

May 20, 2024

Filed Via Web Portal

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

Received
Records Management
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Re: Informational Filing of Puget Sound Energy’s Voluntary 2024 Distributed Solar and Storage Resources Request for Proposals – Docket UE-_____

Dear Director Killip,

Puget Sound Energy (PSE) hereby submits to the Washington Utilities and Transportation Commission (Commission) the enclosed 2024 Distributed Solar and Storage Request for Proposals (2024 DSS RFP). The 2024 DSS RFP is a “targeted” and “voluntary” request for proposals under the Commission’s Purchases of Resources rules.¹ Accordingly, PSE submits the 2024 DSS RFP for informational purposes only pursuant to WAC 480-107-021(1).

I. Executive Summary

PSE’s integrated resource planning analysis, which evaluates and establishes PSE’s capacity (physical reliability) and renewable energy (policy driven) needs, guides the electric resource acquisition process. On March 23, 2023, PSE filed the 2023 Electric Progress Report with the Commission in Docket UE-200304.² PSE developed the 2023 Electric Progress Report with input from interested parties over a fifteen-month period, resulting in substantive changes and improvements to the 2021 Integrated Resource Plan. The feedback informed a diverse portfolio of resources that considers equity, grows PSE’s distributed energy resources (DER), incorporates climate change, addresses the risks of reliance on alternative fuels such as hydrogen and biodiesel, and keeps PSE on a path meeting its obligations under the Clean Energy Transformation Act (CETA).³

Table 1 in the 2024 DSS RFP illustrates the incremental needs identified in the 2023 Electric Progress Report for distributed solar (excluding net metering) and distributed storage

¹ See Washington Administrative Code (WAC) Chapter 480-107 (Electric Companies—Purchases of Resources).

² The 2023 Electric Progress Report can also be found on PSE’s website at the following link: https://www.pse.com/-/media/PDFs/IRP/2023/electric/chapters/00_EPR23_ChapterBook_Final.pdf.

³ CETA is codified at Chapter 19.405 RCW.

from 2026 to 2030. For 2026, the 2023 Electric Progress Report identifies an incremental need of 30 megawatts (MW) of distributed solar and 29 MW of DER storage.⁴ PSE is issuing this 2024 DSS RFP to help meet these identified distributed solar and storage needs.⁵ To align with the needs identified in the 2023 Electric Progress Report, PSE is seeking resources that can be operational by December 31, 2026. However, projects that are projected to be operational later should still apply and PSE will consider them in the evaluation.

PSE's priorities for the 2024 DSS RFP are therefore as follows:

- Identify distributed solar and storage projects that interconnect to the PSE grid to meet the needs summarized above, and utilize the locational benefits of DERs;
- Maximize customer benefits of DERs with a preference for projects that result in benefits to Highly Impacted Communities⁶ and Vulnerable Populations⁷ (Named Communities) through job creation, energy resiliency, financial incentives, and other benefits (see Exhibit A);
- Give special consideration to projects developed and implemented by underrepresented bidder groups, such as small and minority-, women-, disabled-, and veteran-owned businesses, and utilizing project labor agreements (see Exhibit A); and
- Learn from submissions and resulting programs to inform future PSE initiatives.

Section 2 of the 2024 DSS RFP identifies the resource types eligible to participate. Eligible resources include front-of-the-meter solar and battery energy storage system (BESS) resources interconnected to PSE's distribution system. This section states that PSE will consider both power purchase agreements and ownership proposals. It also outlines requirements for solar and BESS related to connection and control, IT/OT, and other key terms.

⁴ As noted in the 2023 Electric Progress Report, "DER Storage" includes Clean Energy Implementation Plan storage additions, non-wires alternatives, and distributed storage additions.

⁵ Depending on the proposals received, PSE may acquire resources beyond the MW amounts identified for 2026 in the 2023 Electric Progress Report.

⁶ The Washington Department of Health designates as a highly impacted community "any census tract with a 9 or 10 overall rank on the Environmental Health Disparities (EHD) map, or any census tract with tribal lands. For the purposes of designating highly impacted communities, the EHD map is the "Cumulative Impact Analysis referenced under RCW 19.405.140." See <https://doh.wa.gov/data-statistical-reports/washington-tracking-network-wtn/climate-projections/clean-energy-transformation-act>.

⁷ CETA defines "Vulnerable Populations" as "communities that experience a disproportionate cumulative risk from environmental burdens due to: (a) Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and (b) Sensitivity factors, such as low birth weight and higher rates of hospitalization." PSE further defined Vulnerable Populations in [Chapter 3](#) of the 2023 Biennial CEIP Update.

Section 4 of the 2024 DSS RFP details the proposal submission requirements contained in Exhibit B to the 2024 DSS RFP, the primary proposal submission document. Table 6 in this section summarized the remaining required exhibit submissions (Exhibits A through J).

Section 5 outlines credit requirements that respondents must satisfy. And Section 6 of the 2025 DSS RFP provides additional details regarding the submission process, deliverables, and deadlines. This section includes information related to the Schedule 152 application for interconnection shortly after shortlist notification, if applicable.

Finally, similar to the DSS RFP that PSE issued in 2023,⁸ PSE will follow a structured evaluation process designed to screen and rank individual proposals based on an evaluation of costs, risks, and benefits. PSE will evaluate each proposal based on its compliance with the criteria describe in Section 4 of the 2024 DSS RFP and in Exhibit A: Evaluation Criteria and Scoring. Additional details regarding the evaluation process are set forth in Section 3 of the 2024 DSS RFP.

II. Schedule and Process for 2024 DSS RFP

Section 3 of the 2024 DSS RFP details the anticipated RFP schedule and process. PSE is issuing the 2024 DSS RFP concurrent with this informational filing on May 20, 2024. Consistent with WAC 480-107-021(1), PSE will begin accepting proposals on June 19, 2024, with offers due to PSE by August 19, 2024. On September 18, 2024, PSE will post a proposal summary report on the 2024 DSS RFP website (www.pse.com/rfp) consistent with WAC 480-107-035(5). At this time, PSE expects the evaluation and negotiation processes to continue into Q4 2024 and Q1 2025, respectively. Additional schedule updates and any supplemental informational updates associated with the 2024 DSS RFP will also be posted to PSE's RFP website.

III. Outreach and Engagement for the 2024 DSS RFP

To broaden awareness of the 2024 DSS RFP, PSE has provided notice of its filing to power marketing companies, aggregators, utilities, energy efficiency companies, and other entities involved in development or provision of DERs, including representatives of interested persons who participated in prior PSE resource acquisition processes. PSE will also be providing notice of the 2024 DSS RFP to a variety of trade publications, with an emphasis on encouraging participation from diverse types of respondents. In addition, PSE met with interested parties in January 2024 to discuss the scope and timing of the 2024 DSS RFP and to discuss the role and approval process for the independent evaluator, as discussed further below.

IV. Role of the Independent Evaluator

On March 22, 2024, following outreach and discussion with interested parties, PSE filed a petition with the Commission requesting approval of an independent evaluator. In that petition, PSE requested that the Commission approve Bates White as the independent evaluator for the

⁸ PSE issued a RFP similar to the 2024 DSS RFP in early 2023. Additional details about this RFP and other PSE solicitations are available on PSE's RFP website (www.pse.com/rfp).

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2024 DSS RFP and all voluntary RFPs issued by PSE prior to January 1, 2027. Since 2021, Bates White has served as the independent evaluator for several other PSE procurements.

On April 25, 2024, the Commission approved PSE's petition. Following the Commission's approval, Bates White has participated in the design and review of the 2024 DSS RFP main document and exhibits. Please see Section 3 of the 2024 DSS RFP for more information regarding the role and scope of Bates White as the independent evaluator.

V. Conclusion

PSE is issuing the 2024 DSS RFP concurrent with this informational filing. Questions regarding the 2024 DSS RFP should be directed to Kimo Spector, DER Commercial Acquisition Manager, at 425-283-9950 or Kimo.Spector@pse.com. Please note that all correspondence and questions regarding the 2024 DSS RFP should also be directed to the RFP-specific email inbox (SolarStorageRFPmailbox@pse.com).

If you any other questions, please contact me at 425-462-3051.

Sincerely,

/s/ Wendy Gerlitz

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cc: Tad O'Neill, Public Counsel

Attachments:
DSS RFP
Exhibits A-J