

Avista Corporation
2021 All Source RFP
Independent Evaluator Scope of Work
6-9-2021

Overview: The Independent Evaluator (IE), is required to 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 2021 All Source Request for Proposals (RFP) for energy resources. The RFP is for a minimum of approximately 50 average megawatts (aMW) of renewable energy, 275 MW of winter capacity and 175 MW of summer capacity. The Consultant will demonstrate Avista's RFP design and evaluation methodology will both solicit and review proposals in fair and consistent manner. Further, that the RFP complies with all rules and requirements in Idaho and Washington. As such, the Consultant may provide comparative information and assumptions to assist in improving the design and proposal analysis.

Avista has been conducting an informal Request for Information (RFI) for IE services with the hope of selecting an IE by mid-June. Once an IE is selected, we will file for approval of the IE with the WUTC and begin parallel work with IE. The role of the IE will be to participate in the design of the RFP including continued RFP preparations and the regulatory process until the RFP is released in late 2021, and then, participate in the evaluation once proposals are received most likely in Q1 2022.

Regarding the RFP timeline, Avista will file a draft of the all source RFP with the WUTC by the end of July. The WUTC will solicit comments on the draft RFP by mid-September and the Commission will take action on the draft RFP by mid-October. If approved by the WUTC, Avista will then issue the RFP by mid-November with bids due back in Q1 2022.

Requirements:

Task 1: RFP Design (June 2021 to October 2021)

Ensure that the RFP process is conducted according to both Idaho and Washington resource acquisition rules, specifically Washington's Purchase of Resource (POR) rules (WAC 480-107-025)

1. Participate in the design of the RFP to include review of Avista RFP documents and provide suggested changes for Avista's consideration.
2. Review design and provide comment or suggestions for project fairness and/or improve ranking methodology to find the best project(s).
3. Review and provide necessary comments to the financial and operational model methodology.
4. Review scoring matrix and weightings to be used during evaluation. Provide suggested changes and feedback as necessary.

Task 2: RFP Evaluation (February 2022 to April 2022)

1. Review all third party and Avista proposals responding to the RFP and evaluate the unique risks, burdens, and benefits of each bid.

2. Verify inputs and assumptions, including capacity factors and capital costs, are reasonable.
3. Review Avista's financial and operational analysis results.
4. Assess whether the utility's process of scoring the bids and selection of the initial and final shortlists is reasonable.
5. Independently score proposals using the designed evaluation methodology.
6. Compare scoring and rankings with Avista's rankings.
 - a. Discuss any differences in order to reconcile rankings of initial and final short-listed proposals to ensure they are graded a fair and consistent manner.
 - b. Explain ranking differences and why the IE and Avista were or were not able to reconcile the differences.
7. Provide to 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.
8. 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.
9. 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).

Task 3: RFP State Commission Proceedings (TBD)

1. Be available for potential modifications after filing the draft RFP as a result of stakeholder or commission staff comments.
2. Be available to provide witness testimony in future rate proceedings.