

2024 Distributed Solar and Storage Resources RFP:

Exhibit A. Evaluation Criteria and Scoring

EXHIBIT A: EVALUATION CRITERIA AND SCORING*Evaluation Criteria and Scoring*

PSE's evaluation of DERs is based on a quantitative, qualitative and technical assessment of all proposals that meet the minimum requirements of the DSS RFP. The quantitative and qualitative evaluation criteria assess the feasibility of proposals and measure each proposal's ability to satisfy compatibility with resource need, cost minimization, equity principles outlined in Clean Energy Transformation Act (CETA)¹ and Cascade Natural Gas Order², risk management, and strategic and financial considerations.

As described in Section 3 of the DSS RFP, proposals are scored and evaluated based on the quantitative and qualitative metrics. The proposals are scored and ranked according to the weighted average of their price (quantitative) and non-price (qualitative) elements. The weights of the price and non-price scores in the combined scoring are 60 percent and 40 percent, respectively. Only those proposals that satisfy the RFP minimum requirements will receive a qualitative or quantitative score. The evaluation team will continue to check for any non-conforming criteria or fatal flaws throughout the evaluation process. PSE will use the results of the individual quantitative analysis, qualitative evaluation and technical studies to identify the short list of proposals.

A key element of this RFP is the equitable development and inclusion of renewable energy resources onto the grid. Details on the involvement of named communities, inclusion of DEI contracting practices and implementation of appropriate labor standards are further provided in the Qualitative Metrics section and Table 3 of this Exhibit.

Intake Process

After proposals pass through the automated intake process (described in Section 3 of the DSS RFP), the evaluation team will conduct a preliminary screening to verify that the minimum criteria has been met, and to check for non-conforming criteria or fatal flaws that would eliminate proposals from further consideration. Common examples of non-conforming criteria or fatal flaws include, but are not limited to: proposals with insurmountable or otherwise prohibitive feasibility constraints, resources that are not CETA-compliant, commercially unproven technology, excessive counterparty risk, safety risk, and regulatory or legal risk associated with noncompliance that could adversely affect PSE. A Schedule 152 application is not required to submit a proposal, but any project that is shortlisted will require a Schedule 152 application to be submitted quickly after shortlist notification. Any proposal identified to have non-conforming criteria or fatal flaws will be notified and given three (3) business days to remedy (the "cure period").

¹ RCW 19.405.040(8)

²WUTC v. Cascade Nat. Gas Corp., Docket UG-210755 Final Order 09 (August 23, 2022)

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Evaluation

PSE will perform an initial analysis of the proposal to confirm the minimum criteria of the RFP are met. After the initial analysis is complete, PSE will begin its quantitative and qualitative evaluation, likely seeking multiple clarifications from bidders to better understand the proposals provided. This evaluation will produce a list of the most promising resources for shortlisting. For this DSS RFP, the quantitative cost analysis will account for 60% of the score, and the qualitative analysis will account for 40% of the score.

PSE will notify all bidders of their acceptance or rejection to the shortlist and require bidders to submit a Schedule 152 interconnection application to remain a shortlisted proposal and proceed into contract negotiations. The Schedule 152 application will need to be completed through the PowerClerk portal at <http://www.pse.com/distributedrenewables>. PSE strongly recommends all Respondents to begin compiling materials for the Schedule 152 application prior to receiving the shortlist results.

Those who are shortlisted and submit a Schedule 152 application will then be invited to begin contract negotiations by redlining the appropriate contract template listed in Exhibits F through H or an updated template if PSE has made alterations.

Quantitative metrics and price score (60%)

The quantitative metrics assessed are expected costs associated with the capacity and energy prices offered for each response. PSE will use the DER Benefit Cost Analysis (“BCA”) methodology developed for the 2021 CEIP and used in the 2022 DER, 2023 DSS RFP, and 2023 Biennial CEIP to model the costs and benefits of each proposal. The BCA methodology used by PSE aligns directly with guidance outlined in the Washington State Utility and Transportation Commission's November 7th, 2022 Distributed Energy Resource Cost Effectiveness Straw Proposal.³ The BCA methodology analyzes both the utility's and customers' economic perspectives and the interdependencies between the two. The BCA was selected as the primary framework for the DSS RFP for this ability to model both customer and utility economic impact as well as calculate cost tests that align with practices outlined in the National Standard Practice Manual (NSPM).⁴ To align with existing PSE modeling practices, where possible, the BCA utilizes the same base Aurora modeling assumptions used to develop the 2023 IRP Electric Progress Report and evaluate the 2021 All Source RFP. Table 1 lists major elements quantified in the BCA model, the host customer, utility, and societal costs and benefits. The BCA methodology quantifies each of these costs and benefits, when applicable, and apply cost tests consistent with the NSPM.

Table 1. *BCA Methodology Costs and Benefits*

³ UE-210804 WA Test Straw Proposal:

<https://apiproxy.utc.wa.gov/cases/GetDocument?docID=103&year=2021&docketNumber=210804>

⁴See National Standard Practice Manual For Benefit-Cost Analysis of Distributed Energy Resources August 2020, nationalenergyscreeningproject.org/wp-content/uploads/2020/08/NSPM-DEs_08-24-2020.pdf

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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	

See [Appendix D](#) of the CEIP for more details on the BCA methodology. PSE will score responses based on the cost metrics shown in Table 2 from the BCA analysis.

Table 2. *Metrics calculated by BCA to assess RFP proposals*

Metric	Description	Value
Societal Cost Test (ratio)	A ratio of the net present value of societal benefits over societal costs using a societal specific discount rate.	Higher is better. Useful for comparing project cost and benefits from different perspectives.
Utility Cost Test (ratio)	Indicates the extent to which ratepayer-funded resources will reduce costs to that same group of ratepayers; provides a foundation for all resource assessment tests.	Higher is better. Useful for comparing project cost and benefits from different perspectives.
Levelized Cost of Energy/Capacity (\$/kW; \$/kWh)	Represents the average cost per unit of energy or capacity required to install and operate a resource.	Lower is better. Includes the costs of the resource over its economic operating life, amortized over the lifetime and discounted back to the

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Metric	Description	Value
		first year divided by the total lifetime energy produced

Qualitative metrics and non-price score (40%)

PSE has developed a qualitative rubric designed to assign value and score certain key non-price elements of resource proposals that meet the following minimum requirements. The qualitative review will include an assessment of the risks, benefits and viability factors set forth in the qualitative evaluation rubric provided in Exhibit A, including: counterparty and project viability, status of site control, status of permitting, deliverability, and Equity plan. PSE will score proposals based on the information provided by Respondents and any further due diligence required to verify that the information provided is accurate and complete. In conducting due diligence and risk assessment, the DER acquisition team will consult as necessary with subject matter experts from specific functional areas throughout the company. Certain elements in the qualitative rubric may not apply in the same manner to all types of resources.

Depending on whether the project is a solar, storage or paired project, it can potentially bring unique benefits to the local electric system. PSE will provide location value scoring for projects that consider available locational data, including: hosting capacity, distribution substation loading, and named communities. The Hosting Capacity Analysis Map (“HCA Map”) shows the potential for a DER to be installed at a location without requiring significant infrastructure upgrades based on daytime loading constraints.⁵ The distribution substation load map includes peak substation loading data for both summer and winter and shows areas of the distribution system that would benefit from DER resources. DER installations located where PSE has either known capacity constraints or heavily loaded distribution transformers may defer major infrastructure upgrades by reducing or shifting the peak demand.

In the HCA Map, PSE has included the DER Priority filter, which gives a simple “Yes” or “No” response per feeder. Projects sited in a designated “Yes” location will receive additional points in their evaluation for interconnecting onto a feeder that could benefit from a DER. There is also a DER in Queue filter in the HCA Map, which depicts the amount of MWs trying to interconnect onto the feeder. Locations with a lot of DERs in queue to interconnect, such as near Dieringer Substation by Lake Tapps, will receive less points in the evaluation and potentially expensive system upgrades required to interconnect.

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<https://pugetsoundenergy.maps.arcgis.com/apps/webappviewer/index.html?id=980fc190ffd648489a492f8363a1d2cc>.

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PSE will perform additional due diligence, where necessary, to understand the unique risks and merits of particular proposals, verify proposal claims, clarify offer details, and answer any outstanding questions. To do this, the evaluation team may:

- submit data requests to respondents for clarification of proposal details or for further information to help illuminate the particular risks and benefits of proposals,
- discuss elements of the proposals with respondents by phone,
- draw on publicly available and non-confidential information as per the Mutual Confidentiality Agreement (Exhibit D) to better understand key elements of the proposals,
- utilize a third-party consultant to help assess the reasonableness of resource data.

The resource evaluation team will assign qualitative scores based on the information that respondents provided in their proposals, as well as PSE's experience in the market, as a resource owner/operator and program implementer, and on publicly available information. The evaluation team will also consult as necessary with subject matter experts from specific functional areas throughout the company.

PSE's qualitative scoring rubric is provided as Table 3 on page A-8. Respondents should note the following:

- All proposals must be for a project that directly connects to PSE's VPP and/or SCADA. PSE is not seeking aggregated resources bundled under cloud-based software solutions.
- PSE will grade projects on their locational value, refer to PSE's interactive heat map⁶. The heat map displays hosting capacity, distribution substation loading and named communities. Picking an identified priority feeder with location with ample hosting capacity will increase the proposal score.
- Any proposal that receives a score of "0" in any sub section of the Permitting or Project Viability and Site Control Status sections will be deemed to have failed to meet the minimum criteria of the 2024 DSS RFP and disqualified from further consideration (provided that such failure to meet minimum criteria has not been remedied within the three-business-day cure period).
- For categories that require a greater degree of judgement in assessing risk (Counterparty Viability, Project Viability and Equity Plan, the rubric indicates factors that the evaluation team will consider when assigning appropriate scores. Respondents should therefore ensure that the information in their responses adequately addresses these factors.

⁶<https://pugetsoundenergy.maps.arcgis.com/apps/webappviewer/index.html?id=980fc190ffd648489a492f8363a1d2cc>.

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PSE will use information provided by the respondent as well as information available in the public domain to make an informed evaluation of the maturity and readiness of the proposal in the categories of counterparty viability, project viability, site control/customer acquisition status, permitting status, energy delivery, and equity plan. PSE will evaluate each proposal based on the merits of the quality and completeness of information sought in each of those categories. The information provided below serves to aid respondents to build as complete a proposal as possible in order to achieve the highest qualitative score attainable for their project.

A. Counterparty viabilityExperience

- Direct experience implementing similar size and technology deployment in the United States
 - Summary CV of all key project team members
 - Company structure and organization
 - List of previous projects and technology types, linking key project team members if applicable
- Previous safety performance record

Counterparty stability

- Credit history and stability
- Financial reports/10K/ CPA certified for previous 3 years
- Material legal proceedings within past five years. (PSE will generally consider legal breaches of greater than \$5 million to be material)

B. Project viabilityFinancing plan

- Project financing
- Project's development history
- Project's ownership taxonomy
- Interconnection and transmission cost with studies complete

Execution plan

- OEM fleet monitoring statistics
- Program design
- Management
- Performance guarantees

Technology risk

- Installed project lists

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C. Site control

FTM Resources

- Description of how sites will be identified
- Evidence of local community support for the proposed project
- For larger sites or those further along in planning
 - Binding letters of land use agreement
 - Non-binding letters of land use agreement
 - Ownership documentation

D. Permitting and studies

- State and/or federal discretionary permits
- Commercial and/or residential permits

E. Energy delivery

Locational value based on HCA map

- DER priority designation on HCA map
- Whether there are any DERs in queue where the project is being sited

F. Equity Plan

The 2024 DSS RFP requires respondents to submit an equity plan that addresses the questions in the Equity Plan and Company Commitments section of Tab 2a of Exhibit B. Respondents are strongly encouraged to submit additional material with more detail, as appropriate, to help PSE assess the credibility and viability of the respondent's equity plan. The additional materials should include details on how equity has been (or will be) considered in the planning, development and implementation of projects. The Equity Plan should be guided by the core energy justice tenets outlined in the 2022 Cascade Natural Gas Order⁷ and the provisions outlined in RCW 19.405.040(8) of the CETA⁸, which states that:

In complying with this section, an electric utility must, consistent with the requirements of RCW 19.280.030 and 19.405.140, ensure that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and non-energy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency.

⁷ WUTC v. Cascade Nat. Gas Corp., Docket UG-210755 Final Order 09 (August 23, 2022)

⁸ RCW 19.405.040(8)

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Furthermore, PSE aims to promote equity by drawing insights from the Justice40 Initiative⁹ Climate Commitment Act¹⁰, and the University of Michigan’s Energy Equity Project¹¹.

PSE will evaluate a respondent’s Equity Plan based on the degree to which it identifies and explains specific plans and/or ways that the proposal addresses the Energy Justice tenets (defined below), the CETA customer benefits, and incorporates diversity, equity and inclusion in its business practices and program. PSE will also look for commitments from respondents to carry out those plans and/or track the contributions of the proposed project. Respondents are encouraged to include in their Equity Plan the methods by which qualitative data may be collected and analyzed, which the evaluation team may consider in the qualitative evaluation.

The Energy Justice tenets are recognition, procedural, distributive, and restorative. Recognition justice requires an understanding of historic and ongoing inequalities and prescribes efforts that seek to reconcile these inequalities. Procedural Justice focuses on inclusive decision-making processes and seeks to ensure that proceedings are fair, equitable, and inclusive for participants, recognizing that marginalized and vulnerable populations have been excluded from decision-making processes historically. Distributional Justice refers to the distribution of benefits and burdens across populations. This objective aims to ensure that marginalized and vulnerable populations do not receive an inordinate share of the burdens or are denied access to benefits. Restorative Justice involves using regulatory government organizations or other interventions to disrupt and address distributional, recognition, or procedural injustices, and to correct them through laws, rules, policies, orders, and practices. Your responses will ensure that named communities and historically disadvantaged populations will be identified and included in the consideration process, establishing an on-going effort to engage and embrace community participation.

The CETA creates an inclusive approach to clean energy. It also requires that all customers benefit from the transition to the 2030 carbon-neutral standard and the 2045 requirement for non-emitting and renewable electric resources. Identifying, measuring, and applying customer benefits is a new part of the electric resource planning and resource acquisition process beginning in 2021. The 2021 Clean Energy Implementation Plan (CEIP) includes customer benefit indicators (CBIs) by categories; these categories are: (1) Energy and non-energy benefits, (2) Reduction of burdens, (3) Environmental Burdens, (4) Public Health, (5) Energy Security and Resiliency. PSE partnered with its Equity Advisory Group and interested parties in developing its 2021 CEIP to identify CBIs in each of these categories. CBIs are discussed in detail

⁹ Justice 40 Initiatives <https://www.whitehouse.gov/environmentaljustice/justice40/>

¹⁰ RCW 70A.65

¹¹ Energy Equity Project, 2022. “Energy Equity Framework: Combining data and qualitative approaches to ensure equity in the energy transition.” University of Michigan – School for Environment and Sustainability (SEAS).

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in Chapter Six of PSE's 2023 Biennial CEIP Update, including Table 6.1, which shows the most recent approved list of CBIs¹².

Priority Communities Impact

Respondents should state if they intend to build in a named community and describe the direct impact, potential barriers, and mitigation strategies that their project will provide.

For projects located within the state of Washington, PSE uses the term "Named Communities" to refer to two priority groups: Highly Impacted Communities and Vulnerable Populations.

Highly impacted community is defined with at least one of the following criteria: (a) the census tract is covered or partially covered by 'Indian Country' as defined in and designated by statute; (b) the census tract ranks a 9 or 10 on the Environmental Health Disparities Map, as designed by the Washington State Department of Health (DOH).

Vulnerable Populations means population groups that are more likely to be at higher risk for poor health outcomes in response to environmental harms, due to adverse socioeconomic factors, limited access to nutritious food and adequate health care, linguistic isolation, and other factors that negatively affect health outcomes and increase vulnerability to the effects of environment harms, and sensitivity factors such as low birth weight and higher rates of hospitalization, RCW 70A.02.010(14)(a)(b). Vulnerable populations are broken out into high medium and low levels as referenced in the 2023 Biennial CEIP Update, Chapter 3.

For projects located outside the state of Washington, PSE uses the term "Disadvantaged Communities". This refers to those that are marginalized, underserved, and overburdened by environmental pollution, including low-income communities, communities of color and tribal and indigenous communities¹³

Table 3. *Qualitative scoring rubric*

¹² https://www.pse.com/-/media/PDFs/CEIP/2023/001_BU23_Chapters_Final.pdf

¹³ PSE's definition of disadvantaged communities aligns with the guidance outlined in of Executive Order (EO) 14008 on Tackling the Climate Crisis at Home and Abroad, from the Executive Office of the President of the United States Government For geographical mapping of disadvantaged communities visit - <https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5>

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Evaluation Categories	Weight	Points
Counterparty Viability <i>Screening based on 2 key areas listed below. The total sum is applied towards this category.</i>	10% x 0	_ / 6
Experience Level		
Bidding Entity (company) has no demonstrable experience implementing at least 1 similar size and technology deployment		1
Bidding Entity (company) has demonstrable experience implementing < 3 similar size and technology deployment		2
Bidding Entity (company) has demonstrable experience implementing ≥ 3 similar size and technology deployments		3
Counterparty Stability		
Bidder assessed to have weak or limited financial profile and/or has been engaged in recent material disputes or legal proceedings		1
Bidder assessed to have an acceptable financial profile and/or has not been engaged in recent material disputes or legal proceedings		2
Bidder assessed to have a strong financial profile and has not been engaged in recent material disputes or legal proceedings		3
* Material legal proceedings within past five years. PSE will generally consider legal breaches of greater than \$5 million to be material		
Project Viability <i>Screening based on applicable areas listed below. The total sum of the respective applicable areas is applied towards this category.</i>	10% x 0	_ / 9
Financing Plan		
Plan provided but no actionable progress made		1
Project Financing yet to be achieved but in progress		2
Balance Sheet Financed or Financial arrangement established		3
Execution Plan		
Plans provide little or no details to evaluate robustness of execution plan		1
Plans provide general overview without necessary details to evaluate some areas of the robustness of outlined execution		2
Detailed plans describing among other items, overall program design and management, system integration, operations, dispatch, and performance guarantees.		3
Technology Risk		
Non-commercial / unproven technology		0
Commercial scale technology with minimal fleet deployment history (for ownership proposals: minimal operational experience of similar technology at PSE)		1
≥5 deployments with similar asset with ≥ 5 years of fleet deployment history (for ownership proposals: successful pilot programs with similar technology at PSE)		2
≥10 deployments with similar asset with ≥10 years of fleet deployment history (for ownership proposals: operational experience of similar technology at PSE)		3
* PSE may differentiate between technology upgrades and new classes of technology in assigning scores for deployment		
Site Control / Customer Acquisition Status	15% x 0	_ / 3
Project Site (single POI distribution projects)		
No executed land agreements / Not feasible		0
≥25% Executed land agreements / Low probability of complete site control		1
≥50% Executed land agreements / Demonstrated consistent progress in complete site control		2
≥75% Executed Land agreements / High probability of complete site control		3
Permitting and Studies <i>If Applicable</i>	10% x 0	_ / 3
Project is sited in a city or county with a moratorium on the development of the resource		0
Project is sited at a location that does not permit the development of the resource, and will require a SUP or other means for development		1
Project is sited at a location that permits the development of the resource		2
Project is sited at a location that permits the development of the resource and discretionary permits have been filed		3
Energy Delivery <i>A Schedule 152 application is required for all shortlisted proposals</i>	25% x ##	_ / 3
Is the resource connecting to a DER Priority feeder based on the HCA? (for both Solar and BESS)		
No		0
Yes		2
Are there any other projects in queue on the feeder the project is being interconnected to? (for both Solar and BESS)		
Yes		0
No		1

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Equity Plan <i>Customer Benefits from Transition to Clean Energy Plan</i>	30%	x	0	_ / 33
Indication of who/what population may be impacted/affected by the proposed project.				
No				0
Yes				1
Included details on any potential environmental and social impact in the community where the project is situated and the measures that will be implement to mitigate these impacts.				
No				0
Yes				1
Does the project include an engagement plan?				
No				0
Yes				1
Have members of interested parties been included in decision making at this point?				
No				0
Yes				1
Is a public participation process summary included?				
No				0
Yes				1
Is a strategy plan for decision making included				
No				0
Yes				1
Will the proposed resource reduce burdens including reduction of energy bills or reduction of energy use to highly impacted communities, vulnerable populations and disadvantaged communities?				
No				0
Yes				1
Does the project increase the quality and quantity of clean energy jobs?				
No				0
Yes				1
Does the project reduce known environmental burdens to highly impacted communities, vulnerable populations and disadvantaged communities, including reducing biological resources, or ecologically sensitive areas, soil or geographic topographic elements, noise levels, coastal use or resources?				
No reduction				0
Minimal reduction				1
Significant reduction				2
Does the project increase access to reliable clean energy, specifically access to emergency power, for highly impacted communities, vulnerable populations or disadvantaged communities?				
No impact				0
Minimal impact, less than 20% access increase to emergency power for highly impacted communities, vulnerable populations or disadvantaged communities				1
Medium impact, less than 50% access increase to emergency power for highly impacted communities, vulnerable populations or disadvantaged communities				2
Significant impact, over 50% access increase to emergency power for highly impacted communities, vulnerable populations or disadvantaged communities				3
Will the proposed resource or project provide additional economic benefits (local tax revenues, Customer benefit funds, charitable donations) to Named Communities (Highly Impacted Communities, Vulnerable populations or disadvantaged communities)?				
No impact, 0% of economic benefits will go to Named Communities or disadvantaged communities				0
Minimal impact, less than 20% of economic benefits will go to Named Communities or disadvantaged communities				1
Medium impact, approximately 50% of economic benefits will go to Named Communities or disadvantaged communities				2
Significant impact, over 50% of economic benefits will go to Named Communities or disadvantaged communities				3
Will the proposed resource help maintain or strengthen the energy security and resiliency of Highly Impacted Communities, Vulnerable populations or disadvantaged communities?				
Will not maintain nor strengthen (negative impact)				0
Will maintain (neutral impact)				2
Will strengthen (positive impact)				4

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Commitment to contracting with small businesses and minority, women and veteran owned business enterprises	
No commitment to contracting with SMWBE	0
<20% contract value subbed to SMWBE	1
≥20-<30% contract value subbed to SMWBE	2
>30% contract value subbed to SMWBE	3
Respondent is certified by the Washington State Office of Minority & Women's Business Enterprises (OMWBE), Washington State Department of Veterans Affairs (WDVA) and/or U.S. Small Business Administration	4
Does the developer intend to comply with the labor standards in RCW 82.08.962 and 82.12.962? If yes, provide a summary description.	
No, the developer does not intend to comply with labor standards consistent with RCW 82.08.962 and 82.12.962	0
The developer intends to comply with labor standards consistent with RCW 82.08.962(1)(c)(i) and RCW 82.12.962(1)(c)(i).	1
The developer intends to comply with labor standards consistent with RCW 82.08.962(1)(c)(ii) and RCW 82.12.962(1)(c)(ii).	2
The developer intends to comply with labor standards consistent with RCW 82.08.962(1)(c)(iii) and RCW 82.12.962(1)(c)(iii).	4
Statement of addressing inequity practices included?	
No	0
Yes	1
Summary of steps taken to generate meaningful and enduring changes included?	
No	0
Yes	1
Future equity considerations included?	
No	0
Yes	1
Based on Justice 40 initiatives, provide an assessment of the project's impact, categorizing it as negative, neutral or positive	
Negative impacts, denote adverse effects or consequences that disproportionately affect priority communities (HIC, VP or disadvantaged communities), such as pollution, environmental degradation, and economic disinvestment	0
Neutral impacts - when impacts are neutral, uncertain or do not significantly alter the status quo for HIC, VP or disadvantaged communities, neither positively nor negatively affecting their well-being or circumstances	1
Positive impacts - refer to outcomes or effects that benefit priority communities (HIC, VP or disadvantaged communities) such as increased access to clean energy, improved environmental quality, and enhanced economic opportunities	2

Shortlist Selection

Prior to shortlist selection, bidders may be interviewed in order to clarify aspects of their business and offer including, but not limited to: demonstrated competence and experience, management structure and assigned personnel, quality of proposed equipment and services, pricing, and performance guarantees.

PSE reserves the right to conduct additional due diligence, as necessary, for the shortlisted 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. Proposals that PSE determines present unacceptable risks, or that otherwise fail to meet the minimum proposal requirements defined in Section 4 of the DSS RFP will not be selected for the short list. Proposals that are not cost-competitive with other

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alternatives will not be selected for the short list. All Respondents will be notified of their selection status at the end of the evaluation.

A redline review of the agreements provided in Exhibits F through H are not required pre-shortlisting, but are appreciated and will be reviewed if provided. Once a proposal is shortlisted it will be invited to begin contract negotiations. PSE reserves the right to suspend negotiations with any Respondent and initiate discussions with an alternate shortlist candidate at its sole discretion and in the best interests of the Company and its customers. Execution of a contract may be held pending the results of any on-going study.

The timeline of key milestones is provided in Table 5 of the RFP.