



December 3, 2020

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

Re: Re: In the Matter of Amending chapter WAC 480-107, Purchases of Electricity, Docket UE-190837.

Dear Mr. Johnson:

The NW Energy Coalition (“Coalition” or “NWEC”) thanks the Commission for the opportunity to comment in response to Commission’s November 3, 2020 Notice of Opportunity to File Written Comments in the Matter of Amending chapter WAC 480-107, Purchases of Electricity, Docket UE-190837 to implement certain sections of the Clean Energy Transformation Act (CETA). The Coalition submitted comments in this docket previously, on March 12, 2020; June 29, 2020 and September 14, 2020. Prior to this docket, the Coalition participated and commented on some of the same issues in Docket 161024.

The Coalition is an alliance of approximately 100 organizations united around energy efficiency, renewable energy, fish and wildlife preservation and restoration in the Columbia basin, low- income and consumer protections, and informed public involvement in building a clean and affordable energy future.

NWEC appreciates the Commission and staff’s work over the course of this rulemaking, and for the attention to the details that have generally improved these rules since the first drafts. We are pleased with the addition of a number of necessary definitions, such as “repowering” and “targeted RFP”; the deletion of some dated sections; the clarification of some issues raised in previous comments, as well as the attention paid to ensuring equitable participation in the bidding process.

The Coalition is generally supportive of the final draft of the rules that will govern the acquisition of resources necessary to meet the standards set in CETA. In these brief comments, we address just a few remaining questions or concerns related to when an Independent Evaluator should be engaged, how “indicators” are understood and a request for additional guidance on voluntary RFPs.

Regarding an Independent Evaluator:

NWEC has supported the requirement for an Independent Evaluator (IE) since at least 2018 to provide the UTC, stakeholders and bidders a fair, transparent and more standardized process. NWEC strongly supports the requirements to engage an IE when a utility, its subsidiary or affiliate participates in an RFP; when the utility retains the option to procure resources or a purchase option in resources considered in an

RFP; or when the utility is considering repowering an existing resource to meet needs. It makes sense to require an IE for any bids in which the utility might have any financial self-interest.

The Coalition has also advocated, in both this and the previous docket, for the involvement of an IE for all RFPs resulting from an IRP-determined need over the next four years or for any large RFP. We continue to hold that it is important that utilities engage an IE for large, all source RFPs. While a utility *may* engage an IE after consulting with staff and stakeholders, WAC 480-107-023(2), when the utility does not have a financial self-interest, we would appreciate some guidance or clarification in the adoption order as to what conditions might warrant engaging an IE outside of 480-107-023(1).

NWEC also appreciates the IE will rank the bids and explain in the final report to the commission after reconciling rankings with the utility, why the IE and the utility were or were not able to reconcile any differences. The point of involving an objective and independent third party in an RFP is precisely to provide a non-self-interested evaluation on behalf of ratepayers. This is a major improvement to the current RFP process.

Regarding “indicators”

The Coalition’s original concerns with the definition of “indicator” was that it appeared to limit the use of indicators to attributes of “resources or distribution investments”. Until the expansion of the definition of resources, we were concerned that equity “indicators” would be limited to analyses of generators and wires, and not to actions, such as efficiency or incentive programs, that might be more process oriented. The current definition of “resource”, which was first contained in the second draft discussion rules, has allayed much of our concern. We look forward to helping craft those indicators that will be used in the IRPs.

Regarding Voluntary RFPs

This term is new to the rule; it is not clear if one or more resource specific voluntary RFPs could be issued if all the bids responding to a required all-source RFP were rejected? The Coalition would appreciate some clarifications on when utilities might reasonably employ a voluntary RFP (after an IRP progress report or an annual update?) and what a voluntary RFP would address more effectively than an all source RFP.

NWEC thanks the Commission for considering these few suggestions and comments. We look forward to continuing engagement in the remainder of the rulemakings for the Clean Energy Transformation Act implementation.

Respectfully,

Joni Bosh

joni@nwenergy.org

Repowering – thanks for clarification on federal or state regulatory requirements.

Resource – thank for adding a definition.

Targeted RFP is a new definition. Looks ok.

Independent Evaluator is limited to bids in which the utility might have financial self-interest. (page 21 of matrix, page 6 of rules at 023. We had requested the IE also be involved in any new resource needs uncovered in the IRP. (see comments page 15).

WE had also carried forward language from previous versions that had the IE independently rank each bid per 480-107-035(4) check Numbering.

Pleased interconnection costs are removed. 125

480-107-035 Bid ranking procedure We asked that upfront acquisition costs and operational costs over time, ramp rates and environmental impacts. DO not sweat, covered by public policies regarding resource preference and Gov't requirements. We also asked for a time limit for between bid announcement and final contract negotiations and Staff declined to accept.

Indicator: As we noted in our comments on the IRP/CEIP rule, limiting the definition of indicator to an attribute of resources or distribution investments is too narrow to adequately accommodate the broad directives in CETA to consider equity. For example, some appropriate indicators will be process oriented, which are not attributes of resources or distribution

investments. It is also too narrow to accommodate resources allowed under 480-107-010(2)(b) Required RFPs allowed resources.

The Coalition provides the following redline to clarify the definition of “indicator” given the broader application in CETA.

“Indicator” means a 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.

Staff disagrees. The definition is intentionally specific to the benefits and burdens that must be equitably distributed. Additional directives of CETA are addressed through assessments and additional information included in the CEIP rules. Additional directives of CETA are addressed through assessments and additional information included in the CEIP rules.

In 480-100-605 it is defined as: "Indicator" means an attribute, either quantitative or qualitative, of resources or related distribution investments associated with customer benefits described in RCW 19.405.040(8).

I think I am going to be ok with the indicator definition if the “qualitative” aspect applies to resources broadly.