**BEFORE THE**

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

| | | |
|---|---|---|
| In the Matter of | ) | DOCKET U-161024 |
| | ) | |
| WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION | ) | COMMENTS OF THE ALLIANCE OF WESTERN ENERGY CONSUMERS |
| | ) | |
| Rulemaking for Integrated Resource Planning. | ) | |



## I. INTRODUCTION

1 Pursuant to the Washington Utilities and Transportation Commission's ("Commission") August 24, 2018 Notice of Opportunity to File Written Comments in the above-referenced docket, the Alliance of Western Energy Consumers ("AWEC") submits these comments in response to the Commission's questions for consideration.

## II. COMMENTS

2 AWEC's responses to the Commission's questions are set forth below. As a preliminary comment, AWEC has become increasingly skeptical of the value of the competitive bidding process to customers. While the goal underlying this process – to identify the lowest reasonable cost resources for customers – is certainly one AWEC supports, it is unclear that a prescriptive competitive bidding process with significant Commission and stakeholder oversight and input yields better resources for customers than a more flexible utility-driven process.

3 First, the outcome of the competitive bidding process is frequently the selection of a utility-owned resource. This is unsurprising given the financial incentives for utilities to invest



DAVISON VAN CLEVE, P.C.
1750 SW Harbor Way, Suite 450
Portland, OR 97201
Telephone: (503) 241-7242

capital.  That is not to say that utilities are not selecting the lowest reasonable cost resources based on RFP scoring criteria.  But there are many ways in which those scores can be affected in a manner that favors utility-owned resources, including through the use of non-price factors and the utilities' control over transmission capacity into their balancing areas.  It is doubtful that competitive bidding rules and Commission oversight, even with the assistance of an independent evaluator, can truly account for these issues, primarily because the RFP process is driven by the utilities' modeling of bids and a knowledge of their system that only they possess.[1/]  Importantly, without rules requiring a competitive bidding process, utilities would likely need to issue RFPs to the market for major resources anyway in order to demonstrate that they acted prudently in acquiring the lowest reasonable cost resource.  If the outcome is likely to be the same either way, then the only benefit from following a prescriptive Commission RFP process inures to the utilities because it provides them with greater up-front assurance of cost recovery.  If the utility followed Commission rules in its resource procurement, how could it not be acting prudently?

*4* Second, a prescriptive, rule-driven, competitive bidding process is inherently time-consuming and inflexible.  In a period of rapid and uncertain technological and policy change, this is precisely the type of process that should be avoided.  The goal should be to enable the utilities to adapt to changing circumstances as flexibly as possible.  AWEC shares what it understands to be the Commission's concern that traditional regulatory approaches may be ill-equipped to address the evolving challenges facing the utility industry.  AWEC is skeptical,

---

[1/] See, e.g., Oregon Public Utility Commission Docket No. UM 1845, Independent Evaluator's Final Report on PacifiCorp's 2017R Request for Proposals at 29-35 (Feb. 16, 2018) (identifying a lower cost portfolio of resources than PacifiCorp's selected portfolio, but noting that the lower cost portfolio could not be selected because of limited transmission capacity).

however, that greater Commission oversight into ever more granular details of the utilities' systems is the answer. Less Commission involvement, coupled with more fundamental changes to the market itself, may provide a better solution.

5 Despite this position, AWEC provides the following responses to the Commission's questions in the event the Commission determines to go forward with this phase of the IRP rulemaking.

1. ***Natural Gas.*** *The proposed draft rules apply to electric utilities only. Should the Commission propose similar competitive procurement rule language for natural gas utilities? How would the competitive procurement rules for natural gas utilities need to be different than those for electric utilities? Should there be similar language for natural gas conservation and delivery services procurement?*

6 AWEC does not believe that competitive procurement requirements for gas utilities are necessary or would serve a useful purpose.

2. ***Language Request.***

    a. *Is the language in the draft rule at WAC 480-107-015 sufficient to require an all-source RFP for most resource needs, while allowing sufficient flexibility in the process to allow limited scope RFPs when they are most useful?*

7 The draft rule language appears sufficient to allow the utility flexibility to react to changes in circumstances related to demand, supply, and economic conditions. However, AWEC recommends that certain language in Subsection 4(b) of WAC 480-107-015 be clarified by defining what is meant by use of the specific phrase "short-term market purchases." As used in the draft rule, the phrase "short-term market purchases" is included as a condition that, if met,

would exempt the utility "from the RFP requirement" and the solicitation process.[2/] AWEC suggests that including a definition of the term "short-term market purchases" in the final rule would avoid confusion over the term's meaning and possible administrative actions designed to clarify whether a utility's circumstances satisfied the rule's exemption conditions. While AWEC believes this suggested approach to be superior, the Commission could also provide clarity to utilities and customers by addressing what is meant by the phrase "short-term market purchases" in its adoption order, should it accept the draft rules.

*b. In WAC 480-107-035(3) the draft contains the term net benefits. Language around this concept has been evolving recently. Would using a different phrase, such as costs and benefits, or impacts, be clearer?*

8 The term "net benefits" should be defined in the rules to provide utilities, stakeholders, and any third-party evaluator a framework from which to develop opinions and recommendations regarding a resource considered in the RFP review process. Without some identified framework or association with the Commission's purpose(s) in using the term, it is quite difficult to ascertain whether using the terms "cost and benefits" or "impacts" would better reflect the Commission's intention.

9 The Commission's draft rule sets forth the ranking criteria to be used when evaluating competing proposals.[3/] Logically, the draft rule focuses upon cost and risk factors that, if selected, will or have the potential to impact costs to ratepayers and the setting of rates for

---

[2/] See WAC 480-107-015(4)(b). The draft rules also require a demonstration of adequate market resources over the "entire period of the utility's resource need or the next five years, whichever period is shorter" as additional conditions supporting an exemption from the solicitation requirement.

[3/] See WAC 480-107-035.



DAVISON VAN CLEVE, P.C.
1750 SW Harbor Way, Suite 450
Portland, OR 97201
Telephone: (503) 241-7242

delivered services.[4] The original and now revised draft rule language appears to adequately cover the "net benefits" of any reviewed project, assuming that "net benefits" are the remainder after considering a project's cost and risk, including environmental impacts. If the Commission would like other non-price or non-risk factors to be considered in the project evaluation phase of the selection process, then AWEC recommends that a reasonable effort be made to identify such additional evaluation considerations for inclusion, even in general terms, into the proposed rule. Further, the rules should specify how much weight should be given these additional factors.

10 The inclusion of all evaluation components and the weight to be given each when considering project proposals would eliminate possible inconsistencies resulting from varying interpretations of more subjective evaluation criteria. Furthermore, project evaluations performed by a neutral third party would produce comparable results when all evaluation criteria are objective and clear. In the end, the Commission's review and ultimate decision benefits from information that is based upon objective and identified criteria followed by the utility and provided to RFP responders and the third-party evaluator.

3. ***RFP Timing.*** *Is there a way to ensure long-lead time technologies have an equal opportunity to meet resource needs anticipated ten years out without requiring RFPs at such an early stage?*

11 AWEC sees no need to promulgate special or extraordinary provisions aimed at equalizing the RFP playing field for long-lead time technologies. Such technologies should receive the same treatment as competing resources and clearly demonstrate the net benefits resulting from their implementation.

---

[4] See WAC 480-107-035(2).



DAVISON VAN CLEVE, P.C.
1750 SW Harbor Way, Suite 450
Portland, OR 97201
Telephone: (503) 241-7242

12 From AWEC's perspective, long-lead time technology resources present unacceptable risk of project abandonment or curtailment should early results not meet expectations, making the technology incapable of effectively responding to the temporal and operational requirements identified by the utility in its immediate RFP. Moreover, it is highly unlikely that such resources could match the beneficial characteristics of other resources responding to the utility's RFP. For example, would long-lead time resources be dispatchable? How would the energy or capacity values for such resources be determined over the 10-year period? How would the Commission base its determination of cost for long-lead time technologies or compare their value against other competing resources? Finally, when would these costs be passed through to ratepayers? In sum, AWEC believes the Commission should give significant weight to technology implementation risk, particularly when the technology relies upon customer behavior to achieve its potential.

13 Furthermore, the Commission's August 24, 2018, Notice in this docket identified many of the forecasting and implementation risks associated with long-lead time technologies.[5/] For example: the inherent inaccuracies linked to long-term forecasts of demand, supply, and cost; and, the problems associated with utility cost recovery prior to full implementation of the technology. The question of cost recovery is made much more complicated when considering how the Commission would attempt to unravel facts or decisions that may have occurred ten years in the past.

---

[5/] Notice of Workshop and Notice of Opportunity to File Written Comments at 3 (Aug. 24, 2018)



DAVISON VAN CLEVE, P.C.
1750 SW Harbor Way, Suite 450
Portland, OR 97201
Telephone: (503) 241-7242

14 Given the outcome uncertainty associated with long-term forecasts and the uncertainties associated with controlling customer behavior, AWEC recommends that the Commission avoid creating special rules for long-lead time technologies.

4. ***Thresholds for exemption.*** *In the proposed draft language for WAC 480-107-015(3) there are thresholds and circumstances that would exempt utilities from issuing an RFP without requesting an exemption.*

    *a. Are the thresholds proposed appropriate?*

15 As noted above, AWEC recommends that the specific phrase "short-term market purchases" in Subsection 4(b) of WAC 480-107-015 be clarified by defining the term in the rules or by order.

16 AWEC also recommends that the 50MW threshold specified in Subsection 4(a) be increased to resources over 80 MW in order to align the competitive bidding process with the Public Utility Regulatory Policies Act ("PURPA"). A utility is obligated to purchase from a qualifying facility under PURPA, which can be up to 80 MW in size. Consequently, this threshold would seem to provide a logical demarcation of when a utility is required to undertake a competitive bidding process.

17 Finally, the Commission may also find it useful to clarify the administrative process leading to an exemption order. The draft language states that utilities "are exempt" from solicitation requirements should its circumstances satisfy the conditions set forth in WAC 480-107-015(4). This language infers that the utility would not be required to give notice to the Commission of satisfaction of one or more of the exemption conditions. The Commission



DAVISON VAN CLEVE, P.C.
1750 SW Harbor Way, Suite 450
Portland, OR 97201
Telephone: (503) 241-7242

should clarify the administrative process required to obtain an exemption under Subsection 4 to avoid unexpected outcomes and to promote administrative efficiency.

18 AWEC offers no comments on Subsections b.- d. below, but reserves its right to respond to other stakeholders' comments.

> *b. Are there other circumstances appropriate to qualify for exemption from the rule?*
> *c. Are there other types of thresholds that should be incorporated for these resource needs?*
> *d. What other types of resources would benefit from a threshold?*

***5. Delivery System RFP.***

> *a. Should the proposed definition of Resource Need include local transmission and distribution needs?*

19 AWEC recommends that "local transmission and distribution needs" be excluded from the proposed definition of "Resource Need" set forth in proposed WAC 480-107-007. AWEC's recommendation is based upon its understanding that no competitive market for local transmission and distribution system planning and development exists in the State of Washington, leaving the utility as the sole provider of such services. Without the existence of a competitive market and its ability to control prices or to provide comparative cost profiles, the Commission should not require the utility to seek such resources by way of an RFP.



DAVISON VAN CLEVE, P.C.
1750 SW Harbor Way, Suite 450
Portland, OR 97201
Telephone: (503) 241-7242

*b. The proposed draft language in WAC 480-107-015(3)(e) identifies an automatic exemption from the rule for distribution system or local transmission projects that are projected to cost less than $10 million. Should the term "project" be the replaced with "Major distribution capital investment" as defined in the proposed draft rules for WAC 480-100-238 to clearly connect the two rules? If not, what would be a reasonable definition of project in this case?*

20 AWEC offers no comment on this question

*c. In the notice accompanying the draft distribution system planning rules, the Commission asked for criteria to consider when defining a "Major distribution system capital investment." In the proposed draft RFP rules, a similar set of criteria could be used to allow an automatic exemption from the rule to relieve the burden of issuing an RFP for smaller projects identified in a distribution system plan. Is a $10 million threshold appropriate? Would a threshold that is not cost-based be more appropriate for delivery system resources? If so, what should be the criteria of this threshold?*

21 AWEC's comments on the Commission's proposed distribution system planning rules expressed a concern that there was insufficient information regarding the cost of such planning.[6/] Without this information, it is difficult to opine on whether a $10 million threshold is appropriate. One consideration for the Commission is whether a fixed threshold should apply to all utilities. A $10 million investment for Puget Sound Energy, for instance, impacts its customers' rates differently than a $10 million investment for Pacific Power. Regardless of the threshold, however, AWEC strongly believes that it should be cost-based so that the impact to customer rates is the principal consideration.

---

[6/] Docket No. U-161024, AWEC Comments at 3 (May 17, 2018).



DAVISON VAN CLEVE, P.C.
1750 SW Harbor Way, Suite 450
Portland, OR 97201
Telephone: (503) 241-7242

*d. Are there other circumstances concerning the delivery system that are appropriate to qualify for exemption from the RFP rule?*

22 AWEC offers no further comment to this question.

*e. Some commenters on the draft distribution system planning rules suggested a utility-specific criteria, approved by the Commission or with input from an advisory group. Many other commenters suggested flexibility in the distribution system planning rule. The draft RFP rules propose a utility-specific framework for conservation RFPs. Would a similar framework be useful for delivery system RFPs? If so, what would the process of developing, approving, and renewing the framework entail?*

23 If the Commission moves forward with requiring RFPs for distribution-level investments, AWEC agrees that they should be utility-specific. Each utility's distribution system is unique, as are the characteristics and demographics of the territories they serve. These distinguishing circumstances will matter in determining what types of distribution-level investments can be implemented in a cost-effective manner.

***6. Reliance on the Market.***

24 AWEC responds to Question 6 and its subsections as a whole with the following general comment. The truest indicator of regional resource adequacy is the regional power market. Price trends within a selected period will indicate whether resources are sufficient to meet regional demand throughout the selected period. To this point, resource abundance will lead to lower market prices, while sufficient resources will provide a reasonable level of price predictability. AWEC believes there is no need to consistently use a third party to analyze the regional power market for regulated utilities. Regulated utilities have the workforce and experience to understand, analyze, and forecast regional market supply, demand, and likely range of prices. To this end, utilities are expected to understand the actions within the regional power

markets, develop internal trend analyses, and to make the least-cost, least-risk decisions for their customers. The potential for reduced regional resource adequacy is expected to be part of the risk analyses. AWEC recommends that the Commission encourage its regulated utilities to rely upon its in-house analytical resources to forecast market behavior, and to use market resources whenever market prices indicate they are the least-cost option.

***7. Independent Evaluator.***

> *a. Does this section identify the proper circumstances or are there other circumstances under which an independent evaluator should be required?*

25 Referring to AWEC's response to Question 4(a) above, an independent evaluator should be used for any resource exceeding the Commission's determined threshold, so long as the utility itself is competing under this rule to meet the identified resource need.

> *b. Is there value in requiring an independent evaluator for large projects when a utility will not be bidding? If so, is a 50-megawatt resource need an appropriate threshold?*

26 No. The purpose of using an independent evaluator is to ensure that the utility does not favor its own resources in the bidding process. If the utility cannot select a resource that it will own, then there is no reason to use an independent evaluator, as it will merely increase costs for the utility and its customers.

> *c. Does this subsection provide enough specificity concerning the independent evaluator's role, or is additional rule language needed?*

27 AWEC generally believes the rule provides sufficient specificity. AWEC does have one related recommendation with regard to the independent evaluator, which is that the Commission should consider opportunities to share the cost of an IE with other states for multi-

jurisdictional utilities. As an example, Pacific Power's recent RFP for its "Energy Vision 2020" investments in wind projects was overseen by two IEs, one from Oregon and one from Utah. While these investments were in Pacific Power's Eastern Control Area, it is not difficult to imagine a scenario in which the utility issues an RFP that is overseen by three separate IEs if these rules are adopted. Wherever the point of diminishing returns is with respect to the number of IEs, three would certainly seem to cross it. Coordinating the retention of a single IE with other interested states would allow for a more efficient use of customer money.

d. *Should the Commission require that the independent evaluator be certified or accredited? If yes, provide specific qualifications the independent evaluator should possess.*

28 AWEC does not believe this step would be necessary. Typically, a utility will issue an RFP for the independent evaluator services, and the bids will identify the qualifications of the firm or individual. It would make no sense for the utility to hire an unqualified independent evaluator and jeopardize the outcome of the process.

***8. IE Report.*** *Could the Commission require the reconciliation process to occur prior to the issuance of a single final report and still ensure that the evaluator's work is free from outside influence?*

29 AWEC offers no comment to this question at this time.

***9. Conservation RFP.***

a. *Does the proposed rule language in WAC 480-107-015(3)(d) and WAC 480-107- 065 adequately encourage competitive procurement of conservation resources without negatively affecting current program planning and implementation?*

30 Prior to responding to this question, AWEC notes some ambiguity in this draft rule. It is not clear to whom an RFP would be issued for conservation resources. Puget Sound



DAVISON VAN CLEVE, P.C.
1750 SW Harbor Way, Suite 450
Portland, OR 97201
Telephone: (503) 241-7242

Energy, for instance, implements a large power user self-direct program under Schedule 258 that includes an RFP process in which the eligible customers themselves directly participate. AWEC believes this program has worked well to capture the most cost-effective conservation possible from these customers, particularly because it allows the customers themselves, who have the most knowledge of their processes, to propose projects. AWEC would support expanding PSE's program to the other utilities.

*31* As the rule is drafted, however, it appears that the Commission is envisioning an RFP that is issued to third-party providers or aggregators of conservation services. To the extent this is the objective, AWEC is not convinced that the prescriptive procurement requirements set forth in WAC 480-107-065 are necessary or even useful to encourage conservation resources at the least cost to ratepayers. For one, AWEC has seen no evidence that the conservation programs operated by the utilities are failing to achieve forecasted results or to comply with the conservation objectives of the Energy Independence Act.[7/] In fact, utility programs consistently out-perform the Commission's approved conservation targets.[8/] Is there evidence to suggest that the draft rule's competitive procurement requirements would result in more cost-effective conservation? If so, AWEC is not aware of such evidence, let alone its findings.

*32* AWEC submits that the rule's directives to competitively bid all or parts of a utility's conservation programs could easily result in greater cost to ratepayers, without a commensurate increase in conservation achievement. Under the Commission's approved

---

7/ See RCW 19.285

8/ Cf. In the Matter of AVISTA CORPORATION's 2016-2017 Biennial Conservation Target Under RCW 19.285.040, Docket UE-152076, Order 02 (Aug. 9, 2018).

conservation framework, the programs are delivered by the utility. The utility receives no return related to its conservation spending, as no shareholder monies are used to fund the conservation program. As a result, conservation programs are more efficient and can deliver more programs, even those that may be marginally cost effective.

33 Under the proposed rule, a utility *must* put all or part of its conservation program out to bid or deliver a significant percentage of its conservation objectives via competitively bid contracts.[9/] Ostensibly, the bidders would include commercial for-profit enterprises seeking to enter the conservation market in Washington's regulated territories. Although investment thresholds will vary among providers, any dollar allocated to enterprise profit is a dollar that will not be used to deliver conservation services. In other words, any program or measure not delivered by the utility could cost more and produce less conservation when the profit margin is considered. In fact, programs on the cost-effective edge may not be offered by third-party, for-profit providers. Assuming that RFP costs would be additive to the cost-effectiveness test, this result would, at best, be counter-productive to the Commission's conservation objectives and, at worst, result in productive programs or measures being dropped from conservation program offerings. Unless evidence indicates no other options, AWEC recommends that the mandatory provisions of Subsection -065 be dropped or amended to allow for discretionary RFPs.

[9/] WAC 480-107-065(3).



DAVISON VAN CLEVE, P.C.
1750 SW Harbor Way, Suite 450
Portland, OR 97201
Telephone: (503) 241-7242

*b. The proposed language describes a role for the advisory group that is not currently explicit in rule, approving a framework for issuing conservation RFPs. Does this advisory group role fit with the current function of the conservation advisory group? The proposed rule specifies the competitive procurement framework must receive the support of the advisory group. Is this a reasonable condition?*

34 AWEC has no further comment on this question.

*c. Do the minimum procurement percentages provide reasonable guidance in the development of a competitive procurement framework for conservation?*

35 As noted above, AWEC believes the minimum procurement percentages are much too high to require for competitive bidding. To the extent competitive bidding should be required at all for conservation resources, it should be limited to large customers who have the sophistication to propose facility-specific conservation projects.

***10. Procurement Outside of an RFP.*** *How can the Commission ensure that utilities are pursuing these low-cost opportunities available outside of an RFP? How can this idea be incorporated in rule?*

36 AWEC appreciates the Commission's recognition of this issue, as it is true that not all owners of potentially least-cost and least-risk resources, particularly PUDs and municipalities, bid into RFPs.[10/] One suggestion to address this issue is to require utilities to undertake a process of bilateral negotiations with such entities that parallels the RFP process. Given the additional cost, it may be reasonable to require such a process only when the utility has a significant resource need (perhaps over 200 MW). If the bilateral negotiations yield lower

[10/] For example, while not a procurement involving a PUD or municipality, PSE acquired the Goldendale Generating plant through bilateral negotiations with Calpine, even though the project was not included in the Company's most recent RFP. WUTC v. Puget Sound Energy, Docket UE-070565, 2007 WL 2287414 (Wash.U.T.C.) (2007).



DAVISON VAN CLEVE, P.C.
1750 SW Harbor Way, Suite 450
Portland, OR 97201
Telephone: (503) 241-7242

cost and lower risk resources than the RFP process, the utility would favor the resources identified through the negotiation process rather than the RFP.

37 As another idea, if a utility has a benchmark resource that it intends to submit into an RFP, the rules could require the utility to first reach out to owners of potential alternative resources that would not be expected to participate in the RFP to determine if it such resources likely could be acquired at a lower cost than the benchmark resource. If so, the utility could dispense with the RFP entirely. This is essentially what Portland General Electric ("PGE") did when it identified capacity products through bilateral negotiations with third parties, including the Bonneville Power Administration, that were lower cost and carbon free, which replaced PGE's need to construct the gas-fired "Carty 2" generating facility.[11/]

***11. Evaluation Transparency.*** *Proposed draft rule 480-107-025(4) requires RFPs to "include a sample evaluation rubric that quantifies the weight each criterion will be given during the project ranking procedure." What are the implications of this language?*

38 AWEC generally supports distribution of the evaluation rubric, including the ranking criteria and weight to be given such criteria when soliciting an RFP. As noted in AWEC's response to Question 2(b), any non-price and non-risk factors should be fully explained and given appropriate weight in the evaluation process. This should make it easier to understand how subjective non-price and non-risk factors would impact bid scoring.

39 However, AWEC has concerns with the requirement set forth in WAC 480-107-035(9), mandating the utility to make available on its website a detailed ranking of results for all proposals. Such exposure may raise confidentiality concerns with potential bidders and possibly

[11/] Oregon Public Utility Commission Docket No. LC 66, Order No. 17-386 at 16 (Oct. 9, 2017).



DAVISON VAN CLEVE, P.C.
1750 SW Harbor Way, Suite 450
Portland, OR 97201
Telephone: (503) 241-7242

shrink the bidding pool. AWEC, however, defers on this issue to stakeholders who are or who represent bidders.

> ***12. Two Stage Bidding.*** *In the first round of comments, the Northwest and Intermountain Power Producers suggested that the Commission require a two-stage bidding process to address the inherent utility preference to own a generation asset. First, all utility-owned generation bids are made, and then purchase power agreement bids are informed of the target price and provided an opportunity to beat the first round of bids. Please discuss the advantages and disadvantages of this approach including whether the bidding structure proposed creates asymmetrical bidding opportunities between IPPs that offer power purchase agreements and those offering to sell their generation. How should the sequence of bid offers be designed if the IPP is offering two differently structured offers for the same project, one that is PPA and one that is a contract with transfer of ownership?*

40 AWEC generally supports what appears to be the intent of the referenced proposal – to ensure the utility and ratepayers are provided resources at the lowest reasonable cost. That said, AWEC is not prepared to support the proposal at this time, preferring to see a more complete product from the Commission and the opportunity to review the comments of other interested parties.

> ***13. Resource Need Definition.*** *In the proposed draft rules the previous definition of resource block that focused solely on capacity has been replaced with a definition of resource need. This new definition is intended to capture all types of system deficits that may benefit from competitive procurement for example: capacity and associated energy, capacity needed to meet peak demand in any season, FERC-jurisdictional operational requirements, distribution plant investment, or resources required for regulatory compliance, such as renewable resources or cost-effective conservation and efficiency resources. Should the proposed definition of Resource Need above include specific resource needs that should be subject to competitive bidding? If so, what should be included in that list?*

41 AWEC does not see the need to call out specific resources or technologies in the rules. The utilities have the knowledge and expertise to determine whether a specific resource



DAVISON VAN CLEVE, P.C.
1750 SW Harbor Way, Suite 450
Portland, OR 97201
Telephone: (503) 241-7242

type would better fit their needs and can make such a resource the preferred target of its RFP. This flexibility should be preserved by the rules. In the end, AWEC recommends that the Commission refrain from "managing" a utility's resource portfolio.

Dated this 21st day of September, 2018.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

*<u>/s/ Patrick J. Oshie</u>*
Patrick J. Oshie, WSB # 17796
Tyler C. Pepple, WSB # 50475
1750 SW Harbor Way, Suite 450
Portland, Oregon 97201
(503) 241-7242 (phone)
(503) 241-8160 (facsimile)
pjo@dvclaw.com
tcp@dvclaw.com
Of Attorneys for the
Alliance of Western Energy Consumers