

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PUGET SOUND ENERGY,

Petitioner,

For an Order Approving Its
Recommended Independent Evaluator

DOCKET UE-220725

ORDER 01

GRANTING EXEMPTION FROM
RULE

BACKGROUND

- 1 On September 26, 2022, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) a Petition for Approval of its Recommended Independent Evaluator (IE) (Petition).
- 2 Washington Administrative Code (WAC) 480-107-023(2) requires electric companies, after consulting with Commission Staff and interested persons, to recommend an IE for approval by the Commission. In General Order R-602, the Commission set procedural expectations for the IE approval process including that the Commission will consider the Petition at an open meeting and expects that its review and approval will take at least 30 days.¹
- 3 In its Petition, PSE explained that the results from its distributed energy resources (DER) request for proposals (RFP) did not include enough solar bids to meet the DER targets set forth in its 2021 Clean Energy Implementation Plan (CEIP). The Company plans to issue a voluntary targeted RFP for solar and solar with storage to fill this gap, and notes that it may choose to file other targeted voluntary RFPs as needed to meet the targets in its CEIP. To expedite this process – by avoiding the need to return for Commission approval for each of these potential future RFPs – PSE has petitioned for approval of its continued use of Bates & White for the planned solar RFP and any voluntary targeted RFPs issued before September 30, 2023.
- 4 Commission staff (Staff) has not heard any complaints from interested persons regarding Bates & White’s work up to this point, but the Public Counsel Unit of the Attorney

¹ *In the Matter of Amending, Adopting, and Repealing Sections of WAC 480-107 Relating to Purchases of Electricity*, Docket UE-190837, General Order R-602, Order Amending, Adopting, and Repealing Rules Permanently (December 28, 2020), at ¶34.

General's Office (Public Counsel) expressed concerns to Staff regarding notifications for future RFPs.

5 Staff reviewed the filing and recommends granting PSE's request subject to the condition that prior to issuing PSE's other targeted voluntary RFPs in the allotted time period PSE will consult with interested persons to determine if there are concerns with the use of Bates & White. Staff believes that limiting this IE approval to approximately one year (*i.e.*, for RFPs issued before September 30, 2023), only for the purposes of voluntary targeted RFPs, and subject to Staff's recommended condition is in the public interest because it strikes the right balance between allowing the Company to move quickly to acquire resources needed to meet its CEIP targets and allowing the Commission to provide oversight and retain approval authority.

DISCUSSION

6 We agree with Staff and grant PSE's Petition for IE Approval for targeted voluntary RFPs that PSE may issue before September 30, 2023, subject to the condition that the Company consult with interested persons, including Staff and Public Counsel, to determine if there are concerns with the use of Bates & White prior to issuing other targeted voluntary RFPs in the allotted time period.

7 The rule is clear that PSE must recommend an independent evaluator for approval by the Commission if a solicitation process meets any of the conditions listed in WAC 480-107-023(1).² These conditions include a utility's intention "to retain the option to procure resources that will result in the utility owning or having a purchase option in the resource over its expected useful life,"³ which the Company does intend to retain. The rule appears silent on the issue of approving an IE for more than one RFP.

8 Throughout PSE's All-source and DER RFP processes, Bates & White have provided a fair and impartial review of the RFP development and bid evaluation processes. We therefore agree with Staff that it is in the public interest to allow PSE to continue to use Bates & White as its IE for its voluntary targeted solar RFP and any other voluntary targeted RFPs that it may issue before September 30, 2023, as long as no interested person raises an objection.

² WAC 480-107-023.

³ WAC 480-107-023(1)(b).

FINDINGS AND CONCLUSIONS

- 9 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.
- 10 (2) PSE is engaged in the business of providing electric services within the state of Washington and is a public service company subject to Commission jurisdiction.
- 11 (3) WAC 480-107-023(2) requires companies to petition the Commission for approval of a recommended IE.
- 12 (4) This matter came before the Commission at its regularly scheduled meeting on October 13, 2022.
- 13 (5) After reviewing the Petition filed in Docket UE-220725 by PSE on September 26, 2022, and giving due consideration, the Commission finds that the exemption is in the public interest and is consistent with the purposes underlying the regulation and applicable statutes and should be granted, subject to the condition detailed in paragraph 6.

ORDER

THE COMMISSION ORDERS:

- 14 (1) Puget Sound Energy's Petition for approval of its recommended Independent Evaluator for voluntary targeted requests for proposals that PSE may issue before September 30, 2023, is granted, subject to the condition detailed in paragraph 6.
- 15 (2) The Commission retains jurisdiction over the subject matter and Puget Sound Energy to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective October 13, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner