EXH. GA-8C
DOCKETS UE-240004/UG-240005
2024 PSE GENERAL RATE CASE
WITNESS: GILBERT ARCHULETA

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, **Complainant,** **v.** **PUGET SOUND ENERGY,** **Respondent.**	**Docket UE-240004** **Docket UG-240005**

SEVENTH EXHIBIT (CONFIDENTIAL) TO THE PREFILED DIRECT TESTIMONY OF

GILBERT ARCHULETA

ON BEHALF OF PUGET SOUND ENERGY

REDACTED VERSION

FEBRUARY 15, 2024

BATES WHITE
ECONOMIC CONSULTING

THE INDEPENDENT EVALUATOR'S FINAL REPORT ON PUGET SOUND ENERGY'S 2022 DISTRIBUTED ENERGY RESOURCES REQUEST FOR PROPOSALS

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I. PURPOSE AND SUMMARY

A. PURPOSE

Bates White, LLC (Bates White) is pleased to present this final report on Puget Sound Energy's (PSE's) 2022 Distributed Energy Resources RFP (DER RFP or RFP). Bates White serves the Washington Utilities and Transportation Commission (UTC or Commission) as the Independent Evaluator (IE) for the RFP. Bates White has extensive experience as an IE for renewable and conventional resource transactions in the Pacific Northwest, Oklahoma, California, Hawaii, and elsewhere as well as for full requirements transactions throughout the Northeast.

This final report is required under WAC 480-107-023. The Independent Evaluator must "[p]repare a final report to the commission after reconciling rankings with the utility in accordance with WAC 480-107-035(3) that must: (i) Include an evaluation of the competitive bidding process in selecting the lowest reasonable cost acquisition or action to satisfy the identified resource need, including the adequacy of communication with stakeholders and bidders; and (ii) Explain ranking differences and why the independent evaluator and the utility were or were not able to reconcile the differences."[1]

Per agreement with UTC staff this report is being provided after the conclusion of the negotiating and contracting process with selected bidders so as to provide a complete report on the entire process.

B. SUMMARY

As a result of this RFP PSE has finalized three contracts. These contracts provide approximately 100 to 140 MW of demand response capacity from residential, commercial and industrial ratepayers annually over the next five years.[2] They are;

- A contract with Autogrid Systems Inc. (Autogrid) for the provision of demand response services via residential behavioral demand response (BDR), thermostat load controls, battery energy storage (BESS), Commercial & Industrial (C&I) demand response load controls and electric vehicle (EV) charging. The contract covers a duration of about five and a half years

[1] WAC 480-107-023-(g).
[2] Actual amounts will depend on the season (winter versus summer) and the actual number of customers signed up.

and features annual load reduction targets of up to 97 MW in summer and up to 67 MW in winter.

- A contract with Enel x North America (Enel) for the provision of demand response services for Commercial and Industrial Customers. The contract's performance period covers from November 1, 2023 through October 31, 2028 and the contract ultimately seeks committed load reductions of 35 to 80 MW per Program Year.

- A purchase order with Oracle for licensing of the company's Opower Behavioral Demand Response cloud service. This provides BDR services for residential customers and covers a term of five years. There is no specific quantity target associated with this contract, but Oracle and PSE evaluators estimated that roughly 5 MW of demand response per year may come from this program.

As the Independent Evaluator we participated in all phases of the RFP, from the review of the RFP design through the solicitation and intake of bids and evaluation of offers and the negotiation and signing of final contracts. We make the following conclusions.

- The selected offers represent a lowest reasonable cost package of offers when considering factors such as offer size, need, customer overlap and risk factors such as PSE's IT requirements.
- The qualification and ranking of bids was done in conformance with the RFP rules. We were able to independently evaluate the bids on a qualitative basis using the RFP's scoring rubric. We also independently modeled the bids to confirm PSE's ranking. We also reviewed PSE's modeling and scoring of the bids to ensure that the bids were modeled correctly. We were able to agree on the final selection of offers and we reviewed and agreed with all disqualifications.
- The communication with bidders was adequate. Bidders were allowed to ask questions prior to the bid due date. We were able to review Q&A to ensure that questions were answered fully and in line with the RFP rules. We also reviewed communications with bidders to ensure that evaluators had the proper data and that non-compliant bids understood their defects and had a chance to cure their proposals.
- All bidders were treated fairly. Bidders had equal information with which to prepare their bids and were given chances to ask questions and cure deficiencies.
- Per Commission directive the offers were tested in conjunction with the shortlist from the 2021 All Source RFP and were found to be reasonable. We reviewed the modeling process and outputs and found no issue with the results.
- The process was aligned with the 2021 Integrated Resource Plan (IRP) and the Clean Energy Implementation Plan (CEIP). The RFP used the CEIP Benefit cost analysis (BCA) model to score bids. Initial quantity targets were based off of the 2021 IRP.

- The acquisition is larger than the initial RFP targets, but in line with the approval order from the CEIP, which charged PSE with acquiring more cost-effective DR resources.
- The final contracts feature reasonable risk protections for ratepayers, including penalties for failing to meet targets and performance requirements. While the prices were adjusted during the negotiation process PSE did confirm, per WAC requirements, that the updated prices still were the best choices for ratepayers.

While the RFP was ultimately successful, we do have a few suggestions for future procurements which we detail more herein. First, the bid sheet should make it clear what prices are actually being paid by the buyer and what are merely informational inputs. Second, the IE should be included on emails regarding negotiations. Third, PSE should explore more targeted procurements within the DER space. Fourth, PSE should consider allowing ISO-27001 compliant vendors of software to participate in future RFPs.

II. BACKGROUND

A. RESOURCE NEED

The resource need in this RFP was primarily based off of the findings in PSE's 2021 Integrated Resource Plan (IRP) and Clean Energy Implementation Plan (CEIP). The IRP was filed in final form in April of 2021 in UTC Docket UE-200304.[3] The Preferred Portfolio from the IRP included large additions of distributed energy resources (DER). The IRP split these DER into three types, Solar, Battery Energy Storage (BESS) and Demand Response (DR). The CEIP was filed later that same year and featured targets that were almost the same (with the exception of a small change in the Demand Response target). The table below shows the targeted incremental additions from the CEIP for those three categories.

Table 1 CIEP Preferred Portfolio Incremental DER Additions[4]

Distributed Energy Resource Type	Incremental Resource Additions			Total
	2022-2025	2026-2031	2032-2045	
Solar	80 MW	180 MW	420 MW	680 MW
Battery Energy Storage	25 MW	175 MW	250 MW	450 MW
Demand Response	24 MW	167 MW	21 MW	212 MW
Total	**129 MW**	**522 MW**	**691 MW**	**1,342 MW**

The CEIP was approved with conditions in June of 2023.[5] One of those conditions related to the acquisition of cost-effective demand response resources. The Commission stated that they were concerned the interim DR target of roughly 24 MW by 2025 was unreasonably low and did not reflect all cost-effective DR available and that PSE should include in its target all cost-effective DR bids received in response to the RFP.[6]

[3] UTC Case Docket Document Sets | UTC (wa.gov). https://www.utc.wa.gov/casedocket/2020/200304/docsets?doc_type=Plan. April 1, 2021. Accessed November 10, 2023.
[4] DR RFP p 4. See also PSE 2021 Clean Energy Implementation Plan Corrected February 1, 2022, available at https://www.cleanenergyplan.pse.com/ceip-library#CEIP2022-2025, p 4-5.
[5] UTC Order 08 Docket UE-210795. https://www.utc.wa.gov/casedocket/2021/210795/docsets. June 6, 2023. Accessed November 10, 2023.
[6] Ibid, p 18-19.

B. RFP DESIGN

This particular RFP dates to a process begun even before the filing of the 2021 IRP. Specifically, based on findings of the 2017 IRP PSE filed a draft targeted demand response RFP in May of 2020 in Docket UE-200413.[7] After public comment and extensions PSE filed a motion to withdraw the RFP due to, among other reasons, changes in load forecasts.[8] The Commission granted this withdrawal in October of 2020 subject to several conditions, including that PSE submit proposed all-source and system wide DR program delivery RFPs in new dockets no later than April 1, 2021.[9]

In March of 2021 PSE filed a petition to amend this Order to change the date by which the DER RFP would be filed to November 15, 2021. Per PSE this delay was necessary in order to develop requirements for a Virtual Power Plant (VPP) so that bidders could better tailor their bids to fit the system operations. In addition to filing the DER RFP in November PSE committed to file a request for information (RFI) for DERs on April 1, 2021, and to develop technical and operational requirements of a VPP platform in mid-2021.[10] The Commission approved this request in Order 05 in late March of 2021.[11]

As directed, PSE filed a draft Request for Information (RFI) for DER on an informational basis for comment on April 1, 2021, in docket UE-200413. After receiving comment from stakeholders, the RFI was issued, on May 14, 2021. It requested information from potential suppliers regarding products offered, product performance, IT requirements, pricing structure and more. RFI responses were received at the end of June from 16 parties. Respondents presented their corporate overviews, product offerings, customer segments, deployment timeframes, barriers to adoption, IT requirements and more.

Bates White was approved as the Independent Evaluator for the Company's 2021 All Source RFP by Commission Order in January of 2021.[12] Due to our experience and familiarity with PSE's ongoing resource procurement efforts we were asked to serve as the IE for this DER RFP as well. We were formally engaged as the IE for this RFP in August of 2021 and began our work assisting in the RFP design process.

[7] Initial Filing, Docket UE-200413. May 4, 2020.
[8] Puget Sound Energy's (i) Motion for Withdrawal of Draft Requests for Proposals and (ii) Petition for Waiver of Certain Requirements related to Requests for Proposals Contained in WAC 480-107. Docket UE-200413/14, September 8, 2020.
[9] Order 04, Docket UE-200413. October 15, 2020.
[10] Petition. Docket UE-200413. March 15, 2021.
[11] Order 05, Docket UE-200413, March 25, 2021.
[12] Order 01. Docket UE-210037. January 28, 2021.

After incorporating feedback from the RFI responses PSE filed the Draft DER RFP in November of 2021.[13] Prior to the filing of the draft RFP PSE provided us with a copy. We provided feedback to them in advance of the filing. We also held calls with PSE to discuss issues, ask questions and allow PSE to explain key issues. A majority of our questions focused on how so-called "Category B" bids would be compared to turnkey proposals received from third parties and how the risks of proposals would be measured. We also discussed issues including; the best and final offer process, IT requirements, the bid evaluation and ranking process, the BCA model, and bid qualification. We reviewed questions from bidders and draft answers from PSE to ensure that answers were in line with the RFP document.

Comments were submitted on the draft RFP and, in response, PSE filed a revised draft in the same docket on January 14, 2022.[14] Revisions included a number of clarifying edits, more details on bid evaluation, resource performance requirements, bid submittal instructions and more. Attachment One, filed with the draft, shows the list of revisions.

[13] Initial Filing. Docket UE-210878. November 15, 2021.
[14] Exhibit – Proposed. Docket UE-210878. January 14, 2022.

III. RFP ISSUANCE AND BID EVALUATION

A. RFP ISSUANCE

The Commission approved the RFP in Order 01 in Docket UE-210878 on January 27, 2022. The RFP was issued to the market on February 7, 2022. PSE held a bidders' conference on February 28, 2022. In this conference PSE communicated the goals of the RFP, reviewed resource need, reviewed the evaluation process, explained the bid submittal process and addressed questions from potential bidders.

We monitored the bidders conference to ensure that the RFP was properly explained and that bidders questions were answered consistent with the RFP rules. We also continued to review bidder Q&A and draft responses from PSE. We also held meetings with PSE personnel to discuss the progress of the RFP and issues raised in the process.

Bids were due on March 21, 2022. Bids were submitted electronically and shared with us. This RFP was somewhat unique in that it allowed two types of offers. The first, known as Category A were bidders offering traditional turnkey proposals for a specific resource or DER solution. The second, known as Category B bids, were offers for Vendor Service Components, i.e. a specific component of DER solutions such as equipment installation or customer enrollment. The idea behind this category was that PSE would combine these components with their own services to create DER products. PSE offered this structure because it believed it might provide opportunities for small, diverse businesses to participate in the procurement process and maximize impact on the local economy and leverage community organizations to maximize benefits to named communities.

B. BID EVALUATION

A total of fifteen companies submitted at least some form of offer. The following table shows a summary of the bids received. This summary comes from the required filing to comply with WAC 480-107-035(5). Note that many bidders offered different options in terms of contract term and other items.

Table 2 Bids Received [15]

Category A			
Resource	**Type**	**# of Unique Bidders**	**2025 Winter Capacity (MW)**
Demand Response	Behavioral	1	4.00
	Bundled[1]	4	107.10
	HVAC/Waterheater	2	50.00
BESS	Residential	1	1.00
	C&I	1	2.00
Total[2]		9	164.10
Category B			
Resource	**Vendor Service**	**# of Unique Bidders**	**# of Proposals**
BESS	Equipment Installation	1	1
Solar	Equipment Installation		1
DR	Program Design	2	2
	Customer Enrollment		2
	Program Administration		2
	Equipment Installation		1
	Other		1
	Equipment O&M	0	0
Unspecified	Customer Enrollment	1	1
	Unspecfied	2	2
Total		6	13
1. Combination of various technologies such as: HVAC, Waterheater, BESS, EV, Lighting, BAS, Behavioral, etc...			
2. DR total capacity consists of potentially overlapping programs between unique bidders			

As can be seen from the table the majority of category A responses were for bundled Demand Response solutions. Note that there were no distributed solar offers and limited BESS offers, despite the fact that the preferred portfolio had high targets for both resource categories.[16] Also note that the total capacity offered was only a bit more than the RFP target, 164 vs 129 MW.

Attachment Two shows some more detail regarding the bids. Note that this is pulled from initial bid data (which had some discrepancies as far as how bidders presented their data) so it may not exactly match the PSE public report. Here we can see the largest offers came from Commercial and Industrial (C&I) demand response providers.

[15] PSE, 2022 DER RFP: Proposal Summary Prepared Pursuant to WAC 480-107-035(5), April 19, 2022. Available at https://www.pse.com/en/pages/energy-supply/acquiring-energy/2022-Targeted-DER-RFP

[16] *See* Table 1.

Bid Qualification

After bid intake the first task was to confirm that each bid met the minimum requirements of the RFP. PSE sent out requests to bidders to fill in any missing information. Most bidders were able to cure the various deficiencies identified. However, we did have four bidders that were not able to meet the RFP requirements. These were;

1. [redacted] provided a general overview of their battery storage systems but did not attach these systems to any specific locations. The bidder did not provide most documents that were required relating to the development of specific projects. The bidder did not respond to PSE's requests for more information.
2. [redacted] stated that they didn't have time to prepare an appropriate technical proposal and therefore just provided an informational overview of their products and services. They did not provide additional, specific proposals when asked.
3. [redacted] also did not provide specific resources but rather just provided an overview of the company and their relevant products and services. [redacted] acknowledged that their submission did not meet the formal requirements of the RFP.
4. [redacted] was eliminated because their service could not integrate with the VPP platform and could not create active load calls. They proposed a passive "bring your own charger" program which would help shift EV charging to off-peak periods. Because this was a passive program there were no quantity acquisition targets – and per the bidder "BYOC uses a passive approach, and should not be considered a dispatchable resource."[17] In other words, this was not an active program where DR would be called and reduced per the call—it was instead a passive program where customers may or may not enroll and load may gradually shift from peak to off peak.

We were consulted on each of these decisions and agreed with PSE that the bids did not meet the RFP requirements and could be removed from the evaluation.

[17] Sagewell bid, Exhibit B, IT_OT Requirements

Phase 1 Screening

PSE then moved forward with the bid evaluation process. The next phase was the Phase 1 Screening. Per the RFP the goal of Phase 1 was to "conduct a preliminary cost analysis and qualitative risk screening to produce a list of the most promising resources for further consideration."[18] Proposals were separated by category (A or B) and scored on both a price and non price basis with 60 points being awarded to the price score and 40 points to the non-price score.[19]

For the non-price score bids were scored according to the qualitative scoring rubric provided in Exhibit A of the RFP. This included scoring categories based on counterparty viability, project viability, and customer acquisition, energy delivery and the bidder's CETA equity plan.

For the price score PSE used the Benefit Cost Analysis (BCA) model developed for the CEIP to model the costs and benefits of each offer for Category A proposals. Such costs and benefits included the following;

[18] RFP p 43.
[19] RFP Exhibit A, p A-2.

Table 3 BCA Costs and Benefits [20]

Costs	Benefits
Utility initial capital outlay	Utility reduced system peak capacity
Utility grossed-up return on asset base	Utility reduced transmission peak capacity
Utility O&M costs	DER generation hedge value
Utility PPA payments	Utility flexibility benefit and frequency response offset value
Utility owned/operated battery energy storage system charging costs	Customer backup power savings
Host customer initial capital outlay	Societal greenhouse gas benefits
Host customer program participation costs	
Host customer battery energy storage system market purchase charging costs	
Host customer O&M	

The BCA model produces multiple metrics so the evaluation team had to determine which metrics to utilize for the price score. Some direction was provided in the RFP. Specifically, the RFP stated that PSE would look at three items; (i) net resource benefit, (ii) net resource benefit per offered MW, and (iii) cost test output.[21]

For the cost tests, PSE considered two different perspectives. These are outlined in the National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources. They are described below.

- Utility Cost Test aka the UCT – "The purpose of the UCT is to indicate whether the benefits of a DER resource will exceed its costs from the perspective of only the utility system. The UCT includes all benefits and costs that affect the operation of the utility system and the provision of electric and gas services to customers."[22]

[20] RFP Exhibit A, p A-3.
[21] Ibid p A-3, A-4.
[22] National Standard Practice Manual For Benefit-Cost Analysis of Distributed Energy Resources, Appendix E, p E-3.

- Societal Cost Test aka the SCT – "The purpose of the SCT is to indicate whether the benefits of a DER resource will exceed its costs from the perspective of society as a whole. This test provides the most comprehensive picture of the total impacts of a DER resource.[23]

From a practical standpoint, a key difference between the tests is that the SCT does not include the cost of customer incentives. PSE proposed to look at three metrics for each bid; a) the SCT, b) the net benefits and c) the net benefits per MW. For the latter two metrics PSE looked at net benefits from a utility perspective. The RFP did not assign a weighting between the three metrics – PSE proposed initially to give the cost test a 60% weight and the other two metrics a 20% weight each. This seemed appropriate as it gave a slightly larger benefit to the more expansive metric.

In order to validate PSE's process we both reviewed the PSE scoring and scored the bids independently. For the non-price scores we reviewed and scored each offer. While we did have some initial differences in scores with PSE we did not attempt to reach an exact match with the utility regarding bid scores. This is because PSE proposed to take all remaining qualified bids to the Phase 2 evaluation, so the final non-price score would have no bearing on the ultimate bid selection. For documentation's sake we do provide the non-price scores here as Attachment Three.

For the price scores in Category A, PSE provided us with the BCA model and we reviewed the model. We asked PSE many questions regarding the model inputs and operations to ensure that we understood how bids were modeled as well as the model outputs. We reviewed the bids to confirm model inputs as well, though at a high level only as PSE had proposed to take all offers on to next phase.

With the initial offers, PSE's BCA model showed the following values.

[23] Ibid, p E-4.

Table 4 Initial PSE price and non-price scores

Bid	Resource and Size for 2028 Winter Peak	SCT Ratio	Net Resource Benefit ($MM)	Net Benefit/MW ($MM)	Quantitative Score	Qualitative Score	Total Score
5247 - Oracle	BDR (4MWs)	0.48	$ 235.0	$ 62.19	69	45	59.30
5241 - [redacted]	Process Interruption, BAS and other services (43.5MWs)	1.71	$ 1.3	$ 0.03	58	58	57.99
4776 - [redacted]	Building Automation System (3MWs)	0.79	$ 1.3	$ 0.48	48	62	53.39
1714 - AutoGrid - DR	Res: BESS (20MWs), EV (12MWs), HVAC (8.3MWs), BDR (6MWs); C&I DR (20.4MWs)	0.39	$ 107.3	$ 1.89	50	53	51.42
7695 - [redacted]	Res: HVAC (6MWs); C&I: Process Interruption and HVAC (28MWs)	0.69	$ 107.5	$ 3.58	51	51	50.93
2690 - [redacted]	Res: HVAC (2MWs); C&I Process Interruption and [redacted] BAS (18MWs)	0.48	$ 107.5	$ 6.02	36	62	46.49
8918 - Enel X	Process Interruption, BAS and other services (40MWs)	0.64	$ 1.2	$ 0.04	29	60	41.37
5448 - [redacted] Option 1 - 10 Year	BESS (1MW)	0.00	$ (588.3)	$ (658.95)	-	47	18.68
5448 - [redacted] Option 1 - 5 Year	BESS (1MW)	0.00	$ (503.1)	$ (563.61)	-	47	18.68
5448 - [redacted] Option 2	BESS (1MW), HVAC (.31MW)	0.00	$ (239.1)	$ (204.42)	-	47	18.68
5448 - [redacted] Option 3	BESS (1MW), HVAC (.37MW)	0.00	$ (217.8)	$ (178.10)	-	47	18.68
5448 - [redacted] Option 4	BESS (1MW), HVAC (.44MW)	0.00	$ (193.8)	$ (150.77)	-	47	18.68
5448 - [redacted] Option 5	BESS (1MW)	0.00	$ (785.2)	$ (879.60)	-	47	18.68
5448 - [redacted] Option 6	BESS (1MW), HVAC (.34MW)	0.00	$ (525.1)	$ (438.96)	-	47	18.68
5449 - [redacted] Option 7	BESS (1MW), HVAC (.41MW)	0.00	$ (488.2)	$ (387.86)	-	47	18.68
5450 - [redacted] Option 8	BESS (1MW), HVAC (.5MW)	0.00	$ (447.0)	$ (333.80)	-	47	18.68

The top offers were from Oracle, [redacted] and [redacted] Most resources were positive in value, with the exception being the [redacted] offers, which ranked the lowest mainly due to their small size and negative net benefits.

At this point, as noted, PSE decided to pass on all qualified offers to Phase 2 of the evaluation. This was because the total amount offered was relatively small, less than 2 times the targeted need. Therefore it made sense to at least consider all offers in the second phase of the evaluation. We agreed with this approach as it allowed for further consideration of all offers.

For Category B there were three offers remaining under consideration. [redacted] had offered its services as an equipment installer for BESS and Solar units. [redacted] offered program marketing services. Finally, [redacted] offered program design for direct load control, battery dispatch and EV managed charging, customer outreach and implementation. All three offers were passed on to the Phase 2 evaluation.

Phase 2 Screening

The purpose of the Phase 2 evaluation was to "design a suite of programs for evaluation from the candidate list developed in Phase 1 of Category A "turnkey" and Category B, Value Fit programs."[24] To carry this out PSE was to use "the BCA tool and qualitative metrics to compare different portfolio mixes to determine the shortlisted portfolio of DERs."[25] The chief goal was to

[24] RFP p 44.
[25] ibid.

select "a short list of proposals that best align with the Company's overall objective to select a portfolio of resources delivered to its system that balances lowest reasonable cost considering risk, customer benefits, and broad customer class inclusion."[26]

Per the RFP evaluation criteria PSE reserved the right to "conduct additional due diligence, as necessary, on the candidate list proposals. This may include engaging with respondents regarding various aspects of the proposals to verify proposal claims with supporting data and documents from the respondent, engaging third-party consultants to independently verify resource performance, or using other publicly available information."[27] To conduct this due diligence PSE scheduled interviews with the bidders to walk through their proposals and answer questions regarding team experience, implementation plans, IT/OT requirements and more. We listened in to these interviews. Bidders were also allowed (but not required) to submit a best and final offer for the Phase 2 evaluation.

During this additional due diligence two more offers were eliminated from consideration. Both the [redacted] and [redacted] offers were disqualified due to not having a SOCII Type 2 audit completed. This was a specific requirement of the RFP.[28] [redacted] was ISO 27001 compliant – a standard used elsewhere but not as popular in the US. [redacted] had begun the process of compliance but was not able to acquire the final audit by the July 2022 deadline. We felt that these eliminations were appropriate as the RFP was clear in this requirement. For future RFPs we would suggest that PSE consider also allowing ISO 27001 compliant offers so as to increase the number of potential bidders that might participate.

As part of the second phase, the Category A and B bids were evaluated together. The Category B offers were used to develop two specific offerings. For one Category B offering PSE's Value Fit team presented a bid using the two Category B proposals from [redacted] and [redacted] to offer multi-family community solar sites targeting an overall capacity of around 4 MW.[29] This would focus on creating solar at or near multi-family properties.[30] [redacted] would provide equipment installation and [redacted] would be utilized for customer outreach.

For the second offering, [redacted] offered Thermostat and Water Heater direct load control, EV managed charging and BESS. [redacted] had originally submitted as a Category B proposal but further due diligence suggested that they could provide a similar turnkey solution as a Category A project. As

[26] ibid
[27] RFP Attachment A-15.
[28] RFP Attachment A, p. A-5.
[29] Puget Sound Energy. Value Fit 25A Multi Family Community Solar.pptx.
[30] Ibid.

part of the BAFO process PSE worked with [redacted] to ensure that their revised cost offer included all charges necessary to implement the proposal.

The starting point of this analysis was the revised BCA analysis using the BAFO offers from the remaining bidders. PSE determined to eliminate the 10 year offers from consideration and focus on the five year offers. While these longer-term offers could score well it was decided that they were more speculative in nature and that it was therefore better to concentrate on shorter-term offers with an option to expand later. We felt this was a reasonable decision as the outcomes of these programs are less certain and a shorter commitment could help avoid issues if the bidder was not delivering as promised. To be clear, no bidders were eliminated in this step – all ten year offers were simply extensions of five-year offers with similar economics.

Again, PSE looked at the SCT Ratio, Net benefits and net benefits per MWh. With the revised pricing in August the Company showed the following results.

Table 5 PSE Post- BAFO price and non-price scores

Bidder	Resource and Size for 2028 Winter Peak	SCT Ratio	Net Resource Benefit ($MM)	Net Benefit/ MW ($MM)	Quantitative Score	Qualitative Score	Total Score
8918 - Enel X	Process Interruption, BAS and other services (40MWs)	10.76	$ 0.51	$ 0.01	70.97	59.60	66.42
[redacted]	Residential DR (WH, T-stat, EV, BESS) (7 MW)	4.85	$ 0.99	$ 0.16	62.90	53.00	58.94
5247 - Oracle	BDR (4MWs)	4.82	$ 0.74	$ 0.20	61.78	45.40	55.23
1714 - AutoGrid - DR - 5 Year	Res: BESS (20MWs), EV (12MWs), HVAC (8.3MWs), BDR (6MWs); C&I DR (20.4MWs)	4.41	$ 0.50	$ 0.01	35.54	52.90	42.48
2690 - [redacted] - 5 Year	Res: HVAC (2MWs); C&I Process Interruption and [redacted] BAS (18MWs)	0.04	$ (16.92)	$(0.96)	0.24	61.70	24.83
[redacted]	Solar (5 MW)	0.55	$ (2.16)	$(0.47)	3.08	52.90	23.01
7695 - [redacted] - 5 Year	Res: HVAC (6MWs); C&I: Process Interruption and HVAC (28MWs)	0.02	$ (29.09)	$(0.66)	0.11	50.80	20.39
5448 - [redacted] Option 4 - 5 Year	BESS (1MW), HVAC (.44MW)	0.32	$ (2.45)	$(1.94)	1.79	46.70	19.76
5448 - [redacted] Option 3 - 5 Year	BESS (1MW), HVAC (.37MW)	0.32	$ (2.52)	$(2.11)	1.76	46.70	19.73
5448 - [redacted] Option 2 - 5 Year	BESS (1MW), HVAC (.31MW)	0.30	$ (2.65)	$(2.32)	1.69	46.70	19.70
5448 - [redacted] Option 1 - 5 Year	BESS (1MW)	0.26	$ (3.61)	$(4.11)	1.46	46.70	19.56
[redacted]	BESS (20 MW)	0.82	$ (0.19)	$(0.01)	(1.02)	-	-

The Enel bid is the top offer followed by the [redacted] Oracle, and Autogrid offers. Enel improved its offer from the first round with a lower-cost BAFO. Bids below Autogrid have significantly lower scores mainly due to the very negative net benefits provided.

To confirm these results and verify we created a simple model to calculate the societal cost test ratio as well as utility net benefits. We then compared our results to PSE's. The goal was not to perfectly match (as our model was much simpler and did not include all benefits) but rather to check the general rank order of bids. We went back and forth with PSE regarding bid inputs and model

outputs. This exercise also allowed us to confirm the inputs used by PSE. Our bid ranking is shown below.

Table 6 Bates White post BAFO price and non-price scores

Bid #	Bid	Type	avgMW	SCT Ratio	Net Benefit	Net per MW	Pts	NP score	Total Score
25	Enel X	DR	37.5	9.83	$ 14,219,798	$ 379,195	89.31	45.00	71.59
23	Oracle	DR	4.5	4.59	$ 2,771,858	$ 615,968	54.93	48.80	52.48
19	Autogrid- 5	DR	51.71	3.59	$ 11,148,052	$ 215,588	52.38	48.80	50.95
26	[redacted]	DR	10.741971	3.85	$ 2,142,009	$ 199,406	48.20	47.50	47.92
16	[redacted] 5yr	DR	14.73	1.69	$ 2,199,035	$ 149,290	36.11	57.50	44.67
21	[redacted] -5	DR	34.944095	1.55	$ (2,812,978)	$ (80,499)	30.97	57.10	41.42
27	[redacted] BESS	BESS	11.4	0.78	$ (2,819,483)	$ (247,323)	25.86	48.80	35.04
11	[redacted] Option 4 -5	DR	1.44	0.27	$ (2,952,166)	$ (2,050,115)	12.97	50.40	27.94
10	[redacted] Option 3 -5	DR	1.36	0.27	$ (2,866,272)	$ (2,107,553)	12.68	50.40	27.77
9	[redacted] Option 2 -5	DR	1.30	0.26	$ (2,875,938)	$ (2,212,260)	12.04	50.40	27.38
8	[redacted] Option 1 -5	BESS	1	0.22	$ (2,979,020)	$ (2,979,020)	7.53	50.40	24.68
26	[redacted]	Solar	4.8125	(1.15)	$ 2,810,298	$ 583,958	23.40		14.04

In our analysis the Enel bid was also the top offer, followed very closely by Oracle and then Autogrid. We had the [redacted] bid a bit lower in score, but still providing a positive benefit.

The next step was for PSE to examine the bids closely to develop potential portfolios of offers. PSE looked for portfolios of resources that were a) cost-effective (scoring well on the SCT and net benefits), b) filled the RFP targets and c) had minimal overlap in services.

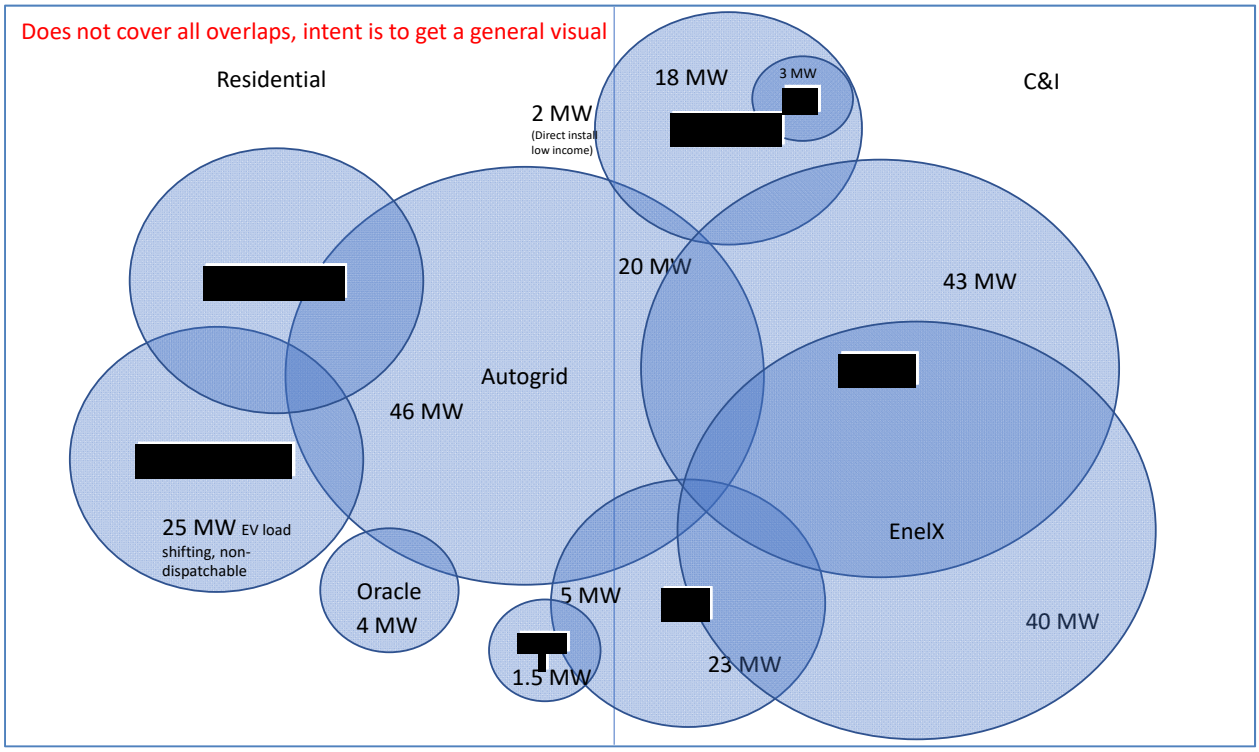
The services offered for the top bids broke out thusly;

1. Enel X – the top offer – was a large (over 40 MW) program for Commercial and Industrial demand response. Enel would target C&I customers and develop a load reduction strategy for each, looking at typical curtailment areas like HVAC systems, motors, production equipment and much more. Enel featured fairly large reduction targets for their services, starting from about 15 MW and moving to 40 MW within five years.
2. [redacted] offered a program for residential customers targeting direct control of HVAC, water heaters, EV charging and battery charging. Initial size of the program was about 4.4 MW of winter demand, with higher amounts in the summer.
3. Autogrid offered a mix of programs including; behavioral demand response, smart thermostats, residential batteries, EV chargers, and commercial and industrial DR. The program would start small in the first year, with about 5.7 MW of winter capacity but quickly increase to over 50 MW after three years. Per Autogrid the C&I component was about 30% of their proposed winter capacity offer.

4. Oracle offered a small (less than 5 MW in winter) behavioral demand response program for residential customers.
5. [redacted] also offered a demand response program ultimately targeting about 20 MW in reductions in Winter. The majority (about 90%) of the program's reductions would come from C&I customers with the remaining coming from residential customers.
6. [redacted] offered a demand response program that, in its third year, reaches about 30 MW in size in Winter with a mix of direct load control and bring your own device programs for a mix of customers. Roughly 80% of the reduction was to come from C&I customers with the remaining from residential programs.

To better envision the potential overlaps in customer segments PSE created the chart below. It is a rough approximation and is not intended to cover all overlaps.

Table 7 PSE Customer Overlap estimate[31]



Based on this and the goals outlined above PSE focused on two portfolios. Both assumed the use of the Enel X bid as that was the highest scoring offer. The first portfolio paired Enel X with

[31] Note this does include some bids ([redacted] [redacted] that were previously eliminated for reasons described above.

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Autogrid. This essentially maximized the amount of DR MW acquired. Because Autogrid was a mostly residential-based program the overlap between the offers is likely to be minimal. The second paring was between Enel X and [redacted] This would pair the top two bids per PSE's analysis with no real overlap in customers. However, the total acquisition would be much smaller – about 50 to 70 MW depending on the season versus over 100 MW with Autogrid.

PSE ultimately preferred the portfolio with Autogrid as that made a much larger contribution to the overall DR targets. The Enel X and Autogrid bids could essentially come quite close to the target acquisition for the RFP. We thought this was an appropriate strategy. While our modeling was a bit simpler we had the Autogrid offer ranked higher than [redacted] due to its larger amount of net benefits provided. This selection was justifiable in our opinion as it helped meet the RFP target and included the top offer plus another offer that scored well and showed minimal overlap between the offers.

Another possibility that we brought up would be to take all three top offers (Enel, Autogrid and [redacted] but PSE believed that the overlap in customers, particularly in the residential space, would be too limiting. Per an email we received from PSE's implementation team.

> "With any customer segment overlap between DR aggregators, there is friction in the process. However, our greatest concern for overlap is in the residential space. The C&I segment is more manageable since PSE has account managers, and aggregators have sales reps that work closely with the C&I customer through the entire process. PSE also expects to coordinate with the chosen aggregators about managing sales should there be some overlap. C&I customer outreach can be split up based on tariffs, industry categories, regionally, etc… to further reduce any confusion during acquisition.
>
> "For residential customer outreach, the device OEM (Google Nest, Ecobee, etc…) is the main channel for customer enrollments. Whether customers already have a device, or buy one new, they are guided to the OEM website for equipment and program enrollment. While the OEM is the main channel for initial customer processing, they do not work with utilities for customer segmentation and strategic outreach. This can cause confusion for residential customers when there are multiple aggregator programs to sign up for that may have the same or differing parameters and incentive structures. While there can be a unique aggregator per OEM, this only creates duplicative work for PSE to manage one unique aggregator per OEM, instead of just having one aggregator touch on all OEMs.
>
> For any customer segment overlap in DR programs, C&I competition is manageable, while residential competition will disrupt and muddle the customer journey."[32]

[32] PSE email to Bates White. August 16, 2022.

We later asked about overlap in the C&I segment (which would happen to some extent between Autogrid and Enel). PSE responded that they would be managing customer assignments to each of the vendors, noting that both AutoGrid and Enel have existing national accounts they work with and will each be bringing them to the table and that PSE would be attempting to separate customer recruitment lists for each vendor as well. PSE's plan is to assign the highest peaking customers to Enel since NOC platform will provide the most benefit to higher users. Prior to engagement with customers PSE plans to ask both vendors to let them know who they are reaching out to, so that they can cross reference assignments. Ideally the program team will ensure that the customer only receives recruitment engagement from one vendor.[33]

PSE also proposed taking the Oracle offer as it provided a different service (Residential BDR) and scored highly. We thought this was acceptable as we saw the bid as scoring well and we agreed that it provided a different product than Autogrid. Other bids were rejected either for scoring too low (e.g., [redacted] or for having too much overlap with higher ranked offers (e.g., [redacted]

[33] PSE email to Bates White. August 29, 2023.

IV. COMPARISON WITH ALL SOURCE BIDS

Per the RFP, the next step was to concurrently evaluate the selected offers with the shortlist of the All Source RFP offers.[34] Specifically, the RFP states that "Phase 2 of the All-Source RFP evaluation will include a sensitivity that considers optimized portfolio scenarios in which the DER RFP targets are and are not fully met. Aurora will be used for this portfolio optimization and will compare different combinations of resources over a variety of future pricing scenarios. This approach allows for a fair comparison and concurrent evaluation to identify the best resources from both RFPs."[35] Per Attachment A of the RFP "The Concurrent Evaluation will not remove any DER proposals by the end of the evaluation, but is instead used to inform the All-Source chosen bids."[36]

PSE presented us with model results in late September of 2022. They provided AURORA model runs with and without the three DER resources selected. The model runs showed that the DER resources were selected as part of a lowest-cost option when they were available. This reduced the need for additional capacity and lowered overall portfolio costs. We have attached two redacted output files here as Attachment Four – these show a decrease in capacity needed by about 100 MW and a reduction in total portfolio cost of about $234,000 on a net present value basis.[37]

PSE next moved on to negotiate contracts with the final three bidders. We were invited to some discussions and copied on drafts. What follows is an assessment of each contract.

[34] RFP p. 42.
[35] RFP p 44.
[36] RFP A-16.
[37] We note that for modeling purposes PSE presumed these programs were extended throughout the study period.

V. REVIEW OF FINAL CONTRACTS

PSE began negotiations with bidders in November of 2022. We were invited to listen in to initial meetings and were provided some initial documentation. Over the coming months PSE did provide us with occasional updates regarding the progress of negotiations. We discuss each contract below in the order in which they were signed.

Oracle

During the negotiations with Oracle there were some factors within that bid that changed the economics of the offer from what had been modeled in the evaluation phase. On the price side, it became clear that there was a misunderstanding regarding the program costs. Specifically, Oracle had labeled ongoing annual administration costs as program startup costs.[38] PSE had therefore modeled these costs as a one-time fee instead of recurring costs.

On the quantity side, the decision was made to target a much broader swath of customers in light of the Commission's CEIP order – the original offer had proposed to target 100,000 electric heat customers with moderate/high usage who are in the Home Energy Report (HER) program and have a valid email for winter reductions. Opower's proposed summer program would target 180,000 customers. PSE wanted to increase the target to around 500,000 customers, increasing the overall potential reductions and cost.

Per WAC requirements PSE did re-score the offer. This did cause the bid to drop in the relative rankings. The tables below show the original and adjusted rankings.

[38] PSE email to Bates White. September 7, 2023.

Table 8 PSE Ranking Comparison Pre and Post Oracle price adjustment[39]

Original ranking

Developer	Combined Score*	Societal Cost Test	Utility Cost Test*
Enel X (C&I)	66.4	10.76	2.14
[redacted] (Res)	58.9	4.85	1.63
Oracle (Res)	55.2	4.82	4.71
AutoGrid (Res)	42.5	4.41	1.69
[redacted] (C&I)	40.4	2.85	1.95
[redacted] (C&I)	34.3	3.00	1.53
[redacted] (Res)	19.8	0.32	.29

Adjusted ranking (April start)

Developer	Combined Score*	Societal Cost Test	Utility Cost Test*
Enel X (C&I)	66.5	10.8	2.1
[redacted] (Res)	61.4	4.9	1.6
AutoGrid (Res)	42.6	4.4	1.7
[redacted] (C&I)	40.7	2.9	2.0
[redacted] (C&I)	34.4	3.0	1.5
Oracle (Res)	26.2	1.5	1.5
[redacted] (Res)	19.8	.3	.3

While the bid does drop in the rankings, the important thing to note is that the only non-contracted bids that move in front of it are the two C&I bids from [redacted] and [redacted] both of which target a different customer segment. Therefore, PSE decided to continue negotiating with the bidder.

To double check this analysis we did re-score the bid as well. The table below shows our score with our cost model. Again, this is a rough calculation, not meant to precisely mimic PSE's evaluation.

[39] PSE email to Bates White. February 23, 2023. We note here that PSE did some adjustments to the scores of [redacted] and [redacted] primarily to account for lower marketing costs. While the bids performed better than previously forecast, they were still outscored by the selected offers and featured too much overlap with higher-ranked offers to warrant pursuit.

Table 9 Bates White post BAFO price and non-price scores with updated Oracle pricing

Bid #	Bid	Type	avgMW	SCT Ratio	Net Benefit	Net per MW	Pts	NP score	Total Score
25	Enel X	DR	37.50	9.83	$ 14,219,798	$ 379,195	89.48	45.00	71.69
19	Autogrid- 5	DR	51.71	3.59	$ 11,148,052	$ 215,588	52.54	48.80	51.05
26	[redacted]	DR	10.74	3.85	$ 2,142,009	$ 199,406	48.36	47.50	48.02
23	Oracle	DR	4.50	2.98	$ 2,359,277	$ 524,284	45.55	48.80	46.85
16	[redacted] 5yr	DR	14.73	1.69	$ 2,199,035	$ 149,290	36.26	57.50	44.76
21	[redacted] -5	DR	34.94	1.55	$ (2,812,978)	$ (80,499)	31.11	57.10	41.51
27	[redacted] BESS	BESS	11.40	0.78	$ (2,819,483)	$ (247,323)	26.00	48.80	35.12
11	[redacted] Option 4 -5	DR	1.44	0.27	$ (2,952,166)	$ (2,050,115)	13.02	50.40	27.97
10	[redacted] Option 3 -5	DR	1.36	0.27	$ (2,866,272)	$ (2,107,553)	12.72	50.40	27.79
9	[redacted] Option 2 -5	DR	1.30	0.26	$ (2,875,938)	$ (2,212,260)	12.07	50.40	27.40
8	[redacted] Option 1 -5	BESS	1.00	0.22	$ (2,979,020)	$ (2,979,020)	7.53	50.40	24.68
26	[redacted]	Solar	4.81	(1.15)	$ 2,810,298	$ 583,958	23.58		14.15

Even in this result we see the Oracle bid being a reasonable choice given the customer base it is targeting. Therefore, we did not object to the continuation of negotiations.

The final contract documents consist of two ordering documents. PSE is purchasing Oracle Opower peak management BDR cloud service. Under this service residential customers are notified of peak events and provided suggestions for usage reduction. Customers are also provided with post-event feedback to encourage further reductions. PSE will get full usage and reduction statistics to analyze performance.

The contracts cover a five year period. The initial order covers [redacted] households for [redacted] events annually over this period at a total cost of $[redacted], with [redacted] more households being added in year two for an additional cost of $[redacted]. This works out to a cost of $[redacted] per household per year, which matches the Oracle proposal. PSE has added an additional [redacted] events for a total of [redacted] households over a five year period at a total cost of $[redacted]. This works out to $[redacted] per household per year, which, again, matches the Oracle proposal. This totals to [redacted] winter events and [redacted] summer events. In addition, there are print channel fees to distributed materials to potential customers. The order covers a total of [redacted] communications over the five-year period. Per the original offer after one year these will only be sent to refill customers. The unit cost of these is $[redacted] per communication, slightly above the original cost of $[redacted] per communication – this is explained by recent increases in postage costs. There is also a small professional services fee of a little under $[redacted]

Overall, this generally conforms to the offer as re-modeled and the basic rates match what was offered. An important thing to note about this offer is that, by its nature, there are no guarantees as to the amount of reductions or the effectiveness of each event call. As PSE utilizes the program it will gain feedback as to its effectiveness and whether or not the program should be extended.

Autogrid

The agreement with Autogrid is a Demand Response Agreement dated July 14, 2023. Under this agreement Autogrid will provide firm demand response capacity through a variety of channels including residential behavioral demand response, thermostat and BESS, EV charging and C&I demand response load controls.

The contract is for a five and a half -year duration – coving an additional winter period. Service commencement is November 1, 2023 and ends in April of 2029. The agreement may be extended by mutual agreement.

Customers are "Eligible facilities" which have a PSE-approved interval meter and are served by PSE and have one or more eligible devices – these are defined as BESS resources, thermostats, water heater and EVs as well as C&I or can modify site load as DR resource.[40] Customers will enter into a "Participating Customer Contract" with Autogrid for a given amount of load reduction.[41] Under these contracts a customer may not switch to a substantially similar program for three years from date of contract enrollment.[42]

Autogrid will perform marketing and retention activities[43] and commits to total targets as shown in the table below. Note that these are targets, not firm commitments. Actual targets (with performance penalties as defined below) will be established prior to each month.

[40] Section 3.1
[41] P. 11.
[42] Section 3.3
[43] Exhibit A

Table 10 Autogrid Annual Load Reduction Targets[44]

Program Period (Initial Term)	Target Load Reduction (peak MW for any single interval)	
	Summer (May 1- September 30)	Winter (November 1 - March 31)
2023		5.7
2024	36.4	21.6
2025	69.2	46.2
2026	97.0	66.7
2027	97.0	66.7
2028	97.0	66.7

Autogrid will attempt to meet the below minimum targets for load reduction for each category per Appendix 2 of the contract. There are no penalties for not meeting these targets as the contract simply states that the Seller will make "commercially reasonable efforts" to hit these targets.[45]

Table 11 Autogrid Resource Mix Targets[46]

Program Period	BDR	Thermostat	BESS[1]	C&I	EVC
Nov 2023 – Sep 2024	5%	10%	1%	5%	0%
Nov 2024 – Sep 2025	5%	10%	5%	10%	5%
Nov 2025 – Sep 2026	5%	10%	10%	20%	10%
Nov 2026 – Sep 2027	5%	10%	10%	20%	10%
Nov 2027 – Sep 2028	5%	10%	10%	20%	10%
Nov 2028 – Mar 2029	5%	10%	10%	20%	10%

Autogrid will keep performance metrics and use best efforts to meet to be determined targets from PSE for counts and performance (e.g., energy savings from thermostat reductions) for customers located in highly impacted communities and vulnerable populations and low-income customers. Each type of resource has performance parameters that are laid out in Appendix 3 of the contract. For example, thermostat resources will be available [redacted] days per week and up to [redacted] hours per event, with a limit of [redacted] minutes (or [redacted] hours, or [redacted] events) per season.[47]

[44] Appendix 2.
[45] Appendix 2.
[46] Appendix 2.
[47] Appendix 3.

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No later than 30 days before a program month Autogrid will notify PSE of the expected capacity they can provide.[48] Each day they will provide a three day-ahead nomination of committed load reduction.[49] After each event Autogrid will provide event performance data. PSE can dispatch program events up to four hours in duration.[50] They can, with some limits, also call test events and emergency dispatch events – though these do not figure into the performance metrics.[51]

The contract does feature some performance requirements. Specifically, If the Committed load reduction made available is less than [redacted] of the average of the highest [redacted] intervals of the applicable Monthly Load Reduction target Autogrid will owe half of the missing capacity payment.[52] In addition, if the load reduction performance is less than [redacted] in the first two seasons or [redacted] thereafter the capacity payment will be reduced by the shortfall.[53] If Autogrid fails to deliver more than [redacted] of its committed load reduction on three or more occasions in any season or on [redacted] or more separate occasion during [redacted] consecutive sessions than PSE may terminate the agreement.[54]

In terms of payment the contract provides for an annual schedule which changes in each program period, ranging from $[redacted]/kW to $[redacted]/kW[55]. This is multiplied times the average committed load reduction for the [redacted] highest intervals in the month or…and may be adjusted by the performance factor (i.e. the ratio of estimated to actual load reduction).[56] PSE will also pay an energy payment of $[redacted]/MWh (rising to $[redacted]/MWH in [redacted]) and a one-time startup fee of $[redacted].[57] Autogrid will have the determination regarding how it distributes incentives in consultation with PSE.[58]

Comparing to the BAFO offer we do see matches in the energy payment and the startup costs. In addition, the quantity targets match the modeled offer numbers from the bid. The capacity payment did change slightly from the evaluated BAFO offer during negotiations. To confirm that the pricing was still appropriate PSE compared the modeled price to the contract price. The result is provided as Attachment Five. We reviewed and confirmed that the numbers were accurate. What the attachment shows is that the contract pricing is more expensive in years one and two but less expensive in subsequent years. Moreover, the cost per MWh on a levelized basis is less under the contract pricing. This shows that the resource could be expected to still be competitive and beneficial under the new pricing.

[48] Appendix 2.
[49] Appendix 2.
[50] Section 4.1.
[51] Section 4.3.1.
[52] Section 8.2.2.
[53] Section 8.2.1
[54] Section 8.6
[55] Section 5.2
[56] Section 5.1
[57] Sections 5.3 and 5.4
[58] Attachment B, section 3.10

Beyond the shortfall payments there is also a provision that allows PSE to prepare and survey customers regarding the programs. If the scores are below a given threshold Autogrid will have [redacted] days to improve its performance and then customers will be surveyed again. There is no particular penalty for low scores, but if Autogrid exhibits gross negligence or unwillingness to work in good faith with PSE to achieve the threshold the agreement may be terminated.[59]

Enel

The Enel contract was signed on September 26, 2023. Per its terms Enel will operate a Commercial and Industrial DR Program, will conduct marketing and recruiting in conjunction with PSE, install, maintain and test software and the equipment will be integrated with Autogrid software VPP. The contract's product performance period runs for five years.

Enel will seek to sign up Commercial and Industrial users with annual targets in the following amounts.

Table 12 Enel Load Reduction Targets[60]

Program Year	Lower Bound Target Committed Load Reduction (average daily MWs for all Products aggregated)	Upper Bound Target Committed Load Reduction (average daily MWs for all Products aggregated)
Program Year 1: 2023/2024	15	50
Program Year 2: 2024/2025	25	60
Program Year 3: 2025/2026	35	80
Program Year 4: 2026/2027	35	80
Program Year 5: 2027/2028	35	80

Enel will use their "best efforts" to hit these quantities.[61] No later than 5 business days prior to a given month Enel will provide a committed load reduction for that month.[62] If the "Committed Load Reduction is less than the lower bound of the applicable Target Committed Load Reduction" Enel will pay $[redacted]/MW of shortfall.[63] In addition, the Enel software must have [redacted] uptime or the agreement will be default if such condition continues for more than [redacted] days.[64] There are also damages for non-performance if actual load reductions are less than [redacted] of projected reductions.[65] In addition, PSE can

[59] Section 8.5.
[60] Section 8.1.2
[61] Ibid.
[62] Section 8.1.3.2.
[63] Section 8.2.1, this amount is only $[redacted]/MW for Program Year 1.
[64] Section 7.3.2.
[65] Product Attachment 1 Section 7.

terminate a product agreement with a customer if Enel fails to deliver more than [redacted] of the average committed load reduction during and even on [redacted] or more occasions in any [redacted] period.[66]

Similar to the Autogrid contract there is an annual survey of customers. However, in this case if Enel is not meeting the established standards and cannot cure this PSE can terminate the contract.[67]

Enel will be paid per MW that is signed to a given product. Product details are spelled out in two attachments. One for the Peak Demand Product and another for an Emergency Product. PSE may dispatch a total of [redacted] peak events each season, for a maximum of [redacted] peak events per year.[68] Each event may last up to [redacted] hours.[69] PSE also has limited rights to dispatch test events.[70] For this product the payment rate varies per month, but the total rate per year is $[redacted] per MW.[71] Customers may earn up to $[redacted] per MW in incentive payments.[72] The price for the emergency response product is lower, $[redacted] per MW with up to $[redacted] per MW in incentives for up to [redacted] events per year.[73]

Comparing to the bid the quantities are in the same range as those modeled (Enel had offered up to [redacted] MW in winter and [redacted] MW in summer by 2028). Per the BAFO the all in price for year round capacity was $[redacted]/kW in 2023 rising to $[redacted]/kW in 2028, for an average cost of $[redacted]/kW. The contract price is fixed at $[redacted]/kW, so lower on average than first offered.

One final change from the offer is the number of event calls. The bid had initially proposed [redacted] calls per season. Enel requested a reduction in the number of event calls per season from [redacted] to [redacted] In their experience businesses are more likely to commit to a higher capacity, and greater participation rate, if the utility can reduce the number of calls. PSE noted that if they find that they need to increase the number of event calls in future years they can amend the contract and SOW to do that. In this case we think this will still provide value. As a quick check we adjusted PSE's BCA model to calculate the change in SCT in moving to [redacted] events per season and the SCT moved from [redacted] to [redacted] demonstrating that the bid still had quite a high value.

[66] Ibid.
[67] Sections 8.3.2, 8.3.3.
[68] Product Attachment I, Section 5(a).
[69] Product Attachment I, Section 5(a).
[70] Product Attachment I, Section 5(c).
[71] Product Attachment I, Section 6.
[72] Product Attachment I, Section 6.
[73] Product Attachment II, Sections 5, 6.

VI. CONCLUSIONS AND RECOMMENDATIONS

As the Independent Evaluator we participated in all phases of the RFP, from the review of the RFP design through the solicitation and intake of bids and evaluation of offers and the negotiation and signing of final contracts.

- The selected offers represent the lowest reasonable cost package of offers when considering factors such as offer size, need, customer overlap and risk factors such as PSE's IT requirements.
- The qualification and ranking of bids was done in conformance with the RFP rules. We were able to independently evaluate the bids on a qualitative basis using the RFP's scoring rubric. We also independently modeled the bids to confirm PSE's ranking. We also reviewed PSE's modeling and scoring of the bids to ensure that the bids were modeled correctly. We were able to agree on the ranking of offers and we reviewed and agreed with all disqualifications.
- The communication with bidders was adequate. Bidders were allowed to ask questions prior to the bid due date. We were able to review all Q&A to ensure that questions were answered fully and in line with the RFP rules. We also reviewed all communication with bidder to assure that evaluators had the proper data and that non-compliant bids understood their defects and had a chance to cure their proposal.
- All bidders were treated fairly. Bidders had equal information with which to prepare their bids and were given chances to ask questions and cure deficiencies.
- Per Commission directive the offers were tested in conjunction with the shortlist from the 2021 All Source RFP and were found to be reasonable. We reviewed the modeling process and outputs and found no issue with the results.
- The process was aligned with the 2021 Integrated Resource Plan (IRP) and the Clean Energy Implementation Plan (CEIP). The RFP used the CEIP Benefit cost analysis (BCA) model to score bids. Initial quantity targets were based off of the 2021 IRP.
- The acquisition is larger than the initial RFP targets, but in line with the approval order from the 2023 CEIP, which charged PSE with acquiring more cost effective DR resources.
- The final contracts feature reasonable risk protections for ratepayers, including penalties for failing to meet targets and performance requirements. While the prices were adjusted during the negotiation process PSE did confirm, per WAC requirements, that the updated prices still were the best choices for ratepayers.

While the process was successful we did have some recommendations for consideration in a future procurement. These are provided in the sprit of helping to make the next process function more smoothly and transparently.

First, the bid sheet should make it clear what prices are actually being paid by the buyer and what are merely informational inputs. PSE's bid sheet asked for several categories of costs, including program administrative costs, startup fees, incentives, seasonal costs and annual costs. This level of detail was, in part, used to inform the BCA model results. However, the number for categories led to some confusion on the part of bidders and evaluation as to what costs would be paid and when. For the next procurement should PSE wish to use a similar bid form they should provide additional clarity as to what prices are to be paid and what are merely informational asks of the bidder.

Second, the IE should be included on emails regarding negotiations. Bates White was charged with monitoring contract negotiations to ensure that the final contracts reflected bids selected in Phase 2. PSE did make efforts to include us on some calls and provided all info when asked but we were ultimately not included on all agreement turns and call invites. To be clear, this was due to oversight and PSE was very forthcoming when asked for details. This led to some situations where we had to assess price changes after the contracts had been signed. While as noted above this was not ultimately an issue it could have been a problem if the price changes had been more radical. Going forward the best practice in these cases is for the utility to copy the IE on all correspondence with the bidder and let the IE determine if real-time monitoring is necessary.

Third, PSE should consider more targeted procurements. This procurement was reasonably open to all DER resources. This is an appropriate design choice given the large quantity of needs that PSE was attempting to fill. However, while this procurement generally met the quantity target the procurement was mostly comprised of DR resources and fell far short of the targets for BESS and solar resources. This was somewhat understandable as large C&I DR can be a very cost-effective solution. However, going forward it is likely that PSE will want to utilize other assets and target other types of customers and such solutions can sometimes be hard to bring in via these more open RFPs. In such cases where a utility is not getting the resource they need via traditional open option RFPs a more targeted solution may be appropriate. We note that this is, to some extent, already underway with PSE's 2023 Distributed Solar and Storage RFP. PSE should consider other solutions within the DER space and enact targeted procurements if they feel that such resources are not coming though traditional procurement channels.

Fourth, PSE should consider allowing ISO-27001 compliant vendors of software as a service to provide service. As noted above, some bidders were rejected due to the RFP's requirement to have a SOCII Type 2 audit. One bidder, in particular did not have this certification but was ISO-27001 compliant. While we are not in a position to declare that this is an acceptable risk for PSE's system we do believe it is worth consideration for future RFPs and that PSE should at least justify its choices based on the additional risks posed by ISO-27001 vendors.

Attachment One

January 14, 2022 Summary Table of Redlines to DER RFP
(Main RFP document, Exhibit A, Exhibit B, Exhibit C, Exhibit K, Exhibit M)

Comment #	Document Section	Summary of Change	Page #(s) or Cell #
N/A	RFP, Section 1	Language was added to clarify specific contract models for resource types, associating pay-for-performance contracts, ownership contracts and PPAs with DR, BESS and solar.	2
4.2	RFP, Section 1	1. Replacement of word "BTM" with "Distributed" in description of BESS. 2. Removal of "similar to Demand Response". 3. Removal of language prohibiting export of BTM batteries.	4
5.3	RFP, Section 1	Language was added clarifying that the Preferred Portfolio is not a limitation of what programs PSE will accept.	5
4.2	RFP, Section 2	1. Removal of "Power Purchase Agreement" in Table 4. 2. Removal of language prohibiting export of BTM batteries.	8
3.1	RFP, Section 2	Paragraph describing Technical Specifications for Small Generation Interconnections was updated to note the latest version will not be published till February 2022 and threshold capacity for SCADA will not change.	9
2.4	RFP, Section 2	Language was added to elaborate that respondents unable to meet Exhibit K and B requirements will not be automatically eliminated from evaluation.	10
N/A	RFP, Section 2	Replacement of "fit" with "add" in description of basis.	11
4.2	RFP, Section 2	Revised language to note BTM batteries are not covered under DR since export is allowed.	12
N/A	RFP, Section 2	BESS Maximum Annual MWh Discharged increased from 730 MWh to 1,752 MWh	12
3.4	RFP, Section 2	Revised language to note PSE preference for BESS technology if owned by the Company.	12
4.3	RFP, Section 2	Language was added to explain contracting terms for DR projects in regards to contract length and ramp rate for capacity.	14
4.2	RFP, Section 2	Removal of language prohibiting export of BTM batteries.	15
N/A	RFP, Section 2	Removal of language prohibiting DR events from being called on more than two consecutive days.	16
2.1	RFP, Section 2	Language was revised to note performance payment terms for DR programs delivering contract capacity.	16
2.3	RFP, Section 2	Addition of "if applicable" to Technology Provision to account for programs specifications might not apply to.	18

2.3	RFP, Section 2	Addition of "if applicable" to Operations and Maintenance provision to account for programs it might not apply to.	19
N/A	RFP, Section 2	1. Language added regarding respondent requirements for DER system support and maintenance, requesting details on staffing, response resolution, maintenance and upgrades, as well as long-term plans for standards compliance. 2. Language added regarding customer references.	20
N/A	RFP, Section 2	Language was altered from "A" to "There is a", "apply" to "that apply" and "and there are" to "as well as".	21
2.4	RFP, Section 2	Language was added to elaborate that respondents unable to meet Exhibit K and B requirements will not be automatically eliminated from evaluation.	21
4.1	RFP, Section 2	1. Alteration of "Pricing for Winter Capacity Events" to change units to $/kW-event. 2. Removal of "Total Annual Costs" pricing. 3. Removal of pricing breakdown of: software licensing, equipment capital, equipment installation, equipment maintenance, participant incentives, customer service, tracking and reporting and other. 4. Language added regarding program startup, program administration, program marketing and customer incentive costs.	26, 27
N/A	RFP, Section 2	Alteration of capacity charges by season to event.	27
N/A	RFP, Section 3	Language added to explain vendor service components and how they will be integrated with PSE internal capabilities.	28
3.3	RFP, Section 3	Figure 6 has been updated to better reflect the language and terms used in the RFP.	31
N/A	RFP, Section 4	Table 11 updated to include Concurrent Evaluation timeline.	41
N/A	RFP, Section 4	Language added describing PSE's preference for respondents to provide updated pricing during the BAFO if PSE's chosen VPP vendor is compatible with their platform.	44
2.1	RFP, Section 5	Language added regarding liquated damages not being applied to DR contracts that cannot achieve contractual milestones.	54
N/A	RFP, Section 5	Language added regarding cloud-based software solutions requiring SOCII Type 2 audit completion or estimated completion before July 1, 2022.	55
2.2	RFP, Section 5	Language added regarding cloud based vendors providing a SaaS agreement and SLAs to cover licensing terms, with the MSA covering any additional services.	55

N/A	Exhibit A	Language added to explain the relationship between Category B vendor services and PSE resources in Value Fit programs.	A-1
4.1	Exhibit A	Removal of Table 1 DER Benefit Cost Analysis Tool Cost Categories and associated language in paragraph above, with vendors no longer being required to provide all pricing info.	A-2, A-3
N/A	Exhibit A	Table 1 BCA Model Costs and Benefits added, with associated language above elaborating on elements quantified in BCA model. Updated Table 1 lists out the costs and benefits factored in the BCA.	A-3
N/A	Exhibit A	Language added noting that scoring a "0" on Energy Delivery in the qualitative rubric is disqualification.	A-5
N/A	Exhibit A	Language added regarding SaaS and on premise interface options for the Energy Delivery category in the qualitative rubric.	A-7
N/A	Exhibit A	Table 3, Category A Qualitative Scoring Rubric has been updated with the following changes: 1. Language added to the Technology Risk category of the Project Viability section to note scoring for ownership proposals; successful pilot program with similar technology at PSE equate to a score of 2 and operational experience of similar technology at PSE equate to a score of 3. 2. Language added to the DER/DR project interconnection category of the Energy Delivery section to note proposals with deliverability not being feasible will equate to a score of 0 and proposals with no interconnection app submitted equate to a score of 1. 3. DER/DR aggregators and BESS dispatch category add to the Energy Delivery section to note scoring for on premise (1 point) and SaaS platforms (5 points). 4. BTM DER/DR aggregators category add to the Energy Delivery section to note scoring for proposals that cannot interface with PSE's VPP (0 points) and can interface with PSE's VPP (5 points). 5. Language added to CETA Equity Plan, Customer Benefits section for high quality career opportunities in highly impacted communities or vulnerable populations; non-English materials and outreach being provided to HIC and VP; accessibility to reliable clean energy for HIC and VP; improvement of home comfort for HIC and VP.	A-8 – A-11

		6. Language added to CETA Equity Plan, Business Values section to score respondents certified by OMWBE, WDVA and SBA.	
1.1	Exhibit A	In Table 3, language added to CETA Equity Plan, Business Values section to score respondents based on labor standards in RCW 82.08.962 and 82.12.962 broken out between (1)(c)(i)-(iii).	A-11
N/A	Exhibit A	Table 4, Category B Qualitative Scoring Rubric has been updated with the following changes: 1. Language added to CETA Equity Plan, Customer Benefits section for high quality career opportunities in highly impacted communities or vulnerable populations; non-English materials and outreach being provided to HIC and VP; accessibility to reliable clean energy for HIC and VP; improvement of home comfort for HIC and VP. 2. Language added to CETA Equity Plan, Business Values section to score respondents certified by OMWBE, WDVA and SBA.	A-13
1.1	Exhibit A	In Table 4, language added to CETA Equity Plan, Business Values section to score respondents based on labor standards in RCW 82.08.962 and 82.12.962 broken out between (1)(c)(i)-(iii).	A-14
3.3	Exhibit A	1. Language has been added to describe the IE's role in Value Fit program development. The IE will review initially categorized bids for Value Fit development and the final Value Fit programs. 2. Language has been added to explain additional pricing and proposal information required from respondents.	A-14
N/A	Exhibit A	Language has been added to explain interview requirements with prospective short-listed respondents to clarify proposal, team experience and additional details.	A-15
2.4	Exhibit A	Language was added to describe how proposals that do not meet the requirements of Exhibit K and Exhibit B (Tab 4) will have their capabilities evaluated to determine those that best meet PSE requirements.	A-15
N/A	Exhibit A	Language was added to explain diversity of resources types to be chosen.	A-15
5.4	Exhibit A	Language was added to describe potential metrics that might be updated for the Phase 2 evaluation.	A-15
5.1	Exhibit A	Language has been added to elaborate on the Concurrent Evaluation and how DER proposals will not be removed during this phase; if All-Source shortlisted proposals are displaced during the Concurrent	A-15, A-16

		Evaluation, then previous proposals displaced in Phase 2 will be included in the Concurrent Evaluation.	
N/A	Exhibit A	Language has been added to explain the use of Aurora in the Concurrent Evaluation. The modeling principles and variables used to evaluate the proposals are described further in depth.	A-16
5.6	Exhibit A	1. Figure 1, Evaluation Process, has been added to summarize the evaluation process for Category A and B respondents through the various phases. 2. Language was added to reference Table 11.	A-17
N/A	Exhibit B	Language added to include "Washington State Department of Veterans Affairs (WDVA) and/or U.S. Small Business Administration" in bidder commitment to contracting with SMWBEs question.	Tab 2a
N/A	Exhibit B	Section DER Interconnection Details included requesting voltage level and output capacity for DER.	Tab 3a
N/A	Exhibit B	Section DER Interconnection Details included requesting voltage level and output capacity for DER.	Tab 3b
N/A	Exhibit B	Units for Pricing for Winter Capacity Events and Additional Pricing Element changed from ($/kW-Season) to ($/kW-event).	Tab 3c
4.1	Exhibit B	Estimated Breakdown of Costs by Category was simplified to Program Startup Costs, Program Administration Costs, Program Marketing Costs and Customer Incentive Payments For Winter Peak Events.	Tab 3c
N/A	Exhibit B	Units for All-Inclusive Pricing for Summer Peak Curtailment Capacity changed from ($/kW-Season) to ($/kW-event).	Tab 3c
N/A	Exhibit B	Units for Incremental Pricing for Fast Response changed from ($/kW-Season) to ($/kW-event).	Tab 3c
N/A	Exhibit B	The requirements listed in Tab 4 covering Business, Engineering, IT, Operations and Planning concerns have been rearranged to reflect the layout of Exhibit K. The edits record in Exhibit K below have also been applied to Tab 4.	Tab 4
N/A	Exhibit C	CETA Equity Plan page limit increased from 2 to 4 pages.	C-5
N/A	Exhibit C	Language removed saying that Survey Questions will not count toward your evaluation scoring.	C-6
N/A	Exhibit K	Requirement for minimum capitalization requirements deleted	1.01
N/A	Exhibit K	Requirement for PSE branding or co-branding deleted. Refer to Exhibit M.	1.02
2.4	Exhibit K	Requirement for PSE branding or co-branding was edited to delineate between programs owned by PSE and those that are not.	1.03

N/A	Exhibit K	Requirement for respondent to provide customer complaints deleted. Refer to Exhibit M.	1.04
N/A	Exhibit K	Requirement for specifying communication options for customer deleted. Refer to Exhibit M.	1.07
N/A	Exhibit K	Requirement for indicating customer interests when dispatching an event deleted. Refer to Exhibit M	1.08
N/A	Exhibit K	Requirement to include GHG carbon reduction deleted.	1.09
N/A	Exhibit K	Requirement to provide disclosure to customer at sign-up regarding purposes of obtaining their information and how it will be share deleted. Refer to Exhibit M.	1.12
N/A	Exhibit K	Requirement to provide ability for customer to opt out of a called even deleted. Refer to Exhibit M.	1.13
N/A	Exhibit K	Requirement for respondent to provide information on how non-performance penalties were handled prior deleted.	1.16
N/A	Exhibit K	Requirement for respondent to guarantee load flexibility by month, day and hour basis deleted.	1.17
N/A	Exhibit K	Requirement to rate schedules managed by the VPP transferred to 3.42.	1.20
N/A	Exhibit K	Added language from previous 2.08 regarding safety standards, IEEE 2030.5 communications experience.	Previously: 1.24 Currently: 1.13
N/A	Exhibit K	Requirement for respondent to provide stacked services and have flexibility to meet PSE's evolving needs deleted.	1.27
N/A	Exhibit K	Added language to describe details of project's physical location with GIS data.	2.01
N/A	Exhibit K	Added language to require that respondent provide resource availability and response information.	2.02
N/A	Exhibit K	Added language from previous 3.38, 3.46 and 5.12 regarding: communications over AMI, Cellular and broadband networks; complying with communication protocols (IEEE 2030.5, DNP3 SCADA, Modbus SCADA, SunSpec Smart Inverter Profile, MESA and ICCP); specify experience in communicating via IEEE 2030.5.	2.04
N/A	Exhibit K	Added requirement regarding validation that DER can communicate through LTE cellular or fiber using real-time data with IEEE 2030.5 or DNP 3.0 standards as well as previous experience.	2.05
N/A	Exhibit K	Added language from previous 2.09 regarding adhering to all applicable PSE interconnection processes and technical specifications.	Previously: 2.05 Currently: 2.06
N/A	Exhibit K	Requirement for respondent to specify the voltage level deleted. Refer to Exhibit B.	2.10

N/A	Exhibit K	Requirement for respondent to specify the output capacity deleted. Refer to Exhibit B.	2.11
N/A	Exhibit K	Requirement for respondents to comply with NERC CIP-003-8 R2 deleted; the disperse resource assets meet the minimum requirements for being part of the Bulk Electric System and ALL applicable NERC requirements apply.	3.02
N/A	Exhibit K	Added language from previous 3.32 regarding complying to PSE's Security Addendum.	Previously: 3.31 Currently: 3.30
N/A	Exhibit K	Added language regarding VEN system capability.	3.33
N/A	Exhibit K	Added language from 3.40 and 3.42 regarding ability to interface with VPP.	Previously: 3.37 Currently: 3.35
N/A	Exhibit K	Added new requirement that DER system have the capability to be configured as a OpenADR VEN.	3.39
N/A	Exhibit K	Added new requirement that system be capable of complying with and communicating to DER using smart inverter with its PCS system.	3.40
N/A	Exhibit K	Added new requirement for respondent to have the ability with their PCS system to have rate schedules managed by the VPP.	3.42
N/A	Exhibit K	Language was added to better dine the details of real-time control.	5.03
N/A	Exhibit K	Language was added to explain the target value of less than 15 seconds, but PSE desiring 5 seconds or better.	5.04
N/A	Exhibit K	Language was added to explain the target value of less than 15 seconds, but PSE desiring 5 seconds or better.	5.05
N/A	Exhibit M	Language regarding stationery was removed and combined with the Customer Notifications section below.	M-1
N/A	Exhibit M	Section was added, Customer Notifications and Digital Properties, to include stationery and digital communication requirements	M-1
N/A	Exhibit M	Language was added describing the materials and actions PSE will need to review for outreach made to highly impacted communities and vulnerable populations. PSE will also aid in providing best practices for community outreach.	M-1, M-2
N/A	Exhibit M	Section was added, Cross-cultural and Multilingual Customer Experience, to capture requirement of providing transcreated materials for non-English speaking customers.	M-2
N/A	Exhibit M	Language was added regarding additional customer services terms a contractor will need to comply with:	M-3

		1. Provide customer complaints regarding DER products and services. 2. Indicate how PSE customer interests will be considered when dispatching an event. 3. Provide the ability for customers to opt out of a called event.	
N/A	Exhibit M	Language was removed from Marketing Development and Implementation Plan section and included in a separate section Outbound Calling.	
N/A	Exhibit M	"Brochures" was replaced by "materials" in the PSE Program Marketing and Cross-Promotion section and language was added regarding an option for PSE to approve all Contractor created materials.	M-3
N/A	Exhibit M	Language was added regarding an option for PSE to approve all Contractor created materials.	M-3
N/A	Exhibit M	Language was added to Metrics section to cover all non-English languages, than just Spanish.	M-4
N/A	Exhibit M	Language was added to Website section to include non-English languages that might be pertinent to customer base.	M-5

Attachment Two

Attachment Two - Bid Details

Category A Bids

Bidder	Type	2025 Winter Capacity (MW)	2028 Winter Capacity (MW)	Segment	Term
[redacted]	Battery Energy Storage System ("BESS")	1	1	Residential	5
	BESS + Smart Thermostat	1.31	1.31	Residential	5
	BESS + Smart Thermostat + Smart Breaker	1.37	1.37	Residential	5
	BESS + Smart Thermostat + Smart Breaker + EV Charger	1.44	1.44	Residential	5
	Battery Energy Storage System ("BESS")	1	1	Residential	10
	BESS + Smart Thermostat	1.34	1.34	Residential	10
	BESS + Smart Thermostat + Smart Breaker	1.41	1.41	Residential	10
	BESS + Smart Thermostat + Smart Breaker + EV Charger	1.5	1.5	Residential	10
	Demand Response + Smart Thermostat	20	20	C&I/Residential	5/10
	Demand Response	3	3	C&I	5
	EV BYO Charger	N/A	N/A	Residential	5
AutoGrid	Smart Thermostat +DR + EV Charging + BESS	46.2	66.7	C&I/Residential	5/10
Oracle	Behavioral Demand Response	4	4	Residential	5
[redacted]	Demand Response	40	40	C&I	5
Enel	Demand Response	40	60	C&I	5
[redacted]	Demand Response+Smart Thermostat+Water Heater	30	35	C&I/Residential	5/10

Category B Bids

Bidder	Service	Technolog
[redacted]	Equipment Installation	BESS
	Equipment Installation	Solar
	Marketing/Enrollment	DR
	Program Design, Outreach, enrollment	DR
	Program Design, Outreach, enrollment, installation	DR
	Equipment Installation	BESS
	Equipment Installation	BESS

REDACTED VERSION

Attachment Three

REDACTED VERSION

Bates White

Bid Category	Bid	Bid Type	Raw Score								Weighted Score								Non-Price Score
			Counterparty	Project	Customer Acqusition	Permitting	Delivery	Customer Benefits	Values	Named Communities	Counterparty	Project	Customer Acqusition	Permitting	Delivery	Customer Benefits	Values	Named Communities	
Category A	Autogrid	DR - Res/C&I (VPP)	4	5	1	-	10	15	0	0	5.0%	8.3%	6.7%		10.0%	18.8%	0.0%	0.0%	19.5%
	[redacted]	DR - C&I	2	5	1	-	10	9	4	0	2.5%	8.3%	6.7%		10.0%	11.3%	3.3%	0.0%	16.8%
	EnelX	DR - Res/C&I	6	5	1	-	10	10	0	0	7.5%	8.3%	6.7%		10.0%	12.5%	0.0%	0.0%	18.0%
	[redacted]	DR - C&I, BYOT Res	6	5	2	-	10	11	5	0	7.5%	8.3%	13.3%		10.0%	13.8%	4.2%	0.0%	22.8%
	Oracle	DR - Res	6	4	1	-	10	11	5	0	7.5%	6.7%	6.7%		10.0%	13.8%	4.2%	0.0%	19.5%
	[redacted]	DR - Res & SC	4	5	2	-	10	11	0	0	5.0%	8.3%	13.3%		10.0%	13.8%	0.0%	0.0%	20.2%
		DR - C&I and targeted res	3	6	2	-	10	11	2	1	3.8%	10.0%	13.3%		10.0%	13.8%	1.7%	5.0%	23.0%
		DR - C&I	6	5	1	-	10	10	1	0	7.5%	8.3%	6.7%		10.0%	12.5%	0.8%	0.0%	18.3%
Category B		Cat B - Marketing	5	3	3			-	0		6.3%	5.0%	20.0%				0.0%		12.5%
		Cat B - BESS/Solar install	7	1	0			10	4		8.8%	1.7%	0.0%			12.5%	3.3%		10.5%
		Cat B - Program Design Outreach/Res DR	7	1	0			10	2		8.8%	1.7%	0.0%			12.5%	1.7%		9.8%
		Cat B - Ev charging	6	2	1			0	0		7.5%	3.3%	6.7%			0.0%	0.0%		7.0%

PSE

Bid Category	Bid	Bid Type	Raw Score								Weighted Score								Non-Price Score
			Counterparty	Project	Customer Acqusition	Permitting	Delivery	Customer Benefits	Values	Named Communities	Counterparty	Project	Customer Acqusition	Permitting	Delivery	Customer Benefits	Values	Named Communities	
Category A	Autogrid	DR - Res/C&I (VPP)	4	6	2	0	10	11	1	0	5.0%	10.0%	13.3%	0.0%	10.0%	13.8%	0.8%	0.0%	21.2%
	[redacted]	DR - C&I	6	6	2	0	10	10	4	1	7.5%	10.0%	13.3%	0.0%	10.0%	12.5%	3.3%	5.0%	24.7%
	EnelX	DR - Res/C&I	6	6	2	0	10	9	3	1	7.5%	10.0%	13.3%	0.0%	10.0%	11.3%	2.5%	5.0%	23.8%
	[redacted]	DR - C&I, BYOT Res	5	6	1	0	10	11	5	0	6.3%	10.0%	6.7%	0.0%	10.0%	13.8%	4.2%	0.0%	20.3%
	Oracle	DR - Res	4	6	0	0	10	13	5	0	5.0%	10.0%	0.0%	0.0%	10.0%	16.3%	4.2%	0.0%	18.2%
	[redacted]	DR - Res & SC	4	6	1	0	10	12	3	0	5.0%	10.0%	6.7%	0.0%	10.0%	15.0%	2.5%	0.0%	19.7%
		DR - C&I and targeted res	5	6	1	0	10	11	6	2	6.3%	10.0%	6.7%	0.0%	10.0%	13.8%	5.0%	10.0%	24.7%
		DR - C&I	3	6	2	0	5	9	5	1	3.8%	10.0%	13.3%	0.0%	5.0%	11.3%	4.2%	5.0%	21.0%
Category B		Cat B - Marketing	7	0	2			0	0		8.8%	0.0%	13.3%			0.0%	0.0%		8.8%
		Cat B - BESS/Solar install	7	3	0			10	6		8.8%	5.0%	0.0%			12.5%	5.0%		12.5%
	[redacted]	Cat B - Program Design Outreach/Res DR	7	3	1			14	2		8.8%	5.0%	6.7%			17.5%	1.7%		15.8%
	[redacted]	Cat B - Ev charging	7	3	2			10	2		8.8%	5.0%	13.3%			12.5%	1.7%		16.5%

Attachment Four

Offer ID	Project Name	Technology	Term (Years)	Begin_Year	COD	Ranking	Offer Capacity (MW)	Average Capacity modeled 2027_08 (MW)	Average Capacity modeled 2027_12 (MW)	Peak Contribution 2027_08 (MW)	Peak Contribution 2027_12 (MW)	CETA Contribution 2025	CETA Contribution 2026
[redacted]	[redacted]	BESS	[redacted]	2025	10/31/2025	34	200	[redacted]					
		BESS		2026	10/31/2026	22	250						
		BESS		2024	10/31/2024	27	200						
		Hybrid/BESS		2025	12/1/2025	1	50						
		Hybrid/Solar		2025	12/1/2025	1	100						
		HYDRO		2025	3/9/2025	6	22						
		SOLAR		2024	3/2/2024	1	150						
		SOLAR		2024	12/31/2024	6	300						
		SOLAR		2025	12/31/2025	8	90						
		WND		2025	12/1/2025	5	96						
		WND		2024	12/31/2024	7	350						

Value Bucket	2022 NPV ($000)
Aurora LTCE objective function value	(3,674,610)

Cost Bucket	2022 NPV ($000)
Generic Resource	7,683,256
RFP Resource	2,277,297
Existing Contract	2,602,116
Existing Resource	9,712,316
Mid-C Market Wheeling	179,115
Mid-C Market Purchases	76,455
Mid-C Market Sales	(369,101)
Total PSE Portfolio Cost	22,161,454

Offer ID	Project Name	Technology	Term (Years)	Begin_Year	COD	Ranking	Offer Capacity (MW)	Average Capacity modeled 2027_08 (MW)	Average Capacity modeled 2027_12 (MW)	Peak Contribution 2027_08 (MW)	Peak Contribution 2027_12 (MW)	CETA Contribution 2025	CETA Contribution 2026
[redacted]				2025	12/1/2025	18	100	[redacted]					
				2026	10/31/2026	22	250						
				2025	10/31/2025	35	200						
8918_DER	Enel-X	DER	30	2023	1/1/2023								
5247_DER	Oracle	DER	30	2023	1/1/2023								
1714_DER	Autogrid - DR	DER	30	2023	1/1/2023								
[redacted]				2025	12/1/2025	1	50						
				2025	12/1/2025	1	100						
				2025	3/9/2025	6	22						
				2024	3/2/2024	1	150						
				2024	12/31/2024	6	300						
				2025	12/31/2025	8	90						
				2025	12/1/2025	5	96						
				2024	12/31/2024	7	350						

Value Bucket	2022 NPV ($000)
Aurora LTCE objective function value	(3,524,743)

Cost Bucket	2022 NPV ($000)
Generic Resource	7,562,745
RFP Resource	2,161,828
Existing Contract	2,611,520
Existing Resource	9,867,035
Mid-C Market Wheeling	207,697
Mid-C Market Purchases	97,534
Mid-C Market Sales	(347,140)
Total PSE Portfolio Cost	22,161,219

Attachment Five

Attachment Five - Autogrid Pricing Comparison

DR Resource	Total O&M Costs ($):		
	Winter mW's		
	Summer mW's		
	Winter Energy (mWh)		
	Summer Energy (mWh)		
	Seasonal Combined (mWh)		
BESS	Total O&M Costs ($):		
	Winter mW's		
	Summer mW's		
	Winter Energy (mWh)		
	Summer Energy (mWh)		
	Seasonal Combined (mWh)		
Combined	Total Cost		
	Winter $/kW Comp		
	Summer $/kW Comp		
	Weighted $/kW Comp		
	Seasonal Combined (mWh)		
		units	
Contract Pricing	Winter mW's	mW	
	Summer mW's	mW	
	Winter Event Energy	mWh	
	Summer Event Energy	mWh	
	Seasonal Combined Energy	mWh	
	Seasonal Capacity Price (both Seasons)	$/kW-month	
	Winter Capacity Payments	$	
	Summer Capacity Payments	$	
	Winter Energy Payments	$	
	Summer Energy Payments	$	
	Startup Payment	$	
	Total	$	
	Winter $/kW Comp		
	Summer $/kW Comp		
	Weighted $/kW Comp		
Pricing Comparison	DER RFP Bid		
	Contract Pricing		
	% Difference		
	DER RFP LCOE $/mWh	$	[redacted]
	Contract Pricing LCOE $/mWh	$	[redacted]
Discount Rate		6.8%	

[redacted]

REDACTED VERSION