

Affiliated Tribes of Northwest Indians

AirWorks, Inc.

Alaska Housing Finance Corporation

Alliance to Save Energy

Allumia

Alternative Energy Resources Organization

Ameresco

American Rivers

Backbone Campaign

Beneficial State Bank

BlueGreen Alliance

Bonneville Environmental Foundation

Byrd Barr Place

Citizens’ Utility Board of Oregon

City of Ashland

City of Seattle Office of Sustainability & Environment

CleanTech Alliance

Climate Smart Missoula

Climate Solutions

Community Action Center of Whitman County

Community Action Partnership Assoc. of Idaho

Community Action Partnership of Oregon

Earth and Spirit Council

Earth Ministry

Ecova

eFormative Options

Energy350

EnergySavvy

Energy Trust of Oregon

Environment Oregon

Environment Washington

EQL Energy

Forth

Global Ocean Health

Home Performance Guild of Oregon

Housing and Comm. Services Agency of Lane Co.

Human Resources Council, District XI

Idaho Clean Energy Association

Idaho Conservation League

Idaho Rivers United

Interfaith Network for Earth Concerns

League of Women Voters Idaho

League of Women Voters Oregon

League of Women Voters Washington

Montana Audubon

Montana Environmental Information Center

Montana Renewable Energy Association

Montana River Action

National Center for Appropriate Technology

National Grid

Natural Resources Defense Council

New Buildings Institute

Northern Plains Resource Council

Northwest EcoBuilding Guild

Northwest Energy Efficiency Council

NW Natural

OneEnergy Renewables

Opower

Opportunities Industrialization Center of WA

Opportunity Council

Oregon Energy Fund

Oregon Environmental Council

Oregon Physicians for Social Responsibility

OSEIA

Pacific Energy Innovation Association

Pacific NW Regional Council of Carpenters

Portland Energy Conservation Inc.

Portland General Electric

Puget Sound Advocates for Retired Action

Puget Sound Cooperative Credit Union

Puget Sound Energy

Renewable Northwest

Save Our wild Salmon

Seattle City Light

Seinergy

Sierra Club

Sierra Club, Idaho Chapter

Sierra Club, Montana Chapter

Sierra Club, Washington Chapter

Small Business Utility Advocates

Smart Grid Northwest

Snake River Alliance

Solar Installers of Washington

Solar Oregon

Solar Washington

South Central Community Action Partnership

Southeast Idaho Community Action Partners

Spark Northwest

Spokane Neighborhood Action Partners

Sustainable Connections

The Climate Trust

The Energy Project

Transition Missoula

UCONS, LLC

Union Of Concerned Scientists

United Steelworkers of America, District 12

US Green Building Council, Idaho Chapter

Washington Environmental Council

Washington Local Energy Alliance

Washington Physicians for Social Responsibility

Washington State Department of Commerce

Washington State University Energy Program

YMCA Earth Service Corps

Zero Waste Vashon

May 29, 2018

Mark L. Johnson, Executive Director

Washington Utilities and Transportation Commission

1300 S. Evergreen Park Drive SW

Olympia, WA 98504-7250

*Re: UE-180272, Puget Sound Energy – Draft Request for Proposals for Demand Response Programs*

Mr. Johnson:

The NW Energy Coalition (NWEC or the Coalition) appreciates the opportunity to comment on the draft Request for Proposals (RFP) submitted by Puget Sound Energy (PSE or the Company) soliciting demand response (DR) programs.

In recent years, the Coalition has encouraged PSE to move aggressively in acquiring DR. The recently released PSE Integrated Resource Plan (IRP) shows that DR will be key in meeting projected needs over the twenty-year planning horizon. The 2015 IRP showed that PSE had similar needs, and we are disappointed that there has not been more movement on developing these programs in the past two years. In Docket UE-160808, NWEC commented that PSE’s draft RFPs for DR programs could be too prescriptive and thus limit responses from vendors. Subsequently, none of the responses that PSE received were deemed sufficient by the Company.

We are pleased that this draft RFP seems to leave more room for innovation and creativity from responses and that it seems to be technology neutral. We offer the following questions and suggestions for consideration before final release.

**Policy Barriers**: In the Action Plan for the 2017 PSE IRP, PSE indicates that there are some policy questions and barriers related to prudence and cost recovery for demand response, and that PSE would release this DR RFP “once there is a line of sight on resolving policy barriers…”[[1]](#footnote-1) Have these policy barriers been resolved or been discussed, or could these unresolved questions be a potential impediment to selecting a DR vendor and DR program implementation?

**Timing**: On the cover page and repeated on page 27 of the draft RFP, PSE indicates that offers will be due to PSE on August 17, 2018 and that PSE will then select a final “short list” in “late Q1 2019.” Having more than six months for PSE to review responses seems unnecessarily lengthy. Will those on the short list be required to provide more details or responses to PSE in early 2019 or does PSE plan to move forward with potentially more than one vendor? This timeline should provide more clarity and NWEC encourages an earlier selection date so that a DR program can get off the ground in 2019.

**Review Process**: Following the 2016 RFP release, NWEC and other stakeholders heard only that the responses did not meet PSE’s needs and that no proposed programs were moving forward. Some more documentation of the kinds of responses that were received and how they did not meet PSE’s needs would have been appreciated, or at least an understanding that there is some oversight to this process. With this RFP, we hope that there is more clarity in the process from PSE. Given that much of the customer interaction would happen through PSE’s Energy Efficiency program staff, having a report and review of DR programs within the PSE Conservation Resource Advisory Group (CRAG) seems to make the most sense.

**Notification Time**: This RFP only calls for hour-ahead DR, which seems unnecessarily limiting to PSE’s possible acquisition of DR, particularly from larger industrial loads. During cold weather events, PSE should have a good forecast of the weather a few days ahead, so there is no reason to not allow vendors to propose day-ahead programs. A day-ahead program would garner more customer participation and could allow the company to acquire more cost-effective DR.

**Geographic Targeting**: The RFP does not mention that proposals can target a specific geographic area, though it also does not seem to preclude it. Given that PSE has areas with very high growth that could have higher value peak capacity needs, this RFP could encourage proposals that focus on specific distribution areas of PSE’s system where deferring additional transmission and distribution investment would provide additional value.

**Data Access and Ownership**: NWEC appreciates that the RFP prompts discussion of data security, data integrity, and data sharing. However, it is not clear who will own the data and what access to customer data vendors may have. Though it may not be feasible to answer the questions within the RFP, at least some acknowledgement that this will be an issue to determine during selection and contracting should be included.

We look forward to seeing the final RFP and the kinds of DR programs PSE brings forward.

Cordially,

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1. Puget Sound Energy. 2017 PSE Integrated Resource Plan. Page 1-8. [↑](#footnote-ref-1)