### BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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In the Matter of the Petition of Avista Corporation, d/b/a Avista Utilities For an Order Approving an Independent Evaluator for the Purchase of Resources per WAC 480-107-023

Docket No. UE-25\_\_\_\_\_

PETITION OF AVISTA CORPORATION

## I. INTRODUCTION

In accordance with WAC 480-107-023(2), Avista Corporation, doing business as Avista Utilities (Avista" or the Company), at 1411 East Mission Avenue, Spokane, Washington, hereby petitions the Commission for an order approving the Company's recommended Independent Evaluator (IE), Procure Power, LLC. (Procure Power), for the purposes of assistance in design and evaluation of the Company's All-Source Request for Proposals (RFP) to be issued per WAC 480-107-009(2).

Avista is a utility that provides service to approximately 413,000 electric customers and 378,000 natural gas customers in a 30,000 square-mile service territory covering portions of Washington, Idaho and Oregon. The largest community served by Avista is Spokane, Washington, which is the location of its corporate headquarters. Please direct all correspondence related to this Petition as follows:

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Rules and statutes that may be brought at issue in this Petition include WAC 480-107.

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Included with this petition are the following supporting attachments:

- Attachment A Independent Evaluator Scope of Work
- Attachment B Procure Power's proposal and resumes (Confidential)

# **II. SUMMARY OF PETITION**

Avista requests that the Commission issue an order approving Avista's engagement with its recommended IE, Procure Power, to assess and report on the solicitation process within the Company's forthcoming 2025 All-Source RFP consistent with WAC 480-107-023. Procure Power, a northwest based small business, brings experience and knowledge of the electric industry in the Pacific Northwest, with its leadership having served as an independent evaluator for Avista's

2022 All-Source RFP.

# III. BACKGROUND

In accordance with WAC 480-100-625, Avista filed its 2025 Integrated Resource Plan

("IRP") on December 30, 2024.<sup>1</sup> The IRP is a comprehensive planning document that outlines

<sup>&</sup>lt;sup>1</sup> Docket UE-230793.

Avista's strategy to meet the future needs of its customers in a cost-effective and sustainable manner. The IRP includes additional planning requirements introduced with the Clean Energy Transformation Act (CETA), including the Clean Energy Action Plan (CEAP) and the Clean Energy Implementation Plan (CEIP), which is focused on resource needs to meet capacity and renewable energy needs. The CEAP sets the targets to meet Washington's 2030 and 2045 clean energy requirements and was filed jointly with the IRP. On October 1, 2025, the Company will file its 2026-2029 CEIP, expanding on the targets established in the CEAP, by providing additional specificity as to interim targets and specific actions towards reaching the 2030 and 2045 legislative milestones.

Avista's IRP and CEAP highlight an ongoing need for clean energy beginning in 2026, based on the Company's modeling and preferred resource strategy. The IRP forecasts a slight shortfall over the next four years, which the Company anticipates addressing through a combination of new resources and market purchases, thus triggering the all-source RFP requirement. Additionally, the IRP identified a requirement for approximately 200 MW of Resource Capability starting in 2029 and 200 MW in 2030 to meet load forecasts, and a minimum need of 75 MW of winter Qualifying Capacity Credits (QCC). Table No. 1 below is the Preferred Resource Strategy in megawatts of capability for 2026 to 2035, and Table No. 2 illustrates the outer years of 2035 to 2045.

Resource	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2026-2035
Market	39	4	10	-	-	-	-	-	-	-	n/a
Regional Transmission Expansion	-	-	-	-	-	-	-	300	-	-	300
Natural Gas CT	-	-	-	-	90	-	-	-	-	-	90
NW Wind	-	-	-	200	200	100	-	157	-	-	657
Montana Wind	-	-	-	-	-	100	100	-	-	-	200
Distributed Solar	-	0.5	0.6	0.6	0.7	0.8	0.8	1.0	0.5	0.5	6
Demand Response (Pricing)	14	-	-	3	-	-	-	-	-	6	23
Demand Response (DLC)	10	-	-	-	-	-	-	-	-	3	13
Annual Total (Excludes Market)	25	1	1	203	291	201	101	458	1	9	1,290

Table No. 1 Preferred Resource Strategy in MW of Capability (2026 to 2035)

Resource	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2036-2045
Natural Gas CT	-	-	-	-	90	-	95	-	-	-	185
NW Wind	-	-	-	-	-	140	-	120	108	200	568
Distributed Solar	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	5
Utility-Scale Solar	-	-	-	-	-	-	-	180	120	-	300
4-hr Batteries	-	-	-	-	-	-	-	90	60	-	150
Long Duration Energy Storage	-	-	-	-	-	-	-	-	26	85	111
Power to Gas CT (Ammonia)	-	-	-	-	90	-	210	-	-	-	300
Hydrogen co-fire at Coyote Springs 2	-	-	-	-	-	-	-	-	-	94	94
Biomass	-	-	-	-	-	-	-	-	-	68	68
Geothermal	-	-	-	-	-	-	-	-	-	20	20
Nuclear	-	-	-	-	-	-	-	-	-	100	100
Demand Response (Pricing)	-	-	3	-	4	-	-	-	-	-	7
Demand Response (DLC)	-	-	2	20	-	6	-	11	7	-	45
Annual Total	1	1	5	21	185	146	305	402	322	568	1,954

Table No. 2 is the Preferred Resource Strategy in MW of Capability (2036 to 2045)

Avista plans to file its All-Source RFP with the Commission for approval in early 2025, in order to release for bids in mid-2025. Avista expects to receive multiple bids for supply and demand-side alternatives as part of this solicitation. As part of the resource acquisition process, Avista is evaluating a self-build option which would be assessed along with other proposed resources. Since the Company intends on self-build options, it will utilize an IE for the duration of the RFP process, pursuant to requirements of WAC 480-107-023 (01). The IE will participate in the design of the RFP and the regulatory process until the RFP is released, and then, participate in the evaluation process once proposals are received.

#### **IV. INDEPENDENT EVALUATOR SELECTION**

As noted above, Avista is preparing an all-source RFP, to be issued in mid-2025, if approved by the Commission. Prior to the Company's informal solicitation for IE services, it conducted comparative research of similar recent solicitations and developed a list of qualified firms providing IE services from which Avista would seek proposals. This process included review of recent regional activity for IE solicitations, such as those performed by Puget Sound Energy and Portland General Electric. The Company consulted with Commission Staff on its plans for an informal solicitation for an IE in early November 2024. Commission Staff was receptive to the Company's plans and was encouraged by the Company's intentional consideration for diverse suppliers, supporting Avista's inclusion of the Technical Advisory Committee (TAC) as a method for identifying potential IEs, which previously may not have been considered. The TAC did not offer comments back to the Company for this engagement, however given the collective expertise in this group, the Company is confident that this additional communication continues to benefit the process.

In addition, Avista took intentional steps to identify and consider diverse companies, infusing an equity lens in its identification of potential bidders. As part of this effort, the Company utilized vendor selection tools from the Washington State Office of Minority and Women's Business Enterprises<sup>2</sup> (OWMOB) to assist in identifying qualified businesses to include in its pool of potential consultants and also consulted with staff at OWMOB to identify potential firms.

Finally, Avista consulted with its internal Tribal Relations team, Supplier Diversity team, and Human Resources department to determine if there were additional avenues to consider in the solicitation for the IE. These efforts provided additional depth to the Company's search and identified additional resources that are available to Avista to expand Supplier Diversity efforts.

Preliminary discussions with prospective bidders were held in early November and on November 12, 2024, the Company sent proposals to four companies that have experience in the IE workspace. Of the prospective bidders, the Company received proposals back from three of the four of those companies. While reviewing bids, Avista assessed the perceived and quantifiable strengths of each IE using the criteria provided in Table No. 3, which also includes the weighting of each criteria used to select the winning IE.

<sup>&</sup>lt;sup>2</sup> Office of Minority and Women's Business Enterprises |

Criteria	Weight
Washington CETA, WA Equity requirements and Purchase or Resource rules, knowledge,	10%
and expertise	
Resource Adequacy/Effective Load Carrying Capacity expertise	10%
Price for assistance with RFP design and evaluation method	15%
Price for RFP evaluation and report	40%
All-Source RFP experience	15%
Northwest market experience	10%
TOTAL	100%

Table No. 3 Evaluation Criteria for Independent Evaluator

The proposals received from all three companies were well prepared and demonstrated a high level of expertise and professionalism. Based on the criteria scoring, Procure Power was selected to provide IE services for Avista's 2025 All-Source RFP. Procure Power, a northwest based small business, brings experience and knowledge of the electric industry in the Pacific Northwest, with its leadership having served as an independent evaluator for Avista's 2022 All-Source RFP. Procure Power's proposal with resumes is included in confidential Attachment B.

In anticipation of approval, a kickoff meeting with Procure Power was held on January 6, 2025, to confirm the scope of Procure Power's services, discuss deliverables, and review contract logistics between Avista and Procure Power. Procure Power is ready to begin its IE responsibilities upon approval by the Commission. Avista followed WAC 480-107-023 to develop its proposed scope of work for the IE, which can be found in Attachment A.

#### **V. CONCLUSION**

In accordance with the requirements of WAC 480-107-023(2), Avista respectfully requests that the Commission issue an order approving the Company's recommended IE, Procure Power. Based on the factors above, Avista believes Procure Power will serve as a qualified IE for assisting in the development of the 2025 All-Source RFP and evaluation of bids. Procure Power has proven experience in evaluating RFPs, demonstrated an understanding of CETA and other clean energy

regulation, and is familiar with the rules in Washington pertaining to utility's Purchase of Resources.

DATED this 13<sup>th</sup> day of January 2025

By: \_\_\_\_/s/ Shawn Bonfield\_

Shawn Bonfield Sr. Manager of Regulatory Affairs & Strategy

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