

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PUGET SOUND ENERGY,

DOCKET UE-240191

ORDER 01

For Approval of the Recommended
Independent Evaluator.

GRANTING APPROVAL OF THE
RECOMMENDED INDEPENDENT
EVALUATOR; SUBJECT TO
CONDITIONS

BACKGROUND

- 1 On March 22, 2024, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) a Petition for Approval of its recommended independent evaluator (IE) (Petition), pursuant to WAC 480-107-023.
- 2 The Company’s 2023 Electric Progress Report identified the need for energy and capacity to meet growing demand and for more renewable and non-emitting resources to comply with its obligations under Clean Energy Transformation Act (CETA). The Company described in its petition its plans to issue a voluntary targeted requests for proposals (RFP) as soon as May 2024 for distributed solar and storage to fill its growing resource need. PSE is also considering conducting other targeted voluntary RFPs in the near term.
- 3 To streamline the process and reduce timelines by avoiding the need to return for Commission approval for each of these potential future RFPs, PSE petitioned for approval of its continued use of Bates & White for the planned distributed solar and storage RFP and any other voluntary targeted RFPs issued before January 1, 2027.
- 4 Commission staff (Staff) reviewed PSE’s petition and recommends approving PSE’s request subject to one condition that was included in the order approving a similar petition in 2022 to ensure continued oversight by interested persons including Staff. The recommended condition allows interested persons to identify any concerns with Bates & White that may arise and provides a path for them to petition for a more formal

Commission approval process if needed. The Commission approved this condition in the Company's prior petition for continued use of Bates & White as their IE.¹

5 PSE has used Bates & White as their IE for their 2021 All-source RFP, 2022 DER RFP, 2023 Distributed Solar and Storage (DSS) RFP, and 2023 Lower Snake River Wind RFP. Throughout these RFP processes, Staff has had positive experiences with Bates & White, who Staff believes has previously provided a fair and impartial review of the RFP development and bid evaluation processes. Staff has not heard any complaints from other interested persons regarding their work up to this point.

6 Staff believes that bounding the time period for this IE approval to approximately 20 months for only voluntary targeted RFPs is in the public interest because it strikes a balance between allowing the Company to move quickly to acquire resources needed to meet CETA targets, and allowing the Commission to provide oversight and retain approval authority.

7 On April 8, 2024, Staff conferred with Public Counsel regarding PSE's petition because of Public Counsel's concern in the case of the prior petition that the ongoing approval may limit interested parties' ability to voice possible future concerns. Staff believes including the same condition of approval from the 2022 petition will alleviate this concern. The condition requires PSE consult with interested parties, including Staff and Public Counsel, before using Bates & White for future RFPs within the 20-month period. Staff also met with PSE and believes that neither PSE nor Public Counsel would object to applying the condition proposed.

8 Staff recommends approval of PSE's Petition for Approval of its Recommended Independent Evaluator, subject to the condition that prior to issuing PSE's other targeted voluntary RFPs that PSE may issue before January 1, 2027, PSE must consult with interested parties, including Commission staff and Public Counsel, to determine if there are concerns with the use of Bates & White. As part of this consultation, PSE will describe Bates & White's qualifications in the given area of the potential RFP. If interested parties identify concerns that the Company does not resolve, interested parties may petition the Commission in this Docket for approval of an independent evaluator.

¹ *In the Matter of the Petition of PUGET SOUND ENERGY for an Order Approving Its Recommended Independent Evaluator*, Docket UE-220725, Order 01 at ¶ 9 (October 13, 2022).

DISCUSSION

- 9 We agree with Staff and grant PSE's Petition for Approval of its Recommended Independent Evaluator for targeted RFPs that PSE may issue before January 1, 2027, subject to the condition that the Company consult with interested persons, including Staff and Public Counsel, to determine if there are concerns with the use of Bates & White prior to issuing other targeted voluntary RFPs in the allotted time period.
- 10 As noted in Order 01 of Docket UE-220725, WAC 480-107-023(2) requires electric companies, after consulting with Staff and interested persons, to recommend an IE for approval by the Commission. However, the rule appears silent on the issue of approving an IE for more than one RFP.
- 11 Given Staff's position that Bates & White has thus far consistently provided fair and impartial review of RFP development and bid evaluation processes across several RFPs, we agree with Staff that it is in the public interest to allow PSE to continue to use Bates & White as its IE for voluntary targeted RFPs that it may issue before January 1, 2027, as long as no interested party raises an objection.

FINDINGS AND CONCLUSIONS

- 12 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, regulations, practices, accounts, and affiliated interests of public service companies, including electric companies.
- 13 (2) PSE is engaged in the business of providing electric services within the state of Washington and is a public service company subject to Commission jurisdiction.
- 14 (3) WAC 480-107-023(2) requires companies to petition the Commission for approval of a recommended IE.
- 15 (4) This matter came before the Commission at its regularly scheduled meeting on April 25, 2024.
- 16 (5) After review of the petition filed in Docket UE-240191 on March 22, 2024, and giving due consideration, the Commission finds that the approval of PSE's IE for voluntary targeted RFPs that it may issue before January 1, 2027, is in the public interest and is consistent with the purposes underlying the regulation and

applicable statutes and should be granted, subject to the condition detailed in paragraph 8.

ORDER

THE COMMISSION ORDERS:

- 17 (1) Puget Sound Energy's Petition for approval of its recommended Independent Evaluator for voluntary targeted requests for proposals that Puget Sound Energy may issue before January 1, 2027, is granted, subject to the condition detailed in paragraph 8.
- 18 (2) The Commission retains jurisdiction over the subject matter and Puget Sound Energy to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective April 25, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner