

Affiliated Tribes of Northwest Indians

AirWorks, Inc.

Alaska Housing Finance Corporation

Alliance to Save Energy

Allumia

Alternative Energy Resources Organization

Ameresco

American Rivers

Backbone Campaign

Beneficial State Bank

BlueGreen Alliance

Bonneville Environmental Foundation

Byrd Barr Place

Citizens’ Utility Board of Oregon

City of Ashland

City of Seattle Office of Sustainability & Environment

CleanTech Alliance

Climate Smart Missoula

Climate Solutions

Community Action Center of Whitman County

Community Action Partnership Assoc. of Idaho

Community Action Partnership of Oregon

Earth and Spirit Council

Earth Ministry

Ecova

eFormative Options

Energy350

Energy Savvy

Energy Trust of Oregon

Environment Oregon

Environment Washington

EQL Energy

Forth

Global Ocean Health

Home Performance Guild of Oregon

Housing and Comm. Services Agency of Lane Co.

Human Resources Council, District XI

Idaho Clean Energy Association

Idaho Conservation League

Idaho Rivers United

Interfaith Network for Earth Concerns

League of Women Voters Idaho

League of Women Voters Oregon

League of Women Voters Washington

Montana Audubon

Montana Environmental Information Center

Montana Renewable Energy Association

Montana River Action

National Center for Appropriate Technology

National Grid

Natural Resources Defense Council

New Buildings Institute

Northern Plains Resource Council

Northwest EcoBuilding Guild

Northwest Energy Efficiency Council

NW Natural

OneEnergy Renewables

Opower

Opportunities Industrialization Center of WA

Opportunity Council

Oregon Energy Fund

Oregon Environmental Council

Oregon Physicians for Social Responsibility

OSEIA

Pacific Energy Innovation Association

Pacific NW Regional Council of Carpenters

Portland Energy Conservation Inc.

Portland General Electric

Puget Sound Advocates for Retired Action

Puget Sound Cooperative Credit Union

Puget Sound Energy

Renewable Northwest

Save Our wild Salmon

Seattle City Light

Seinergy

Sierra Club

Sierra Club, Idaho Chapter

Sierra Club, Montana Chapter

Sierra Club, Washington Chapter

Small Business Utility Advocates

Smart Grid Northwest

Snake River Alliance

Solar Installers of Washington

Solar Oregon

Solar Washington

South Central Community Action Partnership

Southeast Idaho Community Action Partners

Spark Northwest

Spokane Neighborhood Action Partners

Sustainable Connections

The Climate Trust

The Energy Project

Transition Missoula

UCONS, LLC

Union Of Concerned Scientists

United Steelworkers of America, District 12

US Green Building Council, Idaho Chapter

Washington Environmental Council

Washington Local Energy Alliance

Washington Physicians for Social Responsibility

Washington State Department of Commerce

Washington State University Energy Program

YMCA Earth Service Corps

Zero Waste Vashon

May 29, 2018

Mark L. Johnson

Executive Director

Washington Utilities and Transportation Commission

1300 S. Evergreen Park Drive SW

Olympia, WA 98504-7250

*Re: UE-180271, Puget Sound Energy – Draft request for Proposals for All Generation Sources*

Mr. Johnson:

The NW Energy Coalition (NWEC or the Coalition) appreciates the opportunity to comment on the draft Request for Proposals (RFP) submitted by Puget Sound Energy (PSE or the Company) soliciting any electric generation resources to meet capacity and renewable energy needs.

The information that may be submitted in response to this RFP will be particularly informative, as the requirement to issue an RFP for resources under WAC 480-107-015(3)(b) was waived in 2016, primarily because PSE did not project a need for such resources for the 2016-2018 period. Thus, it is important that this RFP be crafted clearly and specifically enough to solicit credible and useful responses.

Overall, the RFP is a very general document. NWEC has some comments and questions that we hope will create more focus, particularly concerning the Garrison to Mid-C transmission redirect; the hierarchy of qualifications and how the proposals will be evaluated and by whom; timing of submittals and responses; and allowing bidders to respond to updated economic and risk analyses.

**Transmission redirect**: Page 1 of the RFP states that 100MW of additional Mid-C transmission became available after the 2017 IRP was finished, while a paragraph on page 2 mentions that “If transmission rights from Colstrip 1&2 are redirected to the Mid-C, PSE would not have a capacity need until 2025”, three years after the commercial operation dates specified on page 4. How will bidders know if and when PSE will pursue that particular opportunity to redirect, thereby delaying the need for capacity and changing which years offers should encompass. We appreciate PSE bringing this possibility to the Commission’s attention; however, we think PSE should carefully consider preserving valuable Montana transmission rights and expand into renewables more aggressively to preserve those rights.

**Negotiations and Contracts:** PSE states, on page 10, that it will continue to update its economic and risk analyses as needed during contract and price negotiations for the proposals that make the short list. This may create the perception that once initial prices are known, the parameters of the bidding environment might be unilaterally changed to the benefit of PSE. How will bidders be allowed to respond to any changes, since the RFP prohibits unilateral changes to any proposed price (page 13) by the responder? The RFP should be clear that selected bidders will be able to respond to new information brought forth by PSE during negotiations.

**Qualifications and Evaluations:** The RFP states “Initially, proposals will be screened based on the proposal cost, a portfolio evaluation designed to assess the interaction of the resource within PSE’s power portfolio and the qualitative criteria described in Exhibit A” (page 8). Exhibit A includes and repeats “compatibility with resource need and cost minimization”. Do those two criteria rank above risk management, public benefits, and strategic and financial considerations, which are also part of Exhibit A? The RFP does not explain how the five major criteria sections detailed in Exhibit A will be applied and valued or if certain criteria are more critical than others – if some criteria are more important than others, the RFP should make that clear.

While it is crucial to protect proprietary and confidential information after contracts are awarded, documentation of the kinds of responses that were received and how they did or did not meet PSE’s needs would be useful for understanding the evaluation process going forward.

**Submittals and responses:**  The all source RFP schedule on Page 8 raises some questions as well. While bidders will have approximately two months from final RFP announcement to submit bids, PSE has scheduled almost seven months to evaluate proposals before notifying those who make the short list. Further, PSE sets no final date at all for announcing either the selected bids or the decision not to proceed. This timeline should provide more clarity - NWEC encourages an earlier selection date so that providers can get their projects underway in 2019 and be in place by 2022, not only to be able to possibly provide renewable energy credits (RECs), but to possibly provide energy that will leave the system as Colstrip 1 & 2 are retired and to preserve transmission.

**Capacity Resources:** On page 5, PSE indicates that “…resources will be evaluated based on an ability to fill winter deficits while minimizing summer surpluses”. This is not entirely clear and is something we suspect would normally be negotiated. If “summer minimization” is an important criteria, we would urge PSE to consider the ability of proposed capacity resources to minimize “other summer surpluses”, not just the “surpluses” the proposed resource brings to the mix (e.g., consider wind power for winter capacity and as a substitute for gas power in the summer, instead of curtailing wind in the summer).

Finally, on page 4, Table 5 “Resources Required”, states Super Peak Products should be available from Nov – Jun; should that read **NOV – JAN**?

Thank you for the opportunity to provide these comments, we look forward to reviewing the final RFP.

Cordially,

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