or Microsoft packages (MS Word, MS Excel, MS Access, MS Power Point) is required. ● Language proficiency in English is required is desirable.		6
	2. Energy Efficiency and DSM Expert Master degree in engineering / relevant subject or equivalent 2 years experience, plus additional 8 years of		5

Section 3: Key personnel proposed and Sustainability Criteria		**Points**	**Sub-points**
	experience in energy efficiency and/or demand side management. Experience in policy-making is highly desired. Work Experience ● A minimum of 8 year- experience in energy efficiency, and demand side management is required ● Expert level knowledge of demand side management and its sub-topics (demand response, distributed generation, etc.) is required. ● Previous experience working in the energy sector in the Philippines is preferred; ● Previous successful involvement with the Department of Energy and other relevant energy agencies in the Philippines is desired;		
	3. Power Distribution Sector Expert Masters degree in engineering, environment, climate change/ relevant subject with additional 5 years of experience in energy efficiency and demand side management. Understanding of the Philippines' distribution sector and professional working experience with distribution utilities in the Philippines is required..		5
	4. Capacity Building Specialist Masters degree in engineering, environment, climate change/ relevant subject with additional 3 years of experience in developing and implementing training programs, training materials, guidebooks or toolkits, and other knowledge products. Experience working with the National Electrification Administration and/or distribution utilities/electric cooperatives in the Philippines is desirable.		3
	5. Monitoring and Evaluation Specialist		3

Section 3: Key personnel proposed and Sustainability Criteria		**Points**	**Sub-points**
	Masters degree in engineering, environment, climate change/ relevant subject with additional 3 years of experience in developing and implementing monitoring and evaluation (M&E) frameworks. Experience in developing national-scale M&E systems and working in the energy sector is desirable.		
	5. Other Experts The bidder may propose additional experts it sees fit to deliver the tasks. The experts must have at least bachelors degrees in relevant subjects or equivalent 5 years of professional experience in energy efficiency, demand side management, and others. Experience working in the energy sector in the Philippines is desired.		3
3.2	The bidder shall provide a response that demonstrates its commitment to support gender equality through its operations	5	
Total points of section		30	

d. Financial Criteria (20 maximum points)

The financial part of those proposals that are found to be technically compliant will be evaluated as follows.

The maximum number of points that a bidder may obtain for the Financial Proposal is 20. The maximum number of points will be allocated to the lowest evaluated price bid. All other prices will receive points in reverse proportion according to the following formula:

Points for the Financial Proposal of a bid being evaluated =

$$\frac{\text{[Maximum number of points for the Financial Proposal]} \times \text{\{Lowest price\}}}{\text{[Price of proposal being evaluated]}}$$

Financial proposals will be evaluated following completion of the technical evaluation. The bidder with the lowest evaluated cost will be awarded (20) points. Financial proposals from other bidders will receive prorated points based on the relationship of the bidder's prices to that of the lowest evaluated cost.

Formula for computing points: Example

Points = (A/B) Financial Points
Bidder A's price is the lowest at $20.00. Bidder A receives 20 points
Bidder B's price is $40.00. Bidder B receives ($20.00/$40.00) X 20 points = 10 points

The total score obtained in both Technical and Financial proposals will be the final score for the proposal, with 80% allocated to the Technical proposal and 20% to the Financial proposal. The proposal obtaining the overall highest score will be considered as the winning proposal. This proposal will be considered to be the most responsive to the needs of UNOPS in terms of value for money.

The selection of the preferred bidder will be based on a cumulative analysis, analyzing all relevant costs, risks and benefits of each proposal throughout the whole life cycle of the services and in the context of the project as a whole. The lowest priced proposal will not necessarily be accepted.