UE-210878

Raghav Murali
Director, Policy and Government Affairs
Enphase Energy
12510 Pacato Circle South
San Diego, CA 92128
(312) 404-9069
rmurali@enphaseenergy.com
December 30, 2021

Washington Utilities and Transportation Commission
621 Woodland Square Loop S.E.
Lacey, Washington 98503

Re: Puget Sound Energy's Draft 2022 Distributed Energy Resources Request for Proposals, Docket UE-210878

Dear Chair Danner, Commissioner Rendahl, and Commissioner Balasbas,

Enphase Energy appreciates the opportunity to comment on Puget Sound Energy's (PSE) Draft 2022 Distributed Energy Resources Request for Proposals (RFP). Enphase is a leading advanced inverter and energy storage technology provider largely focused on residential and small commercial markets. The company sells its products and services in over 130 countries and holds a dominant market share in the residential solar market in the United States. Enphase is also a grid services provider to load serving entities and is evolving its suite of energy solutions focused on whole home/building and vehicle electrification as well as grid resiliency solutions for vulnerable communities. Enphase has a vested interest in the sustainable development of the distributed energy resource market to ensure reliable clean energy access for all consumers.

It is with this interest in mind that Enphase applauds the Washington Utilities and Transportation Commission (WUTC) and PSE for issuing this comprehensive RFP that is designed to achieve Washington's near and long-term climate goals. Enphase has generally positive perspectives on the structure of the RFP, but seeks to clarify and comment on the following potential issues:

1. Demand Response Pricing Structure Warrants Greater Detail

The RFP requires bidders to propose customer incentive amounts for demand response (DR) without offering any guidance or parameters.[1] While Enphase appreciates the flexibility in allowing respondents to craft their own pricing and incentive structures, such an approach may create two unintended consequences. First, this approach may require bidders to betray sensitive project economics information in their proposals. In addition, requiring bidders to determine

[1] Puget Sound Energy's Draft 2022 Distributed Energy Resources Request for Proposals (RFP), Docket UE-210878, pages 25-26.

incentive levels creates no transparency into whether a bidder and utility are even remotely aligned on pricing until after the bidder has efforted a proposal, which could result in wasted time for both the bidder and PSE. For this reason, Enphase suggests that PSE provide greater detail to inform proposed DR pricing structures.

2. Behind-the-Meter Storage Treatment Should Take Advantage of Grid Service Benefits

The RFP states that PSE will treat behind-the-meter (BTM) battery energy storage systems (BESS) as "a dispatchable resource similar to DR."[2] First, Enphase requests clarity into whether this means that respondents should treat BTM BESS as DR for the purposes of their proposals, as each resource type has its own requirements, and BESS and DR are separate resource types. If PSE is treating BTM BESS as DR, Enphase requests clarity into whether BTM BESS will be allowed to export to the grid. The draft RFP contains conflicting language on whether such an export prohibition is for BTM BESS *not paired with solar* or BTM BESS generally. Specifically, on page 4, the RFP states that "[a]t this time, PSE does not allow export from BTM batteries *that are not paired with solar* to the grid," while on page 8, the RFP states more generally that "grid export not allowed for BTM BESS." Enphase urges PSE to recognize that BTM BESS offers a suite of grid services above and beyond traditional DR, including increased resiliency during peak periods and extreme weather events, and therefore allow BTM BESS paired with solar to export back to the grid.

3. RFP and Resource Delivery Timelines May Need to be Reconciled

In addition, Enphase seeks clarity on reconciling RFP timelines with PSE's stated 2025 resource goals. PSE states that the "targets identified in this DER RFP are aligned with the 2021 Clean Energy Implementation Plan (CEIP) DER additions,"[3] as shown in the following table:

Distributed Energy Resource Type	Incremental Resource Additions			Total
	2022-2025	2026-2031	2032-2045	
Solar	80 MW	180 MW	420 MW	680 MW
Battery Energy Storage	25 MW	175 MW	250 MW	450 MW
Demand Response	24 MW	167 MW	21 MW	212 MW
Total	**129 MW**	**522 MW**	**691 MW**	**1,342 MW**

However, based on the RFP timeline, it appears likely that the bidder would not be under contract (minimum 5-year contract for DR) until early 2023:

Date	Milestone
November 15, 2021	Draft DER RFP filed with WUTC
December 30, 2021	Public comment period ends[13]

[2] RFP at 4.
[3] *Id.* at 3.

January 31, 2022	WUTC review period ends; decision anticipated
February 7, 2022	PSE issues final DER RFP
Late February 2022	PSE hosts Respondents' conference[14]
March 21, 2022	Offers due to PSE
April 20, 2022	PSE posts compliance report to its RFP website, consistent with the requirements of WAC 480-107-035(5)
Q2 2022	PSE completes Phase 1 screening process and selects Phase 2 candidates, notifies Respondents
Q3 2022	PSE selects DER RFP short list, notifies Respondents
To follow	Post-proposal negotiations

Once under contract, the bidder will obviously require time to stand up the project and deliver the resource. For this reason, Enphase questions whether the above resource goals, particularly the 2025 goals (129 MW), are aligned with the RFP timelines and achievable. Achievability of resource goals is important to PSE and the State of Washington for planning purposes, and to bidders who are entering into long-term contracts and may face the threat of liquidated damages for failure to perform.

4. DR Latency Requirement Warrants Clarity

Enphase seeks clarity on the RFP's DR performance requirement of "real-time (15 seconds or less) resource delivered data in MW."[4] As a technology leader, Enphase questions the achievability of such a requirement, and would like to better understand PSE's basis for it, and the use cases under which it would be imposed. As discussed above, Enphase believes it benefits both bidders and PSE to ensure that the goals and requirements set forth in the RFP are within reach.

5. Lack of a Minimum Size Threshold May Create Administrative Churn

The RFP states that "[t]here is no minimum size threshold requirement for standalone or aggregated DR resources to be eligible for the DER RFP"[5] and does not appear to contain minimum size thresholds for any other resource type as well. While Enphase appreciates the inclusiveness of this approach, it also questions whether such an approach would yield an unmanageable number of small-scale bids that would require a substantial amount of time on the part of PSE to evaluate and optimize into a larger DER portfolio. While Enphase defers to PSE on how to most efficiency evaluate its proposals, the imposition of a reasonable size threshold may result in a more expeditious evaluation process that would bring impactful DER projects online sooner.

[4] *Id.* at 16.
[5] *Id.* at 14.

Notwithstanding the above points of clarification and comment, Enphase commends PSE on the thoughtful approach it has taken to this RFP and appreciates the opportunity to provide feedback. We look forward to further participation in this proceeding and would be happy to discuss any of the above.

Sincerely,