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**Subject:** Input on PSE RFPs for Direct Load Control and Demand Response resources. Dockets UE-160808 and UE-160809  
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On behalf of UMC Energy & Environment and Enwave Seattle we offer the following input on PSE's RFPs for Direct Load Control and Demand Response resources under Dockets UE-160808 and UE-160809

1. PSE should be seeking distributed energy resources (DER) in a broader RFP that includes direct load control (DLC), demand response (DR), and distributed generation (DG), among other dispatch-able resources that provide locational value.
2. Participation limits should be relaxed to enable all retail electricity, retail gas, and distribution gas customers to participate as long as power or services are delivered to PSE's balancing authority area to deliver the intended effect.
3. Combined heat and power (CHP) should also be recognized as a DR resource after the Supreme Court Jan 25, 2016 decision in the FERC v. EPSA case that affirms FERC Order No. 745.
4. PSE should commit to providing a signal to enable DER dispatch including DLC, DR, and DG with much smaller scale than currently identified as there are hundreds of potential assets that could be deployed in a range less than 20 MWe.
5. PSE should update its avoided costs to reflect the capacity need after announcement of the closure of Colstrip 1 and 2. This should also increase in scale to 15 MWe minimum under standard PPA terms, separate into peak and off-peak, and take into account avoided cost of energy delivery that includes investments in congestion relief, ancillary services, demand response, etc. that are part of its current plan.

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