

2021
All-Source RFP

Closeout Report

November 27, 2024

Introduction

Washington Administrative Code (WAC) 480-107-145(2) requires Puget Sound Energy (PSE or the Company) to file a summary report within 90 days of the conclusion of any request for proposal (RFP) process. The report must include, at a minimum:

- (a) Specific reasons for rejecting any bid under WAC 480-107-035(6);
- (b) The number of bids received, categorized by technology type;
- (c) The size of the bids received, categorized by technology type;
- (d) The median and average bid price, categorized by technology type and sufficiently general to limit the need for confidential designation whenever possible;
- (e) The number of bids received by location, including locations designated as highly impacted communities;
- (f) The number of bids received and accepted by bidder type, including women-, minority-, disabled-, or veteran-owned businesses;
- (g) The number of bids received, categorized by ownership structures; and
- (h) The number of bids complying with the labor standards identified in Revised Code of Washington (RCW) 82.08.962 and 82.12.962.

This report complies the requirements listed above for PSE's 2021 All-Source RFP, starting with items (b) through (h) and ending with item (a). The report concludes by summarizing the resources acquired under the 2021 All-Source RFP.

Background

PSE issued an All-Source RFP on June 30, 2021 to meet capacity and clean energy resource needs established in the Company's 2021 Integrated Resource Plan. Bids were due on September 1, 2021. PSE received bids for 95 projects.

To ensure that the process was conducted fairly, transparently and properly, PSE retained Bates White as an independent evaluator. PSE kept Bates White consistently informed of PSE's activities, from intake through the evaluation and negotiation of proposals, consistent with WAC 480-107-023.

The 2021 All-Source RFP process ended on August 30, 2024, with the execution of the final contract to result from PSE's evaluation of the submitted bids. Additional information about the 2021 All-Source RFP can be found on PSE's RFP website at www.pse.com/rfp.

Information Required by WAC 480-107-145

Number of Bids Received, Categorized by Technology Type

Table 1 summarizes the bids by technology type, pursuant to WAC 480-107-145(2)(b). Three of the proposal counts tabulated below differ from those presented in the proposal summary PSE posted on its website pursuant to WAC 480-107-035(5) on October 1, 2021. During the course of its documented bid-evaluation process, PSE identified three proposals whose resource types had been entered incorrectly in

the original bid forms. These discrepancies were subsequently corrected and are reflected in Table 1 below.

Table 1: Bids by Technology Type

Resource	Technology Type	Number of Bids
Solar	Solar	19
	Hybrid: Solar + Storage	12
Wind	Wind	20
	Hybrid: Wind + Storage	2
	Hybrid: Wind + Solar + Storage	2
Storage	Storage Battery	28
	Storage Pumped Hydro	3
Flexible Capacity	Natural Gas	3
	Biofuel	4
Other	Run-of-River Hydro	1
	Hydrogen	1

Size of Bids Received, Categorized by Technology Type

Table 2 describes the range of bid sizes per technology type, pursuant to WAC 480-107-145(2)(c). Bids for non-storage projects ranged in size, measured as capacity, from approximately 41 MW to approximately 1,000 MW. Bids for energy-storage projects ranged in size from 15 MW to 400 MW.

Table 2: Bids by Size and Technology Type

Resource	Technology Type	Size range (nameplate capacity, approximate)
Solar	Solar	41 - 400 MW
	Hybrid: Solar + Storage	41 - 260 MW
Wind	Wind	72 - 1,000 MW
	Hybrid: Wind + Storage	220 - 400 MW
	Hybrid: Wind + Solar + Storage	201 - 250 MW
Storage	Storage Battery	15 - 300 MW
	Storage Pumped Hydro	100 - 400 MW
Flexible Capacity	Natural Gas	280 - 650 MW
	Biofuel	214 - 215 MW
Other	Run-of-River Hydro	20 MW
	Hydrogen	10 MW

Median and Average Bid Price, Categorized by Technology Type and Sufficiently General to Limit the Need for Confidential Designation Whenever Possible

Table 3 lists median and average bid prices per technology type, pursuant to WAC 480-107-145(2)(d). Prices for production resources reflect the levelized cost of energy or the levelized cost of capacity, as appropriate to each technology type. Costs associated with transmission and interconnection, network upgrades, contractual escalations of initial pricing, and other significant factors contributing to the actual cost of each proposal to PSE’s customers could not be accurately projected at the time each bid was submitted, and are not reflected here. Most bids included multiple offers; all offers are reflected in Table 3.

Because the run-of-river hydro category consists of a single bid, it cannot be presented separately here, consistent with the confidentiality requires in WAC 480-107-145(2)(d). Instead, it is included in the wind-only category.

The hydrogen-generation bid did not include pricing information.

One proposal, which was withdrawn by the bidder before accurate pricing information could be established, is not represented here. The as-offered price of that bid was unrealistic and would have skewed Table 3’s results.

Table 3: Bids by Median and Average Price

Resource	Technology Type	Median bid price	Average bid price
Solar	Solar	\$58.23 / MWh	\$58.50 / MWh
	Hybrid: Solar + Storage	\$79.51 / MWh	\$80.20 / MWh
Wind	Wind ¹	\$66.83 / MWh	\$67.58/ MWh
	Hybrid: Wind + Storage	\$72.52 / MWh	\$74.83 / MWh
	Hybrid: Wind + Solar + Storage	\$78.30 / MWh	\$77.55 / MWh
Storage	Storage Battery ²	\$145.40/ kW-yr	\$144.76 / kW-yr
	Storage Pumped Hydro	\$194.64 / kW-yr	\$216.80/ kW-yr
Flexible Capacity	Natural Gas	\$296.20 / kW-yr	\$278.89 / kW-yr
	Biofuel	\$135.53 / kW-yr	\$226.35 / kW-yr
Other	Run-of-River Hydro	Single bid ¹	Single bid ¹
	Hydrogen	No pricing provided	No pricing provided

¹ Wind category includes run-of river hydro proposal pricing.

² Battery pricing has been normalized to reflect 4-hour Battery Energy Storage System (BESS) configurations.

Number of Bids Received by Location, including Locations Designated as Highly Impacted Communities

Table 4 indicates the locations of bids received, categorized by technology type, pursuant to WAC 480-107-145(2)(e). Of the 95 bids received, 69 bids, or 72.6%, were for projects located in Washington state. Others were located in Oregon, Montana, Idaho, and Wyoming. Ten projects were identified by bidders as directly affecting highly impacted or vulnerable communities. These projects are represented in Table 4 by numbers enclosed in parentheses.

Table 4: Bids by Location

Resource	Technology Type	Bids	Location				
			WA	OR	MT	ID	WY
Solar	Solar	19	17 (3)	2			
	Hybrid: Solar + Storage	12	7 (4)	5			
Wind	Wind	20	12 (1)	1	6		1
	Hybrid: Wind + Storage	2			2		
	Hybrid: Wind + Solar + Storage	2		1	1		
Storage	Storage Battery	28	26 (1)	1	1		
	Storage Pumped Hydro	3		2 (1)	1		
Flexible Capacity	Natural Gas	3	1	1		1	
	Biofuel	4	4				
Other	Run-of-River Hydro	1	1				
	Hydrogen	1	1				
Total		95	69	13	11	1	1

Number of Bids Received and Accepted by Bidder Type, including Women-, Minority-, Disabled-, or Veteran-Owned Businesses

Table 5 summarizes bids received and accepted by bidder type, pursuant to WAC 480-107-145(2)(f). Two bidding entities identified themselves as veteran-owned only, with each of these entities submitting one proposal. A third entity identified as minority-owned only and submitted one proposal. A fourth entity identified as both minority-owned and veteran-owned; this entity submitted two proposals.

Table 5: Bids Received & Accepted by Bidder Type

Bidder type	Bids Received	Bids Accepted
Women-owned only	0	0
Minority-owned only	1	1
Disabled-owned only	0	0
Veteran-owned only	2	2
Minority-owned and veteran-owned	2	0
All others	90	88
Total	95	91

Number of Bids Received, Categorized by Ownership Structures

Table 6 summarizes the RFP’s 95 bids by ownership structure, pursuant to WAC 480-107-145(2)(g). The great majority of proposals represented tolling agreements, capacity agreements, and power purchase agreements (PPAs). One, for a flexible-capacity project, was an ownership offer. Fourteen bids included options for PSE to pursue ownership of generation or storage facilities.

Table 6: Bids by Ownership Structure

TOTAL	Ownership	PPA/Tolling/ Capacity Agreement	Hybrid/ Option to Own
95	1	80	14

Number of Bids Complying with the Labor Standards Identified in RCW 82.08.962 and 82.12.962

Table 7 summarizes bidders’ express commitment to meeting the labor standards identified in RCW 82.08.962 and 82.12.962, pursuant to WAC 480-107-145(2)(h). PSE required bidders to indicate whether each proposal would satisfy the labor standards described in RCW 82.08.962 and 82.12.962. Of the 95 proposals submitted via the 2021 All-Source RFP, 80 proposals included confirmations that they would meet those standards. Of the remaining 15 proposals, 10 bids were for projects located entirely outside of Washington state; eight of these 10 cited lack of jurisdiction as their reason for not committing to meeting Washington state labor standards, and two did not respond to PSE’s request for an explanation. Four of the five remaining bids did not respond to PSE’s request. The fifth indicated that it found “no quantifiable tax benefits to complying to [sic] the stated standards.”

Table 7: Bids Complying with Labor Standards

Project Location	Commitment to RCW 82.08.962 and 82.12.962			
	Yes	No Reply	Lack of Jurisdiction	Intention Not to Comply
WA	64	4	0	1
Non-WA	16	2	8	0
Total	80	6	8	1

Specific Reasons for Rejecting any Bid under WAC 480-107-035(6)

Table 8 summarizes specific reasons for rejecting any bid under WAC 480-107-035(6), pursuant to WAC 480-107-145(2)(a). Four of the 95 bids were rejected for reasons described in WAC 480-107-035(6). Of these, one wind bid failed to meet minimum requirements associated with site control, permitting and energy delivery. Two battery-energy-storage proposals failed to meet minimum requirements associated with energy delivery. The final rejection, of a flexible-capacity project, was due to the lack of a viable fuel-supply plan. Proposals that did not meet the RFP’s minimum requirements or that were

found to contain fatal flaws and/or unacceptable risks were given at least three business days to remedy deficiencies, consistent with the cure period established in the 2021 All-Source RFP.

Table 8: Bids Rejected Pursuant to WAC 480-107-035(6)

Reason for failure to meet minimum requirements	Proposals
Site control, permitting and energy delivery: Proposal assumes use of rights not offered in this RFP	1
Energy delivery: No interconnection request	2
Fuel supply: No long-term fuel delivery plan	1
Total	4

Outcome

The 2021 All-Source RFP produced five executed contracts: two for wind resources, one for a solar project, and two for BESS facilities. These new contracts will contribute 547 MW of renewable capacity and 400 MW of dispatchable capacity to PSE’s portfolio, significantly advancing the Company’s progress toward meeting its 2030 Clean Energy Transformation Act clean energy target.