



2023 LOWER SNAKE RIVER EXPANSION RFP: PROPOSAL SUMMARY

Prepared pursuant to WAC 480-107-035(5)

August 30, 2023

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2023 LOWER SNAKE RIVER EXPANSION RFP: PROPOSAL SUMMARY

Puget Sound Energy (“PSE”) filed a request for proposals to expand the Lower Snake River wind facility (the “2023 LSR Expansion RFP”) with the Washington Utilities and Transportation Commission (the “Commission”) on May 5, 2023 in Docket UE-230337, and released the 2023 LSR Expansion RFP to the public on May 8, 2023. The 2023 LSR Expansion RFP is a “targeted” and “voluntary” request for proposals, as defined in Washington Administrative Code (“WAC”) 480-107-109(3). Consistent with the requirements of WAC 480-107-035(5), PSE is posting the following proposal summary report to its public RFP website¹. Additional information about the 2023 LSR Expansion RFP can be found on PSE’s RFP website.

Section 1. Background and Public Disclosure Requirement

PSE’s integrated resource planning analysis, which evaluates and establishes PSE’s capacity (physical reliability) and renewable energy (policy driven) needs, guides the electric resource acquisition process. PSE filed the 2021 Integrated Resource Plan (the “2021 IRP”), the most recent planning analysis, with the Commission on April 1, 2021. The 2021 IRP includes a discussion of the electric planning standard and describes the methodology for analyzing PSE’s resource needs.² On March 23, 2023, PSE filed a 2023 Electric Progress Report (the “2023 EPR”) on the 2021 Electric IRP. PSE developed the 2023 EPR with input from interested parties over a fifteen-month period, resulting in substantive changes and improvements. The feedback informed a diverse portfolio of resources that considers equity, grows PSE’s distributed energy resources, incorporates climate change, addresses the risks of reliance on alternative fuels such as hydrogen and biodiesel, and keeps PSE on a path to meeting its obligations under the Clean Energy Transformation Act.³

The 2023 LSR Expansion RFP is intended to identify a development partner to help PSE in the development, engineering, procurement, construction, and commissioning of a wind generation facility near Pomeroy, Washington (the “Project”). Existing land leases and easements and electrical interconnection agreements constrain the Project’s interconnected capacity to 640 MW. The proposals received pursuant to the 2023 LSR Expansion RFP include offers to develop, fund, build, own (or co-own), and operate the Project within the Lower Snake River wind resource area.

The Project will help PSE meet its future clean energy demand by utilizing existing development rights, infrastructure, permits, land leases, and easements to produce reliable energy at the lowest reasonable cost for customers. Bid proposals for the 2023 LSR Expansion RFP were due July 31, 2023.

On December 28, 2020, the Commission issued General Order R 602 in Docket UE-190837, which amended WAC Chapter 480-107. The Commission referred to the amended rules as the “Purchases of Resources” rules, which took effect on December 28, 2020. The new Purchases of

¹ <https://www.pse.com/en/pages/energy-supply/acquiring-energy/2023-Lower-Snake-River-Expansion>.

² The 2021 IRP and 2023 EPR can be found on PSE’s website at the following link: <http://www.pse.com/irp>. See also Dockets UE-200304 (electric) and UG-200305 (natural gas).

³ Clean Energy Transformation Act, codified at Chapter 19.405 RCW (“CETA”).

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Resources rules require an electrical company to post a summary of the proposals received in a RFP within 30 days after the close of the bidding period, as specified below:

Within thirty days after the close of the bidding period, the utility must post on its public website a summary of each bid the utility has received. Where use of confidential data prohibits the utility from identifying specifics of a bid, a generic but complete description is sufficient.⁴

Table 1 in Section 2 of this report provides a brief summary of the proposals received. Section 3 introduces and provides context for the proposal summary provided in Appendix A of this report. Appendix A provides a summary of each individual proposal and each offer received in response to the 2023 LSR Expansion RFP.

Section 2. Proposals Received in Response to the 2023 LSR Expansion RFP

PSE received 39 responsive offers from 11 separate respondents in response to the 2023 LSR Expansion RFP. Table 1 summarizes the proposal offerings by type (Ownership, PPA, etc.)

Table 1: LSR Expansion Offers by Type

Offer Type	Count
Full Ownership by PSE	11
Full PPA	13
Joint Venture	1
Shared Ownership + PPA	10
Shared Ownership + PPA + BESS	2
Shared Ownership + Solar PPA	1

The 2023 LSR Expansion RFP allowed respondents to provide a proposal for wind development only, or a proposal for wind and storage technologies. Most of the proposals in response to the 2023 LSR Expansion RFP included multiple offer options, in which one or more of the terms or features varied. The 2023 LSR Expansion RFP allowed respondents to submit more than one offer but advised respondents that such offers may not be mutually exclusive. Offers may vary options such as capacity (MW), term, start or end dates, commercial structure, some combination of co-located resources, or other proposal elements. The 2023 LSR Expansion RFP allowed for a phased approach to project development and execution. PSE will have interconnection and transmission rights for 150 MW of capacity available in 2024, with interconnection and transmission rights for the remaining 490 MW available in 2027. Prospective bidders were advised of this optionality, and many submitted offers accordingly. PSE will entertain any phasing proposal that results in lower costs to PSE's customers. The 2023 LSR Expansion RFP did not solicit solar generation as a proposal option due to permitting and real estate issues at this time.

⁴ See WAC 480-107-035(5).

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As shown in Table 1 above, the proposals were quite evenly balanced between full ownership offers, full PPA offers, and shared ownership plus PPA offers. Overall, only three proposals contained hybrid offers for wind generation paired with solar and/or with storage.

Section 3. Introduction to the RFP Proposal Summary (Appendix A)

As described in Section 2, each proposal in response to the 2023 LSR Expansion RFP could include multiple offer options. The information in Appendix A provides a summary of each offer associated with the proposals received. If a second or third offer is not listed in Appendix A, then the proposal did not include a second or third offer. Each offer associated with a proposal shares a common identifying number in the Offer # column, and may have a distinguishing offer suffix in the offer column.

Please note that the data provided in Appendix A (and in Table 1 presented in Section 2 above) are based on the original proposal information as provided to PSE at the close of the bidding period. Where information was missing from the proposal or is not clear, a note is provided in Appendix A. PSE is currently working to address these issues and reconcile other known inconsistencies in the proposal forms with bidders through a data request process. As PSE continues to evaluate proposals and learn more through data request responses, certain information may be updated. Any updates to this report will be posted on the LSR Expansion RFP website.

Glossary of Terms

BESS	Battery Energy Storage System
COD	Commercial Operations Date
Commission	Washington Utilities and Transportation Commission
EPR	Electric Progress Report
IRP	Integrated Resource Plan
MW	Megawatts
PPA	Power Purchase Agreement
PSE	Puget Sound Energy
RFP	Request For Proposals
WAC	Washington Administrative Code

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Appendix A: 2023 Lower Snake River Expansion RFP proposal summary⁵

Offer #	Type	MW	Ownership			PPA	
			COD	%	Own Date	PPA Start	PPA End
1131-1	Shared Ownership + PPA	643.5	9/30/2027	50%	9/30/2027	9/30/2027	8/31/2062
1131-2	Full PPA	643.5				9/30/2027	8/31/2062
1131-3	Joint Venture	643.5	9/30/2027	50%	1/1/2024	9/30/2027	8/31/2062
1151-1	Shared Ownership + PPA	643.5	9/30/2027	50%	Upon COD	10/1/2027	9/30/2052
1151-2	Full PPA	643.5				10/1/2027	9/30/2052
1331-1	Shared Ownership + PPA	706.5	9/30/2027	57%	9/30/2027	9/30/2027	9/30/2055
1331-2	Shared Ownership + PPA	706.5	9/30/2027	80%	9/30/2027	12/1/2025	12/1/2053
1331-3	Full Ownership	706.5	9/30/2027	100%	9/30/2027		
2433-1	Full Ownership	140	12/31/2025	100%	12/31/2025		
2433-2	Full Ownership	140	12/31/2025	100%	12/31/2025		
2433-3	Full Ownership	500	9/30/2027	100%	9/30/2027		
2433-4	Full Ownership	500	9/30/2027	100%	9/30/2027		
2433-5	Full PPA	500				9/30/2027	25 to 30 year term
2433-6	Full PPA	500				9/30/2027	25 to 30 year term
2433-7	Full PPA	140				12/31/2025	25 to 30 year term
2433-8	Full PPA	140				12/31/2025	25 to 30 year term
3233-1	Shared Ownership + Solar PPA	643.5	9/30/2027	78%	9/30/2027	12/31/2026	12/31/2046
3233-2	Shared Ownership + PPA	643.5	9/30/2027	78%	9/30/2027	12/31/2026	12/31/2046
3233-3	Shared Ownership + PPA + BESS	643.5	9/30/2027	78%	9/30/2027	12/31/2026	12/31/2046

⁵ Please note that the data provided in Appendix A (and in Table 1 presented in Section 2 of the report) are based on the original proposal information as provided to PSE at the close of the bidding period. Where information was missing, a note is provided in Appendix A. PSE is currently working to address these issues and reconcile other known inconsistencies in the proposal forms with bidders through a data request process. As PSE continues to evaluate proposals and learn more through data request responses, it is possible that certain information may be updated.

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Offer #	Type	MW	Ownership			PPA	
			COD	%	Own Date	PPA Start	PPA End
3233-4	Shared Ownership + PPA + BESS	643.5	9/30/2027	100%	9/30/2027	10/1/2027	12/31/2047
3233-5	Full Ownership	643.5	9/30/2027	100%	9/30/2027		
3234-1	Shared Ownership + PPA	675	10/31/2026	50%	10/31/2026	10/31/2026	10/31/2051
3234-2	Full PPA	310.5				10/31/2026	10/31/2051
3234-3	Shared Ownership + PPA	675	9/30/2027	50%	9/30/2027	9/30/2027	9/30/2052
3234-4	Full PPA	364.5				9/30/2027	9/30/2052
3234-5	Full Ownership	675	10/31/2026 9/30/2027	100%	10/31/2026 9/30/2027		
3315-1	Shared Ownership + PPA	659.9	9/30/2027	41%	9/30/2027	9/30/2027	9/29/2057
3315-2	Full Ownership	659.9	9/30/2027	100%	9/30/2027		
3315-3	Full PPA	659.9				9/30/2027	9/29/2057
3511-1	Full Ownership	639	7/27/2027	100%	7/27/2027		
3511-2	Full PPA	639				7/27/2027	7/27/2052
4313-1	Shared Ownership + PPA	640	6/30/2027	50%	At COD	6/30/2027	6/30/2057
4313-2	Full PPA	666				6/30/2027	6/30/2057
4313-3	Shared Ownership + PPA	640	6/30/2027	50%	At COD	6/30/2027	6/30/2057
4344-1	Full Ownership	639	9/1/2027	100%	7/31/2023		
4442-1	Full Ownership	640	Dec 2025 & Sept 2027	100%	Not Clear		
4442-2	Shared Ownership + PPA	640	Dec 2025 & Sept 2028	TBD	Not Clear	15 or 25 Year Term	
4442-3	Full PPA	500				15 or 25 Year Term	
4442-3	Full PPA	140				15 or 25 Year Term	