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UE-250155

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Mar 10, 2025

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Jeff Killip,
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

RE: Avista Utilities 2025 All-Source Request for Proposals

Dear Mr. Killip:

Avista Corporation, dba Avista Utilities (Avista or the Company), hereby submits for approval its Draft 2025 All-Source Request for Proposals for Resources (2025 All-Source RFP) and accompanying Exhibits:

- Exhibit A – Draft Mutual Confidentiality Agreement
- Exhibit B1 – Draft Initial Proposal Outline
- Exhibit B2 – Draft Initial Proposal Template
- Exhibit C – Draft Detailed Proposal Requirements
- Exhibit D – Draft Evaluation Methodology - Confidential
- Exhibit E – Draft Sample Evaluation Matrix - Confidential
- Exhibit F – Draft Customer Information Release
- Exhibit G – Draft RFP PPA (Standard Contract) Template
- Exhibit H – Draft DR Detailed Proposal Information Template

Please note that Exhibits D and E include CONFIDENTIAL information and should be treated as CONFIDENTIAL per WAC 480-07-160.

I. RESOURCE NEED

In accordance with WAC 480-100-625, Avista filed its 2025 Integrated Resource Plan (IRP) on December 30, 2024.¹ The IRP indicated a capacity shortfall within four years, triggering the need for a Request for Proposals. Avista seeks proposals for any resources that fill all or part of the following identified needs:

- Between 75 and 375 MW of winter capacity by 2029 or earlier;
- Between 50 and 350 MW of summer capacity by 2029 or earlier;
- Up to 200 aMW of renewable or non-emitting resources; and,
- Demand response starting as early as 2026.

Avista seeks to fulfill its winter and summer capacity needs in a manner which meets its resource adequacy targets while also seeking low-cost renewable and/or non-emitting resources to comply with future obligations including clean energy regulation and potential load growth associated with one or more new large load customers.

II. INDEPENDENT EVALUATOR

In compliance with WAC 480-107-023(1), Avista filed with the Commission a request for approval of an Independent Evaluator (IE),² Procure Power, LLC, for the purpose of assisting in the design and evaluation of the Company's 2025 All-Source RFP. On February 13, 2025, by way of Order 01, the Commission approved of Procure Power as Avista's IE. Procure Power's role for the RFP will be the following:

- Provide professional assistance to Avista's Wholesale Marketing Power Supply Department to assist in the design and fair evaluation of both third party and Avista Proposals in response to Avista's 2025 All-Source RFP;
- Ensure that the RFP process is conducted according to both Idaho (as applicable) and Washington resource acquisition rules including Washington's Purchase of Resource (POR) rules outlined in WAC 480-107- 025;
- Review all third party and Avista Proposals responding to the RFP and evaluate the unique risks, burdens, and benefits of each bid;
- Provide Avista the IE's minutes of meetings and the full text of written communications between the IE and Avista and any third-party related to the IE's execution of its duties;

¹ Docket UE- 230793.

² Docket UE-250024.

- Ensure the RFP process is conducted fairly, transparently, and properly assess whether Avista’s process of scoring the bids and selection of the initial and final shortlists is reasonable; and,
- Prepare a final report summarizing the duties performed in the design and evaluation and why Avista’s selected Proposal is in the best interest of its customers. The report will be filed with the commission after reconciling rankings with Avista in accordance with WAC 480-107-035(3).

III. REQUEST FOR PROPOSALS

The following sections outline the RFP process for evaluation, intake, screening, and final selection of resources.

1. Evaluation Process

Proposals will be reviewed to verify they meet the general qualifications required by Avista (further discussed in the “Screening Process” section below). If a Proposal fails to meet the following general qualifications, it will not receive further consideration. Qualifying evaluation criteria includes:

1. Demonstrate site control by ownership, leases, options, ownership, or other proof of control. If site control spans multiple landowners, bidder must have an explanation of the site control plan.
2. A viable financial plan to bring project to completion.
3. Bidder must meet the minimum credit requirements.
4. For new generating resources, a major component procurement plan is in place practical for the project’s proposed timeline.
5. Project meets the transmission and interconnection requirements.
6. The Proposal is well formed, was submitted on time, and generally provides the requested information in the manner specified in the RFP.

Each Proposal meeting the general qualifications will be evaluated and ranked on the following six characteristics, including:

Category
1. Risk Management
2. Financial Analysis
3. Price Risk
4. Electric Risk Factors

5. Environmental Factors
6. Social and Community
Total

Evaluation criteria is weighted based on the importance of meeting Avista’s resource development goals stated in its 2025 Electric IRP. Each Proposal will be evaluated utilizing a point value system starting with 100 points. Within each evaluated criterion characteristic listed above, points can be subtracted or added to the initial 100 points based upon responses to the 2025 All-Source RFP and Avista’s evaluation of provided data. The evaluation scoring may change depending upon Proposals with circumstances not considered in this evaluation methodology.

Given Avista’s objectives in the RFP to add both clean energy and capacity, the selection of Proposals will be determined by choosing the best combination of Proposals to meet both clean energy and capacity objectives on a lowest reasonable cost basis.

2. Intake Process

The Avista 2025 All-Source RFP is scheduled to be released in late May 2025. Prospective Bidders can provide Preliminary Information by responding to the applicable questions and requirements detailed in Exhibit B for each Proposal by June 20, 2025. Preliminary Information will be used in the evaluation process to select Preliminary Bid/Short-Listed Proposals. Additional guidance is provided in the All-Source RFP as well as the sample RFP PPA (Standard Contract) template included in this filing as Exhibit G. The guidance in the RFP requirements and sample Standard Contract may be part of any future agreement between Avista and the Bidder. Bidders may update pricing during the RFP process prior to the release of the Short-Listed Bidders and Short-Listed Bidders are encouraged to refresh or confirm pricing of detailed Proposals prior to the RFPs established deadlines. Additionally, Avista will request updated pricing from Short Listed Bidders prior to finalizing the Negotiation List.

Short Listed Bidders’ Proposals will be required to submit a Detailed Proposal that includes all items in Exhibit C by September 26, 2025, tentatively. Each Bidder shall include with its response(s) to this RFP a certification by an authorized individual for such Bidder that the information provided by such Bidder in accordance with Exhibit B-1 and Exhibit B-2 and/or Exhibit C, as applicable, is complete and accurate.

3. Screening Process

Proposals must meet the minimum requirements detailed in Avista's 2025 All-Source RFP to be considered for further evaluation. Requirements include compatibility with resource needs, site control, financial plan, credit requirements, procurement plan and delivery solutions to Avista's Balancing Authority.

Proposals that meet the minimum requirements will go through a two-step evaluation process. First, Avista will evaluate and rank the proposed Proposal information in Exhibits B-1 and B-2 (Preliminary Information) submitted by each Bidder against the Preliminary Information submitted by other Bidders in response to this RFP. The evaluation and ranking of Preliminary Information will focus on conformance of each Bidder's submittal with the requirements of this RFP and the proposed net price along with other factors of each Proposal. Such evaluation and ranking shall be performed in a fair and consistent manner through the utilization of the Company's IE as outlined in WAC 480-107-035(4) to arrive at a short list (Short List) of Proposals that will receive further consideration. Bidders who submit Proposals using the Preliminary Information form will be summarized and posted on Avista's website in accordance with WAC 480-107-035(5).³ See Exhibit D for the Evaluation Methodology used by the Company and Exhibit E for a Sample Evaluation Matrix.

4. Final Selection of Resources

Once the Short List is compiled, Short-Listed Bidders will have the opportunity to submit the additional information requested in Exhibit C (Detailed Proposal). Each Short-Listed Bidder's Detailed Proposal will be evaluated against the other Short-Listed Bidders' Detailed Proposals. Avista will study the proposals using its portfolio and capacity addition model to determine which Detailed Proposals provide the best financial value when added to the overall portfolio on a long-

³ In order to meet requirements of WAC 480-107-035, Avista will post a non-confidential summary of Proposals received. The summary may include a reference number, general location, resource type, operating status of the resource, Proposal COD, term start/end, PPA or ownership structure and nameplate capacity. Storage resources may include both capacity (MWh) and duration (hours). Demand Response resources may include a capacity range (over the program life) and the customer class. Unless otherwise required by law or regulatory order, Avista will not include any specific confidential information (e.g., bid price, owner/developer name, Proposal name, or specific Proposal location) in any non-confidential summary of Proposals.

term basis. Based on the evaluation of the Detailed Proposals, Avista will determine which resources it will select, if any.

IV. NEGOTIATION & CONTRACTS

Avista will request Short-Listed Bidders provide a price refresh prior to beginning negotiations for any selected projects. Avista may also negotiate price and non-price components with any Bidder whose Proposal has been shortlisted. During negotiations, Avista will continue to update its financial analysis on an as-needed basis to reflect any additional or revised inputs that may impact on the proposed resource.

Avista has no obligation to enter into definitive agreements with any respondent to the 2025 All-Source RFP and may terminate or modify the 2025 All-Source RFP at any time without liability or obligation to any Bidder. Avista reserves the right to negotiate only with those Bidders and other parties who propose transactions that Avista believes, in its sole opinion, to have a reasonable likelihood of being executed substantially as proposed.

V. RFP SCHEDULE

The following schedule is subject to adjustment based on the Commission's review and the actual pace of the evaluation process, which may vary for reasons that include, but are not limited to: 1) the number of Proposals received and availability of key staff; 2) time required to perform due diligence, Proposal evaluations, and creditworthiness assessments; and 3) the pace of contract negotiations. Schedule updates will be posted online at www.myavista.com/AllSourceRFP.

Date	Activity
May 30, 2025,	RFP Released
June 6, 2025, 10:00 AM Pacific Time	Bidder's Conference
June 20, 2025 5:00 PM Pacific Time	Initial Proposals Due
July 21, 2025,	Summary of proposals will be posted to website
August 15, 2025	Price refresh, if applicable (see Price Refresh section below)
August 22, 2025,	Preliminary Selection ("Short-List") complete Bidders notified of status
September 26, 2025 5:00 PM Pacific Time	Detailed Proposals due from Short-List
October 31, 2025	Price Refresh due from Short-List

November 21, 2025	Finalists selected; Bidders notified of status
January 1, 2026	Negotiations commence
May 30, 2026,	Agreements completed
August 28, 2026	RFP Compliance Filing with Washington UTC

VI. ALL-SOURCE RFP OUTREACH

Avista is committed to a procurement process that is accessible and fair for all bidders. Avista encourages all bidders that meet the 2025 All-Source RFP's requirements to participate, including bidders representing minority-, women-, disabled- and veteran-owned businesses. Avista encourages bidders interested in partnering with Avista to support supplier diversity through inclusive, competitive procurement processes. Outreach will include a broadly distributed press release through a national media channel, GlobeNewswire.⁴ Avista will distribute the press release locally, which should drive earned media from local and industry publications. In addition, the Company will directly contact a broad list of vendors. The Company will also post the press release and RFP materials on the Avista webpage and will email a notification to interested parties of Avista's applicable advisory groups. Avista will make its best efforts to accommodate and alleviate accessibility barriers identified in the Americans with Disability Act.

VII. CONCLUSION

Avista welcomes comments and feedback on its 2025 All-Source RFP and looks forward to working with interested parties on finalizing it. If you have any questions regarding the 2025 All-Source RFP, please contact Chris Drake at 509-495-8624 or via email at chris.drake@avistacorp.com or Ryan Finesilver at 509-495-4873 or ryan.finesilver@avistacorp.com.

Sincerely,

/s/ *Shawn Bonfield*

Shawn Bonfield
Sr. Manager of Regulatory Policy & Strategy

⁴ GlobeNewswire distributes press releases to the national media market including more than 600 outlets country wide.

**2025 All-Source RFP Requirements
Checklist per WAC 480-107**

WAC CHAPTER 480-107 REQUIREMENTS CHECKLIST

WAC	Requirement	Location in Draft 2025 All Source RFP
480-107-025(1)	The 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- 615(12).	RFP Section I – Introduction and Company Overview (link to avoided cost) RFP Section III – Request for Proposal, and RFP Appendix A – Operational Requirements
480-107-025(2)	<p>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 of each bid, such as a bidder's past performance utilizing diverse businesses and a bidder's intent to comply with the labor standards in RCW 82.08.962 and 82.12.962.</p> <p>After the Commission has approved the utility's first clean energy implementation plan (CEIP), the requested information must contain, at minimum, information related to indicators approved in the utility's most recent CEIP including customer benefit indicators, as well as descriptions of all indicators.</p>	<p>Exhibit B1 (III) (j) – Preliminary Information</p> <p>Exhibit D – Evaluation Methodology</p> <p>Exhibit C – Detailed Proposal Requirements</p>
480-107-025(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 needs identified in the utility's IRP.	RFP Section III – Request for Proposal



480-107-025(4)	The RFP must explain the specific ranking procedures and assumptions that the utility will use in accordance with WAC 480-107-035.	RFP – Section VII RFP Process & Evaluation Criteria Exhibit D – Evaluation Methodology Exhibit E – Sample
480-107-025(4)	The RFP must include a sample evaluation rubric that quantifies, where possible, the weight the utility will give each criterion during the bid ranking procedure and provides a detailed explanation of the aspects of each criterion that would result in the bid receiving higher priority.	Exhibit D – Evaluation Methodology Exhibit E – Sample Evaluation Matrix
480-107-025(5)	The RFP must specify a detailed timeline for each stage of the RFP process including solicitation, ranking, and selection, as well as the utility's schedule of planned informational activities and contact information for the RFP.	RFP Section VII – RFP Process and Evaluation Criteria (Table)
480-107-025(6)	The RFP must generally identify any utility-owned assets, including merchant-side assets that the utility has available, for the purpose of receiving bids that assist the utility in meeting its resource need at the lowest reasonable cost. The utility must make reasonable efforts to provide bidders with the necessary technical details they request and to allow bidders to design their bids for use in conjunction with utility- owned assets.	RFP Section IV – Avista Self-Build RFP Section V – Transmission Requirements
480-107-025(7)	The RFP must identify any minimum bidder requirements, including financial security requirements and the rationale for such requirements, such as proof of a bidder's industry experience and capabilities.	RFP Section IV – Evaluation Process Exhibit B1 – initial Proposal Outline, Section II and III Exhibit D – Evaluation Methodology



480-107-025(8)	The RFP must include standard form contracts to be used in acquisition of resources.	Exhibit G – RFP PPA Template (standard contract)
480-107-025 (9)	All RFPs must discuss the impact of any applicable multistate regulation on RFP development including the requirements imposed by other states for the RFP process.	RFP Section III - Request for Proposal
480-107-025 (10)	The RFP must clearly state the scope of the solicitation and the types of bids that the utility will accept consistent with WAC 480-107-024.	RFP Section III - Request for Proposal (“all resource types”)
480-107-035 (2)	At a minimum, a utility's RFP ranking criteria must recognize resource cost, market- volatility risks, demand-side resource uncertainties and benefits, re- source dispatchability, resource effect on system operation, credit and financial risks to the utility, the risks imposed on ratepayers, public policies regarding resource preference, and Washington state or federal government requirements.	RFP Section VII - RFP Process and Evaluation Criteria Exhibit B1 – Initial Proposal Template Exhibit D – Evaluation Methodology Exhibit E – Sample Evaluation Matrix
480-107-035 (3)	In choosing to remove a 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.	RFP Section III – Avista Request for Proposal
480-107-035 (4)	The utility may not discriminate based on a bidder's ownership structure in the ranking process.	RFP Section VII - RFP Process and Evaluation Criteria Exhibit B1 – Initial Proposal Template Exhibit D – Evaluation Methodology



480-107-035 (5)	The utility and any independent evaluator selected by the utility will each score and rank the qualifying bids using the RFP's ranking criteria and methodology. If bids include unexpected content, the utility may modify the ranking criteria but must notify all bidders of the change, describe the change, and provide an opportunity for bidders to modify their bids.	RFP Section IV Avista Self-Build Documentation to be provided in final report.
480-107-035 (6)	Within thirty days after the close of the bidding period, the utility must post on its public website a summary of each bid the utility has received. Where use of confidential data prohibits the utility from identifying specifics of a bid, a generic but complete description is sufficient.	RFP Section VII – RFP Process and Evaluation Criteria (table 2)
480-107-035 (7)	The utility may reject any bids that do not comply with the minimum requirements of the RFP or identify the costs of complying with environmental, public health, or other laws, rules, and regulations in effect at the time of the bid.	RFP Section VII – RFP Process and Evaluation Criteria Exhibit D – Evaluation Methodology (General Qualifications)
480-107-035 (8)	Within thirty days after executing an agreement for acquisition of a resource, the utility must file the executed agreement and supporting documents with the commission.	TBD
480-107-035 (9)	The commission may review any acquisitions resulting from the RFP process in the utility's general rate case or other cost recovery proceeding.	NA – Commission Requirement



480-107-035 (10)	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 made outside of the RFP process, in the utility's general rate case or other cost recovery proceeding.	NA – Commission Requirements
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