

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

In the matter of

Puget Sound Energy's Draft 2021
Request for Proposals for All Sources

DOCKET NO. UE-210220

NORTHWEST & INTERMOUNTAIN
POWER PRODUCERS COALITION
COMMENTS ON IE FINAL REPORT

I. INTRODUCTION

The Northwest & Intermountain Power Producers Coalition ("NIPPC") appreciates this opportunity to submit comments to the Washington Utilities and Transportation Commission (the "Commission") on the Independent Evaluator's ("IE") Final Report on Puget Sound Energy's ("PSE's") 2021 All-Source Request for Proposals ("RFP"). NIPPC has three main observations from this IE Final Report and recommendations for PSE's next RFP. First, the timing of the RFP was longer than other utilities and NIPPC recommends future RFPs be processed more quickly. NIPPC recommends that PSE provide an updated filing explaining the RFP timing, and what actions it will take in the future to process RFPs more quickly. Second, NIPPC commends PSE's decision to allow the use of its transmission rights, but NIPPC recommends in future RFPs that PSE should notify bidders if more transmission becomes available during the RFP process. NIPPC recommends that PSE explain how it will notify bidders if additional transmission becomes available during the RFP. Third, the IE report should better address stakeholder concerns. NIPPC recommends that the IE complete its report and specifically address the concerns identified by stakeholders when the Commission approved the RFP.

NIPPC's comments are limited to the issues raised in the IE Report, and improvements to future IE Reports, and is not proposing more comprehensive recommendations regarding future RFPs. NIPPC would also like to note that it does not have access to most of the information in the report because NIPPC does not have access to the confidential information. Thus, NIPPC is not submitting extensive comments and only providing a high-level review from the IE's Final Report and recommendations for future RFPs.

II. COMMENTS

A. Timing of the RFP

The IE Final Report notes that this RFP took longer than expected and longer compared to other utility RFPs.¹ The IE notes many contributing factors to the delay including a fairly open RFP regarding minimum bid requirements, the extensive production cost modeling, no plan for a next RFP, major market changes, delays in transmission and interconnection processes, and PSE's internal approval process for selection of projects.² NIPPC is not opining on the cause of the delay to the RFP, but agrees it likely took too long. Having a more frequent cadence of Commission-approved RFPs could help this scenario because PSE might feel like it can disqualify bids that are not far enough along in development if it will have another RFP shortly that bids could participate in. Thus, NIPPC recommends RFPs in the future move at a quicker cadence. To effectuate this, NIPPC recommends that PSE explain why its RFP was delayed and how it will make changes to more expeditiously process RFPs in the future.

¹ IE Final Report at 37-38 (Dec. 31, 2024).

² IE Final Report at 37-38.

B. Use of PSE Transmission Rights

The IE Final Report notes one of the bids PSE contracted with used PSE's transmission rights on the Colstrip Transmission System.³ NIPPC fully supports PSE's decision to allow bidders to use its transmission rights.

RFPs are fairer and more competitive, and better ensure that the utility receives the lowest reasonable cost resources when the utility allows bidders to use their assets. This is especially true when there is limited access to certain resources like transmission rights. A utility like PSE could choose to use those transmission rights only for utility owned options. The practical result would be that only resources with transmission rights, even if they are not the overall lowest reasonable cost resource, would be selected. Instead, PSE has made the decision to allow developers to use its transmission assets. NIPPC has not reviewed the actual bids or scoring, but PSE's decision to allow use of its transmission rights may have resulted in more bids being able to participate in the RFP, which would have increased competition and help drive down prices benefiting ratepayers. Thus, NIPPC strongly supports PSE's decision to make its transmission rights available to all bidders.

While NIPPC supports PSE's decision to make its transmission rights available to all bidders, the process by which PSE does this must be fair and transparent. Initially Colstrip was not listed as available transmission rights for bidders to use.⁴ A contracted resource used Colstrip though. From NIPPC's understanding these rights became available to use after the RFP issued. NIPPC is not aware of how the bidder became

³ IE Final Report at 33.

⁴ PSE 2021 RFP, Exhibit H at 2-3.

aware of the Colstrip transmission rights, and NIPPC is not opposed to the bid using these rights. From reviewing only the IE Report, it appears that PSE and developers creatively shared PSE's transmission rights in a manner that maximized the use of this scarce resource.⁵

NIPPC recommends that going forward PSE should ensure that there is a process in place to inform all bidders about these rights if they become available during the RFP. The utility should be required to notify all bidders if new rights become available the bidders could use and allow the bidders an opportunity to update their bids.

C. IE Report Should Address Stakeholder Concerns

The IE Final Report should better address stakeholder concerns raised during the review of the draft RFP. Stakeholders raised several concerns during the review of the RFP. NIPPC for example raised several issues including: the proposed RFP PPA bid adder, requirement for hourly scheduling, how PSE would evaluate term sheet edits for

⁵ The IE Report explains: "Haymaker was now pursuing another option for transmission and wanted to upsize their project to fill a 300 MW interconnection requirement. The developer proposed that the asset would share PSE's 713 MW of transmission reservations through the Colstrip transmission system and BPA to deliver the power to load. This reservation would be shared with PSE's existing Clearwater wind supply contract as well as a newly-signed supply contract from the Beaver Creek wind facility that was pursued outside the RFP process. PSE examined the output of the three assets in tandem and concluded that they would only see curtailment levels of around 1.6%. We reviewed this analysis and did not have any objection. Based on this PSE decided to continue analyzing the Haymaker offer." IE Final Report at 26. NIPPC understand this to mean that the same transmission rights will be used for three different projects, resulting in only a small amount of curtailment. This appears to be a transmission co-optimization strategy that might maximize the use of existing transmission rights instead of investing in costly new infrastructure or duplicative transmission purchases. Transmission lines are often underutilized if dedicated to a single resource, and co-optimization may provide ratepayer benefits, especially with wind and solar that have complementary generation patterns.

risk, effective load carrying capability values, term normalization, subjectivity of the non-price score factors, and more.⁶ Many other stakeholders also submitted comments and raised their own issues.⁷

The IE Final Report does not discuss stakeholders' concerns.⁸ Addressing whether stakeholder concerns manifested and affected the resources on the initial shortlist or resources selected to contract with PSE would have been useful and insightful analysis. The IE should report back on stakeholder concerns. For example, it is unclear whether PSE complied with the Commission direction on the PPA bid adder, how PSE evaluated term sheet edits for risk, what did PSE do in regards to the effective load carrying capability values, etc. This would also be helpful for future RFPs to understand if changes should be made to future RFPs or other utility RFPs. NIPPC recommends the Commission require IEs to discuss stakeholder concerns in final reports and set expectations for future RFPs.

III. CONCLUSION

NIPPC appreciates the opportunity to submit these comments to the Commission and hopes these recommendations can be considered in PSE's next RFP.

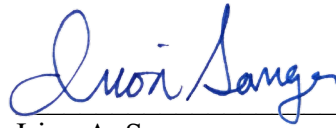
Dated this 24th day of March 2025.

⁶ See generally, NIPPC Comments (May 17, 2021); see also NIPPC Comments (June 10, 2021).

⁷ See comments from Swan Lake and Goldendale, Public Counsel, Commission Staff, GB Energy Park Holdings, LLC, Renewable Northwest, Plus Power, LLC, NW Energy Coalition, The Oregon State and Washington State Building and Construction Trades Councils, and more.

⁸ See generally IE Final Report.

Respectfully submitted,



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