



NW Energy Coalition
for a clean and affordable energy future

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Re: PSE Request for Information for Distributed Energy Resources (UE-200413)

The NW Energy Coalition (“NWECC” or “Coalition”) appreciates the opportunity to comment on the Request for Information (RFI) filed on April 1st, 2021 by Puget Sound Energy (PSE). NWECC supports PSE expanding their awareness of and understanding about new and innovative distributed energy resources (DERs), and commend the company’s commitment to pursue DERs in this round of RFPs. However, we do think the wording and structure of the Draft RFI should be refined, in order to achieve the stated purpose of the RFI.

1. PSE should clarify the purpose of the RFI

The RFI begins by stating its *“purpose is to solicit information on new and innovative DERs that could be incorporated into PSE’s energy portfolio...solely for planning purposes, to assess potential vendor interest in, and potential type, scale and content of products, services and resources to inform a future Request for Proposals (RFP)”*. Yet, it is not stated upfront that this information will be used to inform PSE’s acquisition of DERs to help meet the 2030 and 2045 standards under the Clean Energy Transformation Act (CETA). The inclusion of Table 1, which contains the amounts of specific DERs PSE has already determined in the IRP planning process that it needs, implies that only DERs that comply with those needs should respond. If that is not the intent, PSE should clarify.

The Coalition also suggests that the RFI more clearly explain on page 3 that the Clean Energy Transformation Act (CETA) requires each utility to meet the 2030 “carbon neutral” standard by pursuing “all cost-effective, reliable, and feasible conservation and efficiency resources, and demand response.” In making new investments, an electric utility is required to: (i) Achieve targets at the lowest reasonable cost, considering risk;(ii) Consider acquisition of existing renewable resources; and(iii) rely on renewable resources and energy storage. (RCW 19.405.040(6)(a)).

A clearer statement of this obligation would help responders better understand why DERs will be an expanding part of PSE’s resource portfolio.

2. PSE should reconsider the timeline in order to meet the obligation to pursue all cost-effective demand response before investing in new generation resources.

On page 6, the RFI states that responses are due by June 30th, and that the responses will inform what the all-source RFP calls a *targeted* DER RFP, scheduled to be issued in February of 2022, and may inform the Virtual Power Plant (VPP) RFP planned for release on September 1, 2021.

This scheduling seems to put the cart before the horse – DERs, according to the RFI (page 3) and the all- source RFP (page 16), specifically include demand response measures; CETA clearly intends for all cost-effective conservation and demand response to be implemented to reduce load and peaks before making investment in new resources, in order to reduce the amount of energy required to serve remaining loads. It is not clear why resources will be selected in quarter 2 of 2022, but demand response resources will be selected after that point.

The timeline on page 6 of the RFI raises questions about how the RFI and eventual DER RFP will intersect with the all-source RFP. The RFI states the Final DER RFP will be issued the second quarter of 2022, with successful bidders determined after that, yet the all-source RFP schedule, per Table 6 on page 20 of the all-source RFP shows all-source submissions due September 1, 2021 and all-source phase 2 candidates being selected in the first quarter of 2022. While DERs bidders are apparently encouraged to submit bids to both the all-source and the DER RFPs, it is not clear how those two RFP processes will align, nor how DER submissions to the all-source RFP will be evaluated if they lack some of the information that will presumably be available in the DER RFP. It is also not clear to the responders how the results of DER RFP will be compared to the all-source RFP, and whether there might be changes to the DER RFP as a result of the responses PSE receives to the all-source RFP.

The footnote to Table 1 on page 3 of the RFI clearly states the RFI “should not be considered a solicitation for quotation or a request for proposals”. Yet on page 4 the RFI states that all responses must meet PSE’s Critical Requirements and should be aligned with PSE’s Anticipated Use Cases and Additional Considerations *in order to be considered for a future product, service or resource* (emphasis added). If this means that bidders must respond to the RFI in order to be considered for the RFP, we hope this is not the intent. Given that bidders are encouraged to submit to the all-source RFP as well as the future DER RFP, one could see how they might decide to skip the RFI if it is not more clearly stated as a requirement in all three documents.

3. PSE should remove duplicative information, and clarify the formatting requirements and the role of CES.

On page 4, *Section B. Critical Requirements, Anticipated Use Cases and Additional Considerations*, covers requirements that would be asked in an all-source RFP, rather than an RFI, such as requiring that all submitted products, services or resources must be located on PSE’s distribution system and have a clearly defined project term. Parts of this section are

largely duplicative of the information requested on pages 11 through 14. The Coalition suggests PSE consider dropping Section B, which starts on page 4, or include only the necessary, unique information from Section B in the Response Template that starts on Page 8, if it is not already included there.

The Coalition notes PSE is requesting a great deal of information for each response and that some newer measures or technologies may not be able to answer every question posed in the required format (pages 11-14). PSE should notify any respondent if their submission is discarded for not adhering to the format (page 8).

Last, *Section E. About Clean Energy Strategy (CES) – Sponsoring Organization*, page 7, would benefit from some further explanation as to CES’s position within PSE, when and why it was formed, where it fits into the internal reporting structure and why it is a “Sponsoring Organization” (and what CES “sponsors”, as opposed to what PSE “sponsors”).

The Coalition would be happy to further discuss the RFI and our suggestions.

Respectfully,

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