

September 14, 2020

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Executive Director and Secretary
Washington Utilities and Transportation Commission
6221 Woodland Square Loop SE
Lacey WA 98503

Re: In the Matter of Amending, Adopting, and Repealing WAC 480-107, Relating to Purchases of Electricity, Docket UE-190837

In the following redlines to the proposed 2nd discussion draft rules in Docket 190837, proposed changes are generally highlighted as well.

Chapter 480-107 WAC

WAC 480-107-001 Purpose and scope.

(1) The rules in this chapter require utilities to issue an all-source RFP to fill the utilities' resource need described in their integrated resource plans (IRP) every four years and for any new or unfilled resource need identified in the IRP update that is greater than **50 MW**. The rules establish a set of requirements for each of the two required RFPs as well as any RFP issued by the utility to meet a resource needsolicit bids, rank project proposals, and identify any bidders that meet the minimum selection criteria. The rules in this chapter do not establish the sole procedures utilities may use to acquire new resources. Utilities may construct new resources, operate conservation and efficiency resource programs, purchase power through negotiated contracts, or take other action to satisfy their public service obligations.

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(2) The commission will consider the information the utility obtained through its acquisition efforts when it evaluates the performance of the utility in rate and other proceedings.

WAC 480-107-002 Application of rules.

(1) The rules in this chapter apply to any utility that is subject to the commission's jurisdiction under RCW 80.01.040, RCW 80.04.010 and chapter 80.28 RCW.

(2) Any affected person may ask the commission to review the interpretation or application of these rules by a utility or customer by making an informal complaint under WAC 480-07-910 (Informal complaints), or by filing a formal complaint under WAC 480-07-370 (Pleading—General).

(3) Consistent with WAC 480-07-110 (Exemptions from and modifications to commission rules; conflicts with other rules), the commission may grant an exemption from the provisions of any rule in this chapter.

WAC 480-107-004 Additional requirements.

(1) These rules do not relieve any utility from any of its duties and obligations under the laws of the state of Washington.

(2) The commission retains its authority to impose additional or different requirements on any utility in appropriate circumstances, consistent with the requirements of law.

WAC 480-107-006 Severability.

If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected.

WAC 480-107-007 Definitions.

"All-source RFP" means an RFP that solicits and accepts bids from any resource capable of meeting all or part of the resource need outlined in its solicitation documents.

"Affiliate" means a person or corporation that meets the definition of an "affiliated interest" in RCW 80.16.010.

"Bid" means a project proposal.

"Bidder" means a project developer.

"Commission" means the Washington utilities and transportation commission.

"Conservation and efficiency resources" has the same meaning as defined by WAC 480-100-6059 (Definitions) [Draft integrated resource planning chapter].

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"Demand response" has the same meaning as defined by WAC 480-100-6050 (Definitions) [Draft integrated

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"Equitable distribution" has the same meaning as defined by WAC 480-100-6050 (Definitions) [Draft integrated resource planning chapter].

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"Highly impacted community" has the same meaning as defined by WAC 480-100-6050 (Definitions) [Draft integrated resource planning chapter].

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"Independent evaluator" means a third party, not affiliated with the utility, that provides an assessment of the utility's request for proposal process, evaluation, selection criteria, and related analyses of all project bids and project proposals received in response to a request for proposal.

"Independent power producer" means an entity other than a utility, utility subsidiary, or utility affiliate that develops or owns generating facilities or portions thereof that are not qualifying facilities as defined in WAC 480-106-007 (Definitions).

"Indicator" has the same meaning as defined by WAC 480-100-6050 (Definitions) [Draft integrated resource planning chapter]. **OR**

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~~"Indicator" means an variable, either quantitative or qualitative, that is used as a representation of an associated factor or quality and shows what that factor is like or how it is changing.~~

"Integrated resource plan" or "IRP" means the filing made by a utility in accordance with WAC 480-100-~~6050~~ (Definitions) [Draft integrated resource planning chapter].

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"Project developer" means an individual, association, corporation, or other legal entity that can enter into a contract with the utility.

"Project proposal" means a project developer's document containing a description of a project and other information in response to the requirements set forth in a request for proposals.

"Qualifying facilities" has the same meaning as defined by WAC 480-106-007 (Definitions).

"Renewable resource" has the same meaning as defined by WAC 480-100-6050 (Definitions) [Draft integrated resource planning chapter].

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"Repowering" means a rebuild or refurbishment, including fuel source changes, of a utility-owned generator or generation facility that is required due to the generator or facility reaching the end of its useful life or useful reasonable economic life. The rebuild or refurbishment does not constitute repowering if it is that is not part

of either routine major maintenance, federal or state regulatory requirements, or replacement of equipment that does not materially affect the physical or economical longevity of the generator or generation facility.

"Request for proposals" or "RFP" means the documents describing a utility's solicitation of bids for delivering a resource need.

"Resource" includes, but is not limited to, generation, conservation, distributed generation, demand response, efficiency, and storage AND OTHER ELECTRICAL SYSTEM ACTIONS OR PROGRAMS, EITHER OWNED BY THE UTILITY OR SECURED BY THE UTILITY THAT ALONE OR INCOMBINATION CAN BE COORDINATED BY THE UTILITY TO MEET SYSTEM LOADS.

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"Resource need" has the same meaning as defined by WAC 480-100-605~~0~~ (Definitions)[Draft integrated resource planning chapter].

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"Resource supplier" means a third-party supplier, utility, or utility affiliate that provides equipment, POWER or services that serve a resource need.

"Subsidiary" means any company in which the utility owns directly or indirectly five percent or more of the voting securities, and that may enter a power or conservation contract with that electric utility.

A company is not a subsidiary if the utility can demonstrate that it does not control that company.

"Vulnerable population" has the same meaning as defined by WAC 480-100-6050 (Definitions) [Draft integrated resource planning chapter].

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"Utility" means an electrical company as defined by RCW 80.04.010.

WAC 480-107-010 Required RFPs.

(1) Utilities must issue one or more RFPs when:

(a) The utility's most recently filed IRP demonstrates that the utility has a resource need within four years; or

(b) The utility's two-year IRP update demonstrates a combined new or unfilled resource need greater than 590 MW compared to the utility's most recently filed IRP. Unfilled needs do not include resource needs identified in the utility's four-year IRP and which the utility is actively engaged in filling through an RFP at the time a resource need is identified in its two-year IRP update.

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(2) For RFPs issued pursuant to subsection (1) of this section, utilities must issue an all-source RFP.

(a) The utility may issue a single-source RFP in conjunction with an all-source RFP if the utility fairly compares all resource options in its combined analysis.

(b) All-source RFPs must allow resources that provide a subset of the characteristics or attributes of the resource need, including but not limited to unbundled renewable energy credits, conservation and efficiency resources, demand response or other distributed energy resources, regardless of ownership structure, or other resources identified to contribute to an equitable distribution of energy and nonenergy benefits to vulnerable populations and highly impacted communities.

(3) This section does not preclude utilities from soliciting resources outside of the required all-source RFPs. If a utility issues an RFP or solicitation that is not required in WAC 480-107-010(1) as described in WAC as described in WAC 480-107-011(3) .

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WAC 480-107-011 Applicability of rule sections.

(1)When a utility issues an RFP pursuant to WAC 480-107-010(1)(a), the RFP must comply with WAC 480-107-001 through WAC 480-107-010, -015, -017, and -023 through -145.

(2)When a utility issues an RFP pursuant to WAC 480-107-010(1)(b), the RFP must comply with WAC 480-107-001 through -010, -015, -020, and -023 through -145.

(3)When a utility issues an RFP allowed under WAC 480-107-010(3), the RFPs must comply with WAC 480-107-001 through WAC 480-107-010, -015, -020, and -023 through -145.

(4)For all other actions by the utility to acquire resources, WAC 480-107-001 through WAC 480-107-007, WAC 480-107-115 and WAC 480-107-125 apply.

WAC 480-107-015 Solicitation process for any RFP.

(1) Utilities are ~~strongly encouraged~~ **REQUIRED** to consult with commission staff and other interested stakeholders during the development of an RFP and the associated evaluation rubric.

(2) A utility must conduct outreach to potential bidders or resource suppliers, including nonprofits and under-represented bidders such as minority-, women-, disabled-, and veteran-owned businesses, to encourage equitable participation in the bidding process. Potential bidders must have equitable access to information relevant to responding to a utility's RFP, including but not limited to accommodation required by the Americans with Disabilities Act communications guidance.

~~(b)A utility must submit to the commission a proposed request for proposals and accompanying documentation no later than one hundred~~

~~thirty-five days after the utility's integrated resource plan is due to be filed with the commission. Interested persons will have sixty days from the RFP's filing date with the commission to submit written comments to the commission on the RFP. The commission will approve or suspend the RFP within thirty days after the close of the comment period.~~

~~(c) A utility must solicit bids for resource need within thirty days of a commission order approving the RFP, with or without conditions, as applicable.~~

~~(d) All bids will remain sealed until expiration of the solicitation period specified in the RFP.~~

~~(4) In addition to the solicitation process required by these rules, a utility may, at its own discretion, issue an RFP that limits project proposals to resources within specific characteristics. In addition, a utility, at its own discretion, may issue RFPs more frequently than required by this rule.~~

~~(5) Persons interested in receiving commission notice of a specific utility's RFP filings can request the commission to place their names on a mailing list for notification of future RFP filings by that utility.~~

(3) A utility must post a copy of the RFP on the utility's public web site and make reasonable efforts to ensure the RFP is known to industry and potential bidders, such as placing notices in relevant industry publications, including publications aimed at women-, minority-, disabled-, and veteran-owned businesses, in appropriate languages.

(4) On a public webpage, the utility must publish information in appropriate languages, about how interested persons can participate in the utility's RFP process, or follow the utility's RFP work and the approval process for its RFP if required. The utility must publish on the same webpage information for interested persons on how to contact the commission's Records Center to be placed on relevant distribution lists for utility RFPs.

(5) The utility must not allow bid contents to be available to its employees, an independent evaluator, or any other entity or person until the expiration of the solicitation period specified in the RFP.

(6) The utility must allow bids of different types of resources that may have the potential to fill the resource need identified in its RFP including, but not limited to: electrical savings associated with conservation and efficiency resources; demand response; energy storage; electricity from qualifying facilities; electricity from independent power producers; and, at the utility's election, electricity from

utility subsidiaries, and other electric utilities, whether or not such electricity includes ownership of property.

(7) A utility may participate in its ~~the~~ RFP bidding process as a resource supplier, or may allow a subsidiary or affiliate to participate in its RFP bidding process as a resource supplier, pursuant to requirements described in WAC 480-107-024 (Conditions for purchase of resources from a utility, a utility's subsidiary, or affiliate), and WAC 480-107-030 (Independent evaluator for large resource need or utility or affiliate bid). ~~The utility's RFP submittal must declare the utility's or affiliate's participation and must demonstrate how the utility will satisfy the requirements of WAC 480-107-135.~~

~~(9) In addition, A utility at its discretion may issue RFPs more frequently than required by this rule.~~

(8) ~~If demand response may meet some or all of the identified resource need,~~ ~~the utility must make a good faith effort to provide sufficiently detailed information that allows a bidder, including those offering demand response for some or all of the identified resource need,~~ the opportunity to respond with a bid, including stacked values of benefits and costs.

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WAC 480-107-017 RFP Filing for commission review and approval

- (1) For RFPs required under 480-107-010(1)(a), a utility must submit to the commission a proposed RFP and accompanying documentation no later than one hundred twenty days after the utility's ~~integrated resource plan~~IRP is due to be filed with the commission.
- (2) The utility must also provide information on its website, **in** **Appropriate languages,** detailing the commission approval process required pursuant to subsection (1) of this section, including draft RFP submission to the commission and the subsequent public comment period, or independent evaluator process pursuant to WAC 480-107-023.
- (3) Within forty-five days after the RFP's filing date, interested persons may submit written comments to the commission on the RFP.
- (4) The commission will approve, approve with conditions, or suspend the RFP, including the procedures and criteria the utility will use to evaluate and rank project proposals in accordance with WAC 480-107-035, within thirty days after the close of the comment period.

(5) A utility may solicit bids for resource need within thirty days of a commission order approving the RFP, with or without conditions, as applicable.

WAC 480-107-020 Informational filing requirement

- (1) A utility must submit to the Commission RFPs required under WAC 480-107-010(1)(b) as well as accompanying documentation no later than one hundred twenty days after the utility's IRP update is due to be filed with the commission.
- (2) A utility must submit to the commission any RFP allowed under 480-107-010(3) and accompanying documentation 30 days prior to the RFP's start date for accepting bids.
- (3) If the utility is required to retain an independent evaluator under WAC 480-107-023, the utility must publish, on a public webpage in appropriate languages, information detailing the independent evaluator process pursuant to WAC 480-107-023, including how interested persons can participate in process.

WAC 480-107-023 Independent evaluator for large resource need or utility or affiliate bid.

(1) A utility must engage the services of an independent evaluator to assess and report on the solicitation process if:

(a) the utility' most recent IRP demonstrates a need for new resources in the next four years, per 480-107-010(1); or

(a) The utility, its subsidiary, or affiliate participates in the utility's RFP bidding process, which may result in the utility owning or having a purchase option in the resource over its expected useful life; or

(b) The utility is considering repowering its existing resources to meet the resource need identified in its RFP.

(2) The utility, after consulting with commission staff and stakeholders, may issue a solicitation for an independent evaluator and must recommend an independent evaluator for approval by the commission.

(3) The independent evaluator will contract with and be paid by the utility. The utility will also manage the contract terms with the independent evaluator.

(4) The utility must provide the independent evaluator with all data and information necessary to perform a thorough examination of the the bidding process and responsive projects.

(5) The independent evaluator will, at a minimum:

(a) Ensure that the RFP process is conducted fairly and properly;

(b) Participate in the design of the solicitation;

(c) Evaluate the unique risks, burdens, and benefits of each bid
and independently rank each bid per 480-107-035(4);

(d) Provide to the Company the independent evaluator's minutes of meetings and the full text of written communications between the independent evaluator and the utility and any third-party related to the independent evaluator's execution of its duties;

(e) Verify that the utility's inputs and assumptions, including capacity factors and capital costs, are reasonable;

(f) Assess whether the utility's process of scoring the bids and selection of the initial and final shortlists is reasonable;

(h) Prepare a final report to the commission after reconciling rankings with the utility in accordance with WAC 480-107-035(4) that must:

(i) Include an evaluation of the competitive bidding process in selecting the lowest reasonable cost acquisition or action to satisfy the identified resource need, including the adequacy of communication with stakeholders and bidders; and

(ii) Explain ranking differences and why the independent evaluator and the utility were, or were not, able to reconcile the differences.

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(6) The commission may request that additional analysis be included in the final report.

(7) Interested persons may file comments on the final report filed with the commission, including concerns about routine processes, such as administrative corrections or recommending removal of bids that do not comply with the minimum criteria identified in the RFP, but no stakeholder, including the utility or commission staff, shall have any editorial control over the independent evaluator's final report.

WAC 480-107-024 Conditions for purchase of ~~electrical power or savings~~resources from a utility, a utility's subsidiary, or affiliate.

(1) The utility, its subsidiary, or affiliate may participate in the utility's RFP bidding process and the utility may accept bids that will result in the utility owning or having a purchase option in the resource over its expected useful life. The utility may also consider repowering its existing resources to meet the resource need identified in its RFP. ~~In~~ If any one of these circumstances is to occur:

(a) The solicitation and bidding process of the RFP will be subject to additional scrutiny by the commission and an independent evaluator, pursuant to WAC 480-107-023 (Independent evaluator for large resource need or utility or affiliate bid), to ensure that no unfair advantage

~~occurs; and~~ is given to the utility's subsidiary or affiliate. Commission scrutiny will ensure that ratepayer interests are protected.

(b) The utility must provide notice of such circumstances at the time of its RFP filing or issuance and as part of its RFP. As part of the notice, the utility must describe how it will ensure that the utility, utility's subsidiary, or affiliate bids will not have an unfair advantage over other bids.

(2) In the case of the utility considering repowering a resource in 480-107-024(1) it must submit its repowering project as a bid in the RFP. ~~(2) As part of its RFP, a utility must include specific notice if it intends to submit a bid or intends to allow its subsidiaries and affiliates to participate in its bidding process. The utility must indicate in its RFP how it will ensure that its subsidiary or affiliate, through association with the utility, will not gain an unfair advantage over potential nonaffiliated competitors.~~

(3) A utility's disclosure of utility must not disclose the contents or results of an RFP or competing project proposals to its own personnel involved in developing the utility's bid, or to its any subsidiary or affiliate prior to such information being made public will be construed to constitute an unfair advantage. The utility must include in the RFP and notice the methods used to assure that information is controlled and

not communicated to its own personnel involved in developing any bid under WAC 480-107-024(1).

~~(3) The commission may not allow a utility to recover in its rates all or part of the costs associated with the utility's project, or a subsidiary's or affiliate's project(s), if any unfair advantage was given to any bidder.~~

WAC 480-107-025 Contents of RFP solicitations.

(1) An RFP must define the resource need, including specific attributes or characteristics the utility is soliciting, such as the amount and duration of power, time and locational attributes, operational attributes, the type of technology or fuel source necessary to meet a compliance requirement, and any additional information necessary for potential bidders to make a complete bid including a copy or link to the complete assessment of avoided costs identified in WAC 480-100-610(13) **620 (12)** (Content of an Integrated Resource Plan) [Draft].

(2) The RFP must request information identifying energy and non-energy benefits or burdens to highly impacted communities and vulnerable populations, short-term and long-term public health impacts, environmental impacts, resiliency and energy security impacts, or other information that may be relevant to identifying the costs and benefits

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of each bid such as a bidder's past performance utilizing diverse businesses. After the approval of the utility's first Clean Energy Implementation Plan requested information must include, at a minimum, information related to indicators approved in the utility's most recent Clean Energy Implementation Plan, including descriptions of the indicators.

(3) The RFP must document that the size and operational attributes of the resource need requested are consistent with the range of estimated new resource need identified in the utility's integrated resource plan.

(4) The RFP must explain the specific ranking procedures and assumptions that the utility will use in accordance with WAC 480-107-035 (Project ranking procedure). The RFP must include a sample evaluation rubric that quantifies, where possible, the weight each criterion will be given during the project ranking procedure and provides a detailed explanation of the aspects of each criterion specifically identified that would result in the bid receiving higher priority. The RFP must also specify any minimum criteria and qualifications that bidders must satisfy to be eligible for consideration in the ranking procedure.

(5) The RFP must specify a detailed timeline for each stage of the RFP ~~the timing of~~ process including those for solicitation, ranking, and

~~the expected selection~~ as well as the utility's schedule of planned informational activities and contact information for potential bidders.

(65) The RFP must identify all financial security requirements and the rationale for such requirements.

(7) The RFP must generally identify any utility-owned assets, including merchant side assets that will be made available by the utility to be used by bidders to assist in meeting the resource need at the lowest reasonable cost. The utility must make reasonable efforts to provide necessary technical details as requested from bidders and allow the use of such assets to be included in bids.

(8) All RFPs must clearly state the scope of its solicitation and the types of bids in WAC 480-107-024(1) the RFP will accept.

WAC 480-107-035 Project ranking procedure.

~~(1) The procedures and criteria the utility will use in its RFP to evaluate and rank project proposals are subject to commission approval.~~

(1) At a minimum, a utility's RFP ranking criteria must recognize resource cost, both up front acquisition costs and operational costs over time, market-volatility risks, demand-side resource uncertainties and benefits, resource dispatchability and ramp rates, resource effect on system operation, credit and financial risks to the utility, the risks imposed on ratepayers, public policies regarding resource

preference, and requirements adopted by Washington state or the federal government **such as** and environmental effects including those associated with resources that emit carbon dioxide. The ranking criteria must recognize differences in relative amounts of risk and benefit inherent among different technologies, fuel sources, financing arrangements, and contract provisions, including risks and benefits to vulnerable populations and highly impacted communities. The ranking ~~process must complement power acquisition goals identified in the utility's~~ integrated resource plan the utility uses to support its determination of its resource need. The utility must consider the value of any additional net benefits that are not directly related to the specific need requested.

(3) In choosing to remove a project bid during any stage of its evaluation process the utility may not base its decision, solely, on the project's ability to only meet a portion of the resource need. The utility must not discriminate based on ownership structure. ~~After the project proposals have been opened for ranking, the utility must make available for public inspection at the utility's designated place of business a summary of each project proposal and a final ranking of all proposed projects.~~

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(4) ~~The utility and, as applicable, the independent evaluator will each score and produce a ranking of the qualifying bids following the RFP ranking criteria and methodology. If, as a result of unexpected content in the bids, the utility deems it necessary to modify the ranking criteria, the utility must notify all bidders of the change, describe the change and provide an opportunity for bidders to subsequently modify submitted bids. The utility may reject any project proposal that does not specify, as part of the price bid, the costs of complying with environmental laws, rules, and regulations in effect at the time of the bid.~~

(5) ~~After the~~ Within ten days after the close of the bidding period for project proposals, the utility must make available for public inspection on the utility's website a summary of each project proposal received. and a final ranking of all proposed projects. Where use of confidential data prohibits the utility from identifying specifics of a project, a generic but complete description is sufficient.

(46) The utility may reject any project proposals that do not comply with the minimum requirements within the RFP or specify, as part of the bid, do not identify the costs of complying with environmental, public health, or other laws, rules, and regulations in effect at the time of the bid.

~~(5) The utility may reject all project proposals if it finds that no proposal adequately serves ratepayers' interests. The commission will review, as appropriate, such a finding together with evidence filed in support of any acquisition in the utility's next general rate case or other cost recovery proceeding.~~

~~6) When the utility, the utility's subsidiary or an affiliate submits a bid in response to an RFP, one or more competing bidders may request the commission to appoint an independent third party to assist commission staff in its review of the bid. Should the commission grant such a request, the fees charged by the independent third party will be paid by the party or parties requesting the independent review.~~ (7) Within twenty days after executing an agreement for acquisition of a resource the utility must file the executed agreement and related documents with the commission.

~~(8) The commission may review any acquisitions resulting from the RFP process in the utility's relevant general rate case or other cost recovery proceeding.~~

~~(9) The commission will review, as appropriate, a utility's finding that no proposal adequately serves ratepayers' interests together with evidence filed in support of any acquisition in the utility's relevant general rate case or other cost recovery proceeding.~~

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WAC 480-107-045 Pricing and contracting procedures.

(1) Once project proposals ~~have been~~are ranked in accordance with WAC 480-107-035 (Project ranking procedure), the utility must identify the bidders that best meet the selection criteria and that are expected to produce the ~~energy, capacity, and electrical savings~~relevant attributes as defined by that portion of the resource ~~block~~need to which the project proposal is directed.

(2) The project proposal's price, pricing structure, and terms are subject to negotiation.

WAC 480-107-065 Acquisition of conservation and efficiency resources.

(1) A conservation and efficiency resource supplier may participate in the bidding process for any resource need. A utility, a utility subsidiary, or affiliate may participate as a conservation supplier subject to the conditions described in WAC 480-107-024 (Conditions for purchase of resources from a utility, a utility's subsidiary, or affiliate).

(2) All conservation and efficiency measures included in a project proposal must be expected to produce savings that can be reliably

measured or estimated with accepted engineering, statistical, or meter-based methods.

(3) A utility must acquire conservation and efficiency resources through a competitive procurement process as described in this rule unless implementing a competitive procurement framework for conservation and efficiency resources as approved by the commission.

(a) As part of that process, a utility may develop, and update each biennium, a competitive procurement framework for conservation and efficiency resources in consultation with its conservation advisory group, as described in WAC 480-109-110 (Conservation advisory group). The first competitive procurement framework for conservation and efficiency resources may be filed with the 2022-2024 biennial conservation plan.

(b) The competitive procurement framework for conservation and efficiency resources must:

(i) Define the specific criteria that will be used to determine the frequency of competitively bidding conservation and efficiency resource programs or parts of a program;

(ii) Address appropriate public participation, outreach, and communication of evaluation and selection criteria;

(iii) Enhance or, at minimum, not interfere with the adaptive management of programs;

(iv) Include documentation of support by the advisory group; and

(v) Be filed as an appendix to each biennial conservation plan, as described in WAC 480-109-120 (Conservation planning and reporting).

(c) The competitive procurement framework for conservation and efficiency resources may:

(i) Exempt particular programs from competitive procurement, such as low-income, market transformation, or self-directed programs; and

(ii) Consider if and when to use an independent evaluator.

WAC 480-107-075 Contract finalization.

(1) Unless otherwise prohibited by law, a utility ~~has discretion to~~may decide whether to enter into a final contract with any project bidder that meets the selection criteria of the RFP. Any ~~such~~ bidder may petition the commission to review a utility's decision not to enter into a final contract.

(2) Any project bidder and utility may negotiate changes to the selected project proposal, subject to any limitation established in the RFP, for the purpose of finalizing a particular contract consistent with the provisions of this chapter.

(3) The utility may sign contracts for any appropriate ~~time-period~~ specified in a selected project proposal for up to a ~~twenty-year~~s-term. The utility may sign longer-term contracts if such provisions are specified in the utility's RFP.

(4) Any contract signed by the utility to fill a resource need in any utility action to acquire resources must require the firm awarded the contract to track and report to the utility its utilization of diverse businesses, including but not limited to women-, minority-, disabled-, and veteran-owned businesses. The commission may require the utility to provide this information per WAC 480-107-145.

(5) If material changes are made to the project proposal after project ranking, including material price changes, the utility must suspend contract finalization with that ~~bidder~~party and rerank, and have the independent evaluator rerank when applicable, projects according to the revised project proposal. If the material changes cause the revised project proposal to rank lower than projects not originally selected, the utility must instead pursue contract finalization with the next ranked project.

~~(5) A project developer must provide evidence that the developer has obtained or will obtain a generation site (e.g., letter of intent) before signing a contract with the purchasing utility.~~

WAC 480-107-115 System emergencies.

(1) A generating facility entering into a power contract under these rules must ~~is required to~~ provide energy or capacity to a utility during a system emergency only to the extent:

(a) Provided by agreement between such generating facility and utility; or

(b) Ordered under section 202(c) of the Federal Power Act.

(2) During any system emergency, a utility may discontinue or curtail:

(a) Purchases from a generating facility if such purchases would contribute to such emergency; and

(b) Sales to a generating facility, if such discontinuance or curtailment:

(i) Does not discriminate against a generating facility; and

(ii) Takes into account the degree to which purchases from the generating facility would offset the need to discontinue or curtail sales to the generating facility.

(3) System emergencies resulting in utility action under this chapter are subject to verification by the commission upon request by either party to the power contract.

WAC 480-107-125 Interconnection costs.

(1) Any costs of interconnection are the responsibility of the owner or operator of the generating facility entering into a power contract under this chapter. The utility must assess all reasonable interconnection and necessary system or network upgrade costs the utility incurs against a generating facility on a nondiscriminatory basis.

(2) The owner or operator of the generating facility must reimburse the utility for any reasonable interconnection costs the utility may incur. Such reimbursement shall be made, at the utility's election:

(a) At the time the utility invoices the owner or operator of the generating facility for interconnection costs incurred by the utility; or

(b) Over an agreed period of time not greater than the length of any contract between the utility and the generating facility.

WAC 480-107-145 Filings—Investigations.

(1) The commission retains the right to examine project proposals as originally submitted to the RFP by potential developers. The utility must keep all documents supplied by project bidders or on their behalf, and all documents created by the utility relating to each bid, for at least seven years from the close of the bidding process, or the conclusion of the utility's ~~next~~ general rate case in which the fully-

developed project was reviewed for prudence, including any time period allowed for reconsideration or appeal, whichever is later.

(2) ~~The utility must file with the commission and maintain on file for inspection at its place of business, the current rates, prices and charges established in accordance with this chapter,~~ within 90 days of the conclusion of any RFP process, a summary report of responses including, at a minimum:

(a) Specific reasons for any project rejected under WAC 480-107-035(6);

(b) Number of bids received, categorized by technology type;

(c) Size of bids received, categorized by technology type;

(d) Number of projects received, categorized by technology type;

(e) Size of projects received, categorized by technology type;

(f) Median and average bid price, categorized by technology type.

Categorization should be broad enough to limit the need for confidential designation whenever possible;

(g) Number of bids received by location, including locations designated as highly impacted communities;

(h) Number of bids received and accepted by bidder type, including women-, minority-, disabled-, or veteran-owned businesses;

(i) Number of projects received, categorized by ownership structures; and

(j) Number of projects using labor standards identified in RCW 82.08.962 and RCW 82.12.962.