



Energy Trust of Oregon **Request for Proposals:** **Residential Grow Light** **Research Project**

RFP Submission Deadline:
May 19, 2017

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1. Introduction

Energy Trust of Oregon, Inc. (Energy Trust) is seeking respondents to this Request for Proposals (RFP) to answer relevant research questions and provide a written report about the lighting market for home grow cannabis operations in Oregon as part of a Residential Grow Light Research Project.

In 2014, Oregon voters approved Measure 91, legalizing recreational (adult-use) cannabis, in addition to the already approved medical use of cannabis in the state. With the measure's passage, a new potential market for in-home cultivation has emerged, but the energy impacts of home growing are still widely unknown. Energy Trust is looking to understand the energy impact of grow lights in small-scale residential grow operations permitted under state law.¹ The Oregon Liquor Control Commission (OLCC) now oversees cannabis licensing and regulations for the state and began issuing commercial licenses in 2016.² Oregon statute does not require licensure for in-home personal use; as a consequence, there is no singular dataset capturing the scale of the residential in-home growing activities in Oregon.³

Energy Trust is releasing this RFP for a third-party contractor to help Energy Trust achieve the research objectives outlined in section 2, in addition to providing any data and insights that may help Energy Trust better understand the residential home grow market. Respondents should demonstrate knowledge of the cannabis industry and/or the broader marketplace for indoor agricultural cultivation equipment and are welcome to propose innovative approaches to research the sample research questions in this RFP, which are outlined in section 2.1.

The Residential Grow Light Research Project is expected to last six months. Selected respondent(s) will collaborate with Energy Trust throughout the duration of the project timeline and provide updates on milestones achieved and receive feedback.

1.1. About Energy Trust

Energy Trust is an independent nonprofit organization, selected and overseen by the Oregon Public Utility Commission (OPUC), to lead Oregon ratepayers in benefiting from saving energy and generating renewable energy. Our services, cash incentives and energy solutions have helped participating customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas, and Avista save more than \$2.3 billion on their energy bills since 2002.

The cumulative impact of our leadership since 2002 has been a contributing factor in our region's low energy costs and in building a sustainable energy future. Some of Energy Trust's requirements in this

¹ As of July 1, 2015, Oregonians can home grow up to four plants per residence, regardless of how many people live in the residence. Four adults in one residence does not mean 16 plants. The limit is four per residence.
<https://www.oregon.gov/olcc/marijuana/Pages/FAQs-Personal-Use.aspx>

² Measure 91 gives the OLCC authority to tax, license and regulate recreational marijuana grown, sold, or processed for commercial purposes. The OLCC does not regulate the home grow/personal possession provisions of the law.
https://www.oregon.gov/olcc/marijuana/Documents/Measure91_FAQ.pdf

³ There are five types of recreational marijuana licenses: Producer, Processor, Wholesaler, Retail, Laboratory, and a Certificate for Research. Residential market actors are not required to get a license for home grow operations.
http://www.oregon.gov/olcc/marijuana/Documents/MJ_FAQS.pdf

RFP and in any subsequent negotiating and/or contracting phases are driven by the provisions of the OPUC Grant Agreement. Additional information concerning Energy Trust, including background information and a complete copy of the OPUC Grant Agreement, can be found on Energy Trust's website at www.energytrust.org.

2. Research Objectives

Energy Trust conducts research on a regular basis to obtain the most current and accurate understanding of products and their markets to assess the opportunity to design cost-effective energy efficiency measures and program offerings that benefit ratepayers and help reach organizational savings goals each year.

The goals for this Residential Grow Light Research Project, listed in order of importance and value to Energy Trust, are to:

1. Identify opportunities for cost-effective energy savings in the home grow market, principally from energy-efficient lighting;
2. Gather information that will help define an energy usage baseline for home grow operations, and
3. Gain insights that provide a better understanding of the size of the residential home grow market in Oregon.

To better understand savings opportunities in the residential grow light market, Energy Trust asks that respondents outline their proposed approaches to answering the sample research questions outlined in section 2.1, along with any additional data or insight that respondents can provide. The final report provided to Energy Trust as a result of this research project should help Energy Trust evaluate the feasibility of creating a cost-effective measure for efficient grow lights to be used in adult-use cannabis residential grow operations.

Selected respondent(s) should expect to:

- Attend a project kick-off meeting with Energy Trust shortly after contract signing to discuss the project;
- Develop a draft plan and timeline summarizing the work to be undertaken as part of the project and outlining the strategy to answer the Sample Research Questions listed below, along with additional information or strategies not listed in this RFP;
- Provide a final plan that incorporates any feedback from Energy Trust staff;
- Provide monthly status reports with preliminary research findings, and
- Provide a final deliverable in the form of a written report that incorporates any feedback from Energy Trust staff.

Selected respondent(s) are expected to provide regular updates to Energy Trust regarding project progress for the duration of the project. The results of the study should be made available to Energy Trust no later than six months after project kick-off.

2.1. Sample Research Questions

Below are examples of research questions that are of interest to Energy Trust. Respondents should outline strategies that will be used to answer some or all of these questions, and prioritize based on feasibility of answering the question(s) and their contribution to achieving Energy Trust's goals for this project. Respondents are welcome to propose additional research questions and strategies that will help Energy Trust achieve the project goals outlined in the Research Objectives section of this RFP.

- What lighting products are currently being sold for residential adult-use cannabis grows and is there a distinct class of products that are appropriate for the four-plant limit and not for large-scale grow operations? Include both efficient and less efficient lighting options (e.g., LED, high-pressure sodium, metal halide, CFL, others).
- What is the market share for each lighting product type (e.g., LED, high-pressure sodium, etc.)?
- What are the channels through which lighting products are sold (e.g., specialty retailers, big box/DIY stores, online, etc.) and what is the market share for each channel?
- What are the product specifications and retail price of efficient and less efficient lighting products?
- What is the ratio of lumens per watt for each lighting product type?
- What grow light features are most important to customers and how well do products from each lighting category deliver these features?
- How important do grow light retailers or other market actors feel these product attributes are to their customers?
 - Total lumen output
 - Wattage used
 - Lumens per watt
 - Heat output
 - Light spectrum
 - Other
- What is the expected useful life of home grow lighting products (i.e., length of warranty and/or number of hours before equipment burns out or fails)? How are these lighting products typically used by customers? Specifically:
 - How many hours are these lighting products used per day throughout the grow cycle, and for what duration of time is the grow cycle in Oregon?
 - Where in the home are grow operations located (e.g., closet, basement, etc.) and how are lights configured (e.g., number of lights, are timers used, proximity to plants, etc.)?
 - What is the typical number of grow cycles per year by the average adult home grower?
 - How long do customers typically use these types of products - that is, do home growers use these products for only a short period of time (1-2 years), or do they use lighting products consistently over a long period of time (complete grow cycles for multiple years)?
 - Does seasonality of the Oregon climate impact the number of grow cycles per year (e.g., do customers switch from indoor to outdoor growing during the summer or grow indoors all year)?
- What is the size of the residential, home grow lighting market?

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- What area(s) of the state contain(s) most residential adult-use growers?
- What are the demographics, including income range, of these growers?
- What are the site characteristics for home grow operations (i.e., single-family residences, apartment buildings, manufactured homes, etc.)?
- Are integrated 'grow kits' being sold that are designed for adult home growers in Oregon (i.e., a pre-packaged option that includes all equipment needed to grow cannabis)?
 - What is the market share for kits? How does their energy use compare to a piecemeal setup or other configuration?
- Are there ancillary products (such as cooling or fans) that impact the expected energy consumption of home growing operations?
- Are products used for adult-use cannabis grow operations also being used for other indoor horticulture/agriculture (non-cannabis) production that would affect hours of use?
- What is the experience in the residential home grow market in other states that can help answer any of the above questions?

2.2. Research Methodology

To answer the Sample Research Questions outlined above, Energy Trust anticipates that respondents may propose gathering sales data; conducting a shelf survey of retailers selling products for the residential grow light market; conducting a literature review, and/or conducting interviews with retailers, distributors, manufacturers, and/or customers. Respondents are welcome to propose these and/or other methods as part of their response.

The methods proposed by respondents should be designed to provide robust answers to the sample research questions outlined above.

3. Budget

Proposed budgets for the project as described in this RFP should not exceed \$70,000. Proposals should address how respondents will prioritize research questions to best maximize budgetary resources to help Energy Trust achieve project goals.

Research questions that do not fit within this budgetary confine should be noted in the proposal; proposals should include a short explanation detailing the logic behind why questions were excluded from the scope, and an estimate of the additional cost and resources that would be needed if the questions were to be included in the scope.

Final budget determination will be documented in the resulting contract between the selected respondent and Energy Trust, as described below.

4. Proposal Requirements

Proposals must contain the below information. Parts A and B combined should not exceed 10 pages.

4.1. Proposal Information

- A. A description of respondent's—and any partner organizations'—qualifications to conduct this research project on residential grow lights.
- B. A project proposal that includes suggested approaches to achieving project goals by answering some or all of the sample research questions identified in section 2.1 above, as well as a proposed project timeline and draft deliverable. Proposals should demonstrate respondent's expertise in market research and the cannabis industry.
- C. A detailed budget broken out by research requirements and by individual. Key individuals should be identified by name, with billing rates for each person.
- D. Resumes of key staff and any subcontractors who will be executing the work scope.
- E. If any sample research questions were excluded from the scope, proposals should include a short explanation detailing the logic behind questions excluded, and an estimate of the additional cost and resources that would be needed if the questions were to be included in the scope.

4.2. Conflict of Interest Disclosure

Respondents should disclose any direct or indirect, actual or potential conflicts of interest respondents may have with Energy Trust in its proposal. A “direct or indirect conflict” is defined as any situation in which an individual or a member of their family or close business or personal acquaintance, is employed by Energy Trust or the OPUC, or may be reasonably construed to have a direct or indirect personal or financial interest in any business affairs of Energy Trust, whether because of a proposed contract or transaction to which Energy Trust may be a party or may be interested or is under consideration, or whether such conflict is purely conceptual, because of similarity of business interests or affairs.

If no conflict is identified by respondent, the proposal will explicitly provide such a statement in their RFP response. The determination of whether a conflict of interest exists is left to the sole discretion of Energy Trust.

4.3. Representations and Signatures Page

Respondent's proposal must contain the signature of a duly authorized officer or agent of the company submitting the proposal. Respondent's duly authorized officer or agent shall sign **Appendix A – Representations and Signature page**, certifying to the representations stated in the appendix.

5. Proposal Selection Criteria

Proposals will be judged on the following criteria, and any other factors deemed relevant by Energy Trust:

- Completeness of project proposal and demonstrated understanding of project goals, including ability to maximize resources;
- Demonstrated ability to execute proposed research methodologies;
- Experience of respondent(s) and demonstrated knowledge of the cannabis industry, along with experience of key staff (including any subcontractors that may be involved in the research project), and
- Proposed budget, timeline, project management plan and schedule of deliverables.

6. Schedule & Administration of Proposal Selection Process

6.1. RFP Schedule

- **April 18, 2017** RFP posted
- **April 25, 2017** Intent to Respond forms due by 5pm PST
- **April 27, 2017** Questions/requests for additional information due by 5pm PST
- **May 3, 2017** Response to questions sent
- **May 19, 2017** Proposals due by 5pm PST

6.2. Proposal Submission and Requests for Additional Information

Intent to Respond

Energy Trust asks that potential respondents submit an intent to respond (Intent to Respond) form (**Appendix B**) no later than 5pm PST on **April 25, 2017**; however, an Intent to Respond is not required to submit a proposal for this RFP. Stating intent to bid also does not obligate a respondent to submit a proposal.

Respondents who indicate interest in teaming in their Intent to Respond will be posted on the Energy Trust website, unless a respondent expressly requests to remain anonymous.

Requests for Additional Information

Any questions and/or requests for clarification or additional information regarding this RFP must be submitted via email to the contact named below by **April 27, 2017**. Responses to questions and requests for additional information will be posted on Energy Trust's website at www.energytrust.org/rfps no later than **May 3, 2017**. Energy Trust cannot accommodate individual phone, or mail inquiries about the RFP. All questions must be submitted via email.

Proposal Submission

Only electronically submitted proposals in PDF form will be accepted; faxed or print proposals will not. A signed letter of transmittal (cover letter) is required, but can be scanned and submitted along with the proposal. All proposals must be received by 5pm PST **May 19, 2017**. Energy Trust will not be obligated to consider information received outside this time interval for the purposes of this RFP. Please submit proposal to:

Katie Wallace

Residential Project Manager

Energy Trust of Oregon

Phone: 503.546.3620

Email: katie.wallace@energytrust.org

6.3. Revisions to RFP

If it becomes necessary to revise any part of this RFP, an addendum will be issued by Energy Trust and will be posted on the website. Respondents should contact Energy Trust if they find any inconsistencies or ambiguities to the RFP. Clarification given by Energy Trust may become an addendum to the RFP.

6.4. Withdrawal and Modification of Proposals

Respondents may withdraw their proposal and submit a revised proposal prior to the response deadline. After the response deadline, Respondent initiated changes will not be accepted. Respondents may withdraw their proposal from consideration at any time.

6.5. Proposal Evaluation and Notification for Negotiations

Energy Trust will review the proposals as received and will initiate negotiations with the leading Respondent(s). Interviews may be scheduled with the short list of finalists if deemed necessary.

7. RFP Governing Provisions

All submitted proposals are subject to the following additional provisions.

7.1. Right to Accept or Reject Proposals, Multiple Awards

Energy Trust reserves the right to make multiple awards, reject any and all proposals and to waive any nonconformity in proposals received, to accept or reject any or all of the items in the proposal, and award the contract in whole or in part as it is deemed in Energy Trust's best interest. Energy Trust may also choose to negotiate any of the details of proposals prior to contracting.

7.2. Confidentiality

Respondents shall clearly identify only those portions of their proposals that they do not want revealed to third parties and label such portions as "Confidential Information". Except as required under law or for regulatory purposes Energy Trust will maintain confidentiality of such information. Energy Trust will not accept proposals or other documents that are marked to indicate the entire document is the confidential or proprietary information of the sender or that restricted handling is required. Normal business practices will be observed in handling proposal materials.

7.3. Ownership and Return of Proposals

All materials submitted in response to this RFP shall become the property of Energy Trust and shall not be returned to the respondent.

7.4. No Verbal Addendums

No verbal agreement or conversation made or had at any time with any officer, agent, or employee of Energy Trust, nor any oral representation by such party shall add to, detract from, affect or modify the terms of the RFP, unless specifically included in a written addendum issued by Energy Trust.

7.5. Proposal Costs

Each proposal prepared in response to this RFP will be prepared at the sole cost and expense of the Respondent and with the express understanding that there will be no claims whatsoever for reimbursement from Energy Trust.

7.6. Waiver of Claims

Respondent waives any right it may have to bring any claim, whether in damages or equity, against Energy Trust or its officers, directors, employees, or agents, with respect to any matter arising out of any process associated with this RFP.

7.7. Energy Trust Rights Reserved

Energy Trust reserves the right, in its sole discretion, to reject any or all proposals in whole or in part, to waive any minor irregularities or informalities in a proposal, and to enter into any agreement deemed to be in their best interests. In addition to any other enumerated reserved rights and/or options as stated in this RFP, Energy Trust may in its sole discretion do any one or more of the following:

- Determine which proposals are eligible for consideration in response to this RFP.
- Disqualify proposals that do not meet the requirements of this RFP, in the sole determination of Energy Trust.
- Negotiate with any Respondent to amend any proposal.
- Select and negotiate and/or enter into agreements with Respondents who, in Energy Trust's sole judgment, are most responsive to the RFP and whose proposals best satisfy the interests of Energy Trust, in its sole discretion, and not necessarily on the basis of price alone or any other single factor.
- Issue additional subsequent solicitations for proposals, including withdrawing this RFP at any time and/or issuing a new RFP that would supersede and replace this one.
- Vary any timetable or schedule, add or change any provisions discussed herein.
- Conduct any briefing session or further RFP process on any terms and conditions.
- Suspend or modify the RFP process at any time.
- Enter into relationships with more than one Respondent.

7.8. Resulting Contract

The selected Respondent(s) will be required to execute a written contract with Energy Trust to perform the research. No award will be considered a commitment, and no obligations or legal relations shall exist between Energy Trust and the selected Respondent until a final and binding contract has been executed by and between Energy Trust and the chosen contractor. Time is of the essence with regard to this research project, and prolonged contract negotiations will not be undertaken.

In general, Energy Trust strongly prefers contracts that are consistent with Energy Trust's standard terms and conditions; negotiations for such contracts can generally be completed quickly. In some cases, a few terms and conditions may need to be substituted or waived, in accordance with contract negotiations. Any party involved in these contract discussions can terminate negotiations at any time and for any reason. If it appears that contract negotiations are not proceeding in a timely manner, Energy Trust may opt to terminate the discussions and select another respondent.

Appendix A – Representations and Signature page

I, the undersigned declare that;

1. I am an authorized agent of the respondent and have authority to submit this proposal on behalf of the respondent.
2. The information provided in this proposal is true and correct to the best of my knowledge.
3. I have read this Request for Proposals in its entirety and agree unconditionally to all of its conditions and requirements.
4. The respondent has not directly or indirectly induced or solicited any other respondent to submit a false or sham proposal.
5. The respondent has not solicited or induced any other person, firm, or corporation to refrain from proposing.
6. The respondent has not sought by collusion to obtain for itself any advantage over any other respondent or Energy Trust.
7. The respondent's proposal is genuine; not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation; and is not submitted in conformity with an agreement of rules of any group, association, organization, or corporation.
8. I understand and accept that the approval or rejection of respondent's request is within the sole discretion of Energy Trust and that there is no legal commitment until all due diligence has been performed and a properly authorized contract has been duly and properly executed.
9. I authorize the representatives of Energy Trust to investigate the business and personal financial credit history of respondent, its affiliates, and all associated partners, principals and management and authorize the release of all said information.
10. I agree that I will report immediately in writing to Energy Trust any changes to the information contained herein at any time while I am under consideration for funding.

The information contained in this proposal and any part thereof, including its exhibits, schedules, and other documents and instruments delivered or to be delivered to Energy Trust is true, accurate, and complete. This proposal includes all information necessary to ensure that the statements therein do not in whole or in part mislead Energy Trust as to any material fact.

Date: _____

Authorized Signature: _____

Name and Title: _____

(please print)

Appendix B – Intent to Respond Form

Company: _____

Address: _____

Contact Name: _____

Contact Title: _____

Phone: _____

Fax: _____

E-mail Address: _____

The company named above intends to submit a proposal in response to this Energy Trust RFP for a third-party contractor to research key questions of interest related to the residential cannabis grow light market. **Deadline for submission of this form is April 25, 2017** by 5pm PST.

Authorized Signature: _____

Date: _____

Do you want us to notify other firms that you are potentially interested in teaming on this work?

Yes No

Note: only firms that indicate an interest in teaming will be posted on Energy Trust's website.

Submit form by email to:

Katie Wallace

Residential Project Manager

Energy Trust of Oregon

katie.wallace@energytrust.org