

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of
PUGET SOUND ENERGY, INC.,
Petitioner,
For an Order Approving Recommended
Independent Evaluator

Docket UE-_____

Petition of Puget Sound Energy, Inc. for
Approval of its Recommended
Independent Evaluator

1 1. In accordance with WAC 480-107-023(2), Puget Sound Energy, Inc.
2 (“PSE”) submits this petition to the Washington Utilities and Transportation
3 Commission (the “Commission”) for approval of its recommended independent
4 evaluator.

I. BACKGROUND

A. The 2020 Requests for Proposals

7 2. On May 4, 2020, PSE filed with the Commission (i) a draft Request for
8 Proposals Regarding All Generation Sources (the “Draft 2020 All-Source RFP”) in
9 Docket UE-200414 and (ii) a draft Request for Proposal Regarding Demand Response
10 Programs (the “Draft 2020 Demand Response RFP”) in Docket UE-200413. This
11 Petition refers to the Draft 2020 All-Source RFP and the Draft 2020 Demand Response
12 RFP, collectively, as the “Draft 2020 RFPs.”

13 3. On May 11, 2020, the Commission issued a Notice of Opportunity to
14 Provide Written Comments and Notice of Open Meeting (the “May 11 Notice”). The
15 May 11 Notice required interested persons to file written comments by July 6, 2020, and

1 afforded stakeholders an opportunity to provide oral comments at the July 17, 2020,
2 recessed open meeting.

3 4. On June 30, 2020, the Commission issued a Notice of Change to
4 Scheduled Open Meeting, indicating that the recessed open meeting set for July 17,
5 2020, was changed to July 30, 2020. The deadline for written comments remained
6 unchanged.

7 5. The Commission received a total of 14 written comments in Dockets UE-
8 200413 and UE-200414. Based on those comments and discussions with Commission
9 staff (“Staff”), PSE submitted, on July 22, 2020, each of the following with the
10 Commission: (i) a revised draft Request for Proposals Regarding All-Source
11 (the “Revised Draft 2020 All-Sources RFP”) in Docket UE-200414 and (ii) a revised
12 draft Request for Proposals Regarding Demand Response Programs (the “Revised
13 Draft 2020 Demand Response RFP”) in Docket UE-200413. This Petition refers to the
14 Revised Draft 2020 All-Source RFP and the Revised Draft 2020 Demand Response
15 RFP, collectively, as the “Revised Draft 2020 RFPs.”

16 6. On July 23, 2020, PSE filed a Petition for Waiver from Certain Request
17 for Proposals Requirement (the “July 23 Petition”), seeking additional time for the
18 Commission to approve the Revised Draft 2020 RFPs in Dockets UE-200413 and UE-
19 200414.

20 7. On July 31, 2020, the Commission issued Order 01 in each of Dockets UE-
21 200413 and UE-200414, granting the July 23 Petition. In Order 01, the Commission
22 indicated that it would consider the Revised Draft 2020 RFPs at its open meeting on
23 August 13, 2020.

1 8. On August 5, 2020, PSE filed a Petition for Waiver of Certain
2 Requirements Related to Requests for Proposals Contained in WAC 480-107 and
3 Order 01 (the “August 5 Petition”). In the August 5 Petition, PSE explained that it had
4 recently developed an updated load forecast that reflects the effects of the COVID-19
5 pandemic. The forecast indicated a significantly lower peak capacity need than the
6 forecast in the Revised Draft 2020 RFPs. PSE requested more time to consider the issue.

7 9. On August 13, 2020, the Commission granted the August 5 Petition in
8 Order 02 in Dockets UE-200413 and UE-200414. The Commission indicated that it
9 would consider the Revised Draft 2020 RFPs at the open meeting on September 10,
10 2020, at which time the Commission would take action to approve or suspend the
11 Revised Draft 2020 RFPs.

12 10. On August 26, 2020, PSE filed an Informational Filing Seeking Comments
13 from Interested Parties on the Potential Withdrawal of its Draft Demand Response and
14 All-Source RFPs. In the filing, PSE explained that its updated load forecast projects no
15 material capacity need for more than five years and that it may be in the public interest
16 for PSE to withdraw the Revised Draft 2020 RFPs.

17 11. On September 3, 2020, PSE filed a Third Petition for Waiver of Certain
18 Requirements Related to Requests for Proposals Contained in WAC 480-107 and
19 Orders 01 and 02 (the “September 3 Petition”), in which PSE requested a two-week
20 extension for the Commission to consider PSE’s Revised Draft 2020 RFPs.

21 12. On September 8, 2020, PSE filed a Motion for Withdrawal of Draft
22 Requests for Proposals and Petition for Waiver of Certain Requirements Related to
23 Requests for Proposals Contained in WAC 480-107 (the “Motion for Withdrawal”). PSE
24 requested permission to withdraw its Revised Draft 2020 RFPs and requested an

1 exemption from WAC 480-107-015(3)(b) with respect to the issuance of a request for
2 proposals for all-source and demand response resources.

3 13. On September 10, 2020, the Commission granted the September 3
4 Petition in Order 03 in Dockets UE-200413 and UE-200414.

5 14. In October 2020, members of Commission Staff reached out to PSE's
6 acquisitions and market solutions group regarding PSE's plans for outreach to bidders,
7 stakeholders, and specific timing regarding RFPs related to the Clean Energy
8 Transformation Act (CETA) and sought additional information from PSE. Staff
9 generally supported the Motion for Withdrawal, subject to the conditions that PSE:

- 10 (1) work collaboratively with Commission Staff and other
11 stakeholders through the first quarter of 2021 to address
12 comments submitted in Dockets UE9 200413 and UE-
13 200414, particularly the proposal to use an independent
14 evaluator, and
- 15 (2) submit requests for proposals for all-source and demand
16 response resources for approval by the Commission no later
17 than April 1, 2021.

18 15. On October 15, 2020, the Commission issued Order 04 in Dockets UE-
19 200413 and UE-200414, which granted the Motion for Withdrawal and extended the
20 exemption from WAC 480-107-015(3)(b) until March 31, 2021, subject to the following
21 conditions recommended by Commission Staff:

- 22 (a) PSE will work collaboratively with Commission Staff and
23 other stakeholders in the first quarter of 2021 to address
24 comments submitted in Dockets UE-200413 and UE-
25 200414, particularly the proposal to use an independent
26 evaluator, and
- 27 (b) must submit for approval, in new dockets, proposed requests
28 for proposals for all-source and system wide electric demand
29 response program delivery and accompanying
30 documentation no later than April 1, 2021.

1 **B. PSE's Request for Proposal for Independent Evaluator**

2 16. Consistent with the direction provided by the Commission Staff and the
3 Commission in Order 04 in Dockets UE-200413 and UE-200414, as well as the
4 direction of the draft rules then-under development in the Purchase of Electricity
5 rulemaking, PSE consulted with stakeholders and Commission Staff in November of
6 2020 prior to issuing a solicitation for an independent evaluator to support the
7 development and review of the requests for proposals for all-source and demand
8 response resources for approval that PSE must submit to the Commission no later than
9 April 1, 2021.

10 17. Specifically, PSE consulted with Commission Staff in mid-November of
11 2020 regarding PSE's plans to issue a solicitation for an independent evaluator. In those
12 conversations, PSE conveyed that, in order to have an independent evaluator available
13 to assist PSE in its development of its draft requests for proposals prior to filing with
14 the Commission by April 1, 2021, consistent with Order 04 in Dockets UE-200413
15 and UE-200414, PSE would need to (i) issue a request for proposals for an independent
16 evaluator by the end of November 2020, and (ii) file a request for approval of an
17 independent evaluator in mid-January 2021, if the Purchases of Resources rulemaking
18 then under consideration¹ required Commission approval of the independent evaluator.
19 Commission Staff provided input on the proposed scope of the independent evaluator's
20 work set forth in PSE's draft request for proposal for independent evaluator services.
21 Commission Staff also encouraged PSE to consult with stakeholders on its intent to use
22 an independent evaluator for the upcoming requests for proposals for all-source and

¹ *In the Matter of Amending, Adopting, and Repealing Sections of WAC 480-107 Relating to Purchases of Electricity*, Docket UE-190837 (the "Purchases of Resources Rulemaking").

1 demand response resources for approval that PSE must submit to the Commission no
2 later than April 1, 2021.

3 18. Consistent with Commission Staff's feedback and the then-available draft
4 rules in the Purchases of Resources rulemaking, PSE sent out a notification to all
5 stakeholders on its request for proposals distribution list (over 750 recipients) on
6 November 17, 2020. In the notice, PSE informed stakeholders of its intent to use an
7 independent evaluator for the upcoming requests for proposals for all-source and
8 demand response resources for approval that PSE must submit to the Commission no
9 later than April 1, 2021. The notice invited stakeholders to provide comments and
10 expressions of interest by November 23, 2020. PSE also provided this information on
11 its website.

12 19. PSE received one comment from the Northwest & Intermountain Power
13 Producers Coalition (NIPPC), which expressed general support for PSE's planned
14 engagement of an independent evaluator. About ten (10) stakeholders responded with
15 interest in participating in the request for proposals for independent evaluator services.
16 A few other stakeholders indicated an interest in receiving future notifications regarding
17 the upcoming requests for proposals for all16 source and demand response resources
18 for approval that PSE must submit to the Commission no later than April 1, 2021.

19 20. Prior to issuing its request for proposals for independent evaluator
20 services, PSE conducted comparative research of recent request for proposals for
21 independent evaluator services conducted by utilities in other jurisdictions. Through
22 this research, PSE examined the design and administration of the requests for
23 proposals, the qualifications and criteria sought, and the evaluation process. Based on
24 this process, PSE developed a list of potentially qualified firms that provide independent

1 evaluator services, including reviewing firms registered with the Office of Minority and
2 Women’s Business Enterprises.

3 21. PSE designated a manager within its procurement department to
4 administer and provide guidance on the design and documentation requirements for
5 the request for proposals for independent evaluator services. PSE shared a draft request
6 for proposals for independent evaluator services with Commission Staff in mid-
7 November of 2020. Commission Staff provided PSE with feedback on the draft request
8 for proposals for independent evaluator services and, in particular, the proposed
9 timeline.

10 22. The timeline presented in the final request for proposals for independent
11 evaluator services is set forth below.

Activity:	Target Date:
Stakeholder Comment	November 17-23, 2020
Issue Request for Proposal for Independent Evaluator Services	November 24, 2020
Bidders Submit Intent to Bid Notification and Deadline for Questions	December 8, 2020
PSE Answers Bidder Questions	December 15, 2020
Bids Due from Bidders	December 23, 2020 (3:00 pm Pacific Time)
Bidder Interviews	January 11-13, 2021
PSE Selection Process	January 15-28, 2021
PSE Notification to Bidders	February 1, 2021
Contract Execution	February 5, 2021
Start of Work	February 15, 2021

23. In its request for proposals for independent evaluator services, PSE stated that the evaluation of bids submitted by candidates would take into consideration the criteria outlined in the following, non-exclusive categories:

CRITERIA	WEIGHT
Ability of the IE Candidate to perform the work	
Quality of expertise, breadth and depth of experience of the bidder and its individual staff member(s) assigned to the project to perform the proposed scope of work.	50%
Experience with clean energy portfolio integration	
Experience and knowledge of bilateral markets and the CAISO Energy Imbalance Market	
Experience reviewing RFPs for renewable energy and capacity resources, including experience with battery and other storage options. Preference for experience evaluating market bids in the WECC region and Pacific Northwest in particular.	
Experience reviewing demand side resources, including in comparative analysis with an RFP.	
Experience with utility applications of electric production cost modeling, in particular relating to renewable generating resources bids as part of an RFP. Familiarity with forecasting, analysis and market simulation software (including Aurora and Plexos).	
Experience with interconnection and transmission service processes, Open Access Transmission Tariff (“OATT”), Bonneville Power Administration (“BPA”) transmission interconnection and transmission services processes, and familiarity with the transmission networks in the WECC region and Pacific Northwest in particular.	
Responses to IE Questionnaire (Appendix B) ²	
Costs and Contracting	
The total cost of the proposal, including the elements of the cost and the overall appropriateness of the cost in relation to the work as proposed.	50%
Feedback and Confirmation Provided for Master Services Agreement (Appendix E) ³	
Bidder contribution to the equity goals of RCW 19.405.040(8).	

² Please see page 17 of Exhibit A to this Petition for Appendix B to the Independent Evaluator for Puget Sound Energy’s 2021 All-Source and Demand Response Solicitation, issued on November 24, 2020.

³ Please see pages 26-41 of Exhibit A to this Petition for Appendix E to the Independent Evaluator for Puget Sound Energy’s 2021 All-Source and Demand Response Solicitation, issued on November 24, 2020.

1 PSE developed an evaluation matrix as a bid review guide. The matrix covered the
2 qualifications and evaluation criteria shown in the above table and featured a one-
3 through-four scoring system (with four being the best score).

4 24. After consulting with Commission Staff and stakeholders on the draft
5 request for proposals for independent evaluator services, PSE issued the final request
6 for proposals on November 24, 2020. Please see Exhibit A to this Petition for a copy of
7 the Independent Evaluator Request for Proposals for Puget Sound Energy's 2021 All-
8 Source and Demand Response Solicitation, issued on November 24, 2020.

9 25. PSE posted the request for proposals materials to PSE's website and sent
10 a notification to all of the stakeholders on PSE's distribution list (informing
11 stakeholders and interested parties) providing notice that the request for proposals for
12 independent evaluator services was available for download and open to all interested
13 qualified candidates. PSE also sent the materials by email to those that had requested
14 them directly, including the firms that PSE had identified in the course of its
15 comparative research.

16 26. PSE received intents to bid from thirteen (13) firms, although one of those
17 firms subsequently informed PSE that it would not submit a final bid. PSE also received
18 several questions. PSE provided answers to all questions received on December 15,
19 2020, sharing all answers with all twelve (12) firms that remained interested in
20 submitting bids.

21 27. By the bid submittal deadline of December 23, 2020, PSE had received
22 bids from twelve (12) firms. The twelve (12) candidate firms submitted cost proposals
23 in a variety of forms, including (i) fixed fee proposals, (ii) time and materials (tiered and

1 un-tiered) proposals, (iii) time and materials with not-to-exceed limit proposals, and
2 (iv) partially-fixed proposals based on number of bids received.

3 28. PSE examined the components and assumptions of the bid submittals to
4 check for reasonableness and consistency across proposals. PSE then assigned scores to
5 the cost proposals based on a series of pass/fail tests that measured whether the bid
6 (i) covered the scope of work specified in the request for proposals for independent
7 evaluator services, (ii) was at or below PSE's anticipated budget for the project, and
8 (iii) were ten percent (10%) above or below the average for those estimates within the
9 proposed scope and budget.

10 29. Between December 28, 2020, and January 6, 2021, PSE's evaluation team
11 and subgroups held frequent meetings to review, discuss, and score the twelve (12)
12 proposals. The subgroups convened on January 7, 2021, to select five candidate
13 independent evaluator firms to participate in interviews. Selection of the five firms
14 considered the following factors:

- 15 (a) Conflicts of Interest Declaration and Disclosures, Certificate
16 of Insurance and Overall Completeness of Bid. All twelve (12)
17 firms submitted complete bids and therefore were given
18 identical scores.
- 19 (b) Feedback and Confirmation Provided for Master Services
20 Agreement. PSE gave identical scores to all bid proposals in
21 which the bidders submitted limited to no changes to the
22 form master services agreement.
- 23 (c) Cost Tests. PSE gave identical scores to all bid proposals that
24 passed the pass/fail cost tests.
- 25 (d) Ability to Perform Work. This category provided the
26 differentiating set of criteria, and therefore was the focus of
27 the evaluation and scoring. PSE ranked proposals according
28 the number of first-place and second-place finishes across all
29 eight categories.

1 (e) Bidder Contribution to Equity Goals. Finally, PSE considered
2 whether a bid proposal contributed to PSE's equity goals
3 considering whether firms were registered with the Office of
4 Minority and Women's Business Enterprises to differentiate
5 between bid submittals otherwise receiving similar scores in
6 the categories identified above.

7 30. After scoring and ranking the twelve (12) proposals, PSE invited the firms
8 behind the top five (5) bid proposals to participate in interviews.

9 31. PSE's Resource Acquisition manager and team, with members from the
10 Demand Response, Distributed Energy Resources, and Clean Energy Strategy teams,
11 participated in the interview process. This cross-departmental team held interviews
12 ranging in length between 75 and 90 minutes with the five (5) interviews occurring
13 between January 11, 2021 and January 13, 2021. The cross-departmental team
14 presented a common set of questions to all five candidate firms during the interviews,
15 and afterwards sent each candidate follow-up questions to answer briefly in writing.

16 32. At a post-interview evaluation meeting by the cross-departmental team on
17 January 15, 2020, the team identified Bates & White as the firm that had submitted the
18 top bid proposal. Bates & White has experience and knowledge of the electric industry
19 in the Pacific Northwest, having served as independent evaluator for all-source and
20 renewable requests for proposals submitted by PacifiCorp and Portland General Electric
21 Company in Oregon.

22 33. On January 19, 2021, PSE filed a Petition for Approval of its
23 Recommended Independent Evaluator in Docket UE-210037.

1 34. On January 28, 2021, the Commission issued Order 014 in which the
2 Commission granted PSE’s Petition for Approval of its Recommended Independent
3 Evaluator in Docket UE-210037.

4 **C. PSE’s 2022 Distributed Energy Resources Request for Proposals**

5 On February 7, 2022, PSE issued a Distributed Energy Resources Request for
6 Proposals (the “2022 DER RFP”) to bidders to meet capacity and clean energy resource
7 needs established in the 2021 Integrated Resource Plan (the “2021 IRP”) and
8 2021 Clean Energy Implementation Plan (the “2021 CEIP”). Bids were due on
9 March 21, 2022.

10 35. Pursuant to WAC 480-107-035(5), PSE filed a summary of the proposals
11 received from bidders participating in PSE’s 2022 targeted DER RFP in Docket UE-
12 210878 on April 19, 2022 (the “2022 DER RFP Summary Report”). In the 2022 DER
13 RFP Summary Report, PSE noted that no “Category A” solar proposals were provided.

14 **D. PSE Plans for a Targeted Voluntary Request for Proposals from**
15 **Distributed Solar Resources and Distributed Solar Resources Paired**
16 **with Energy Storage**

17 36. PSE intends to file a targeted voluntary request for proposals from
18 distributed solar resources and distributed solar resources paired with energy storage
19 (“Targeted Voluntary Solar RFP”) by the end of calendar year 2022 to fulfill the resource
20 targets proposed in the 2021 CEIP. PSE anticipates that this Targeted Voluntary Solar
21 RFP will help PSE achieve its solar and storage resource targets included in the
22 2021 CEIP. Further, PSE is developing internal programs that will cater to these solar

⁴ *In the Matter of the Petition of Puget Sound Energy, For an Order Approving Its Recommended Independent Evaluator, Order 01, Approving Puget Sound Energy’s Recommended Independent Evaluator, Docket UE -210037 (Jan. 28, 2021).*

1 and storage targets and help PSE fulfill the equity and inclusion goals proposed in
2 the 2021 CEIP.

3 37. PSE expects that a Targeted Voluntary Solar RFP focused on solar and
4 solar paired with storage resources will result in proposals not bid into the 2022 DER
5 RFP. PSE received comments from bidders and additional third parties that
6 the 2022 DER RFP was complex and that the breadth of resources solicited was too
7 expansive. The recent passage of and impacts from the Inflation Reduction Act may
8 encourage solar development project bids not submitted in response to
9 the 2022 DER RFP, and PSE aims to ensure that customers benefit from this
10 development. Accordingly, PSE plans to file and issue a Targeted Voluntary Solar RFP
11 to solicit bids from developers. Additionally, PSE may file and issue other targeted
12 voluntary RFPs to meet targets in the 2021 CEIP.

13 II. PETITION FOR APPROVAL

14 38. PSE's and bidders' experiences with Bates & White throughout the
15 2021 All-Source RFP and the 2022 DER RFP have been positive. To reduce timelines
16 associated with resource procurement and costs for PSE's anticipated Targeted
17 Voluntary Solar RFP and any other voluntary targeted requests for proposals that PSE
18 may issue before September 30, 2023, PSE respectfully requests that the Commission
19 approve the continued use of Bates & White as PSE's independent evaluator. PSE must
20 act expeditiously to achieve the distributed solar resource target identified in the
21 2021 CEIP.

22 39. Accordingly, based on Bates & White's record of impartial independent
23 evaluator services to date and PSE's need to identify solar and solar paired with storage
24 resources to achieve the target identified in the 2021 CEIP, PSE respectfully requests

1 that the Commission grant this Petition so that PSE may continue to utilize the services
2 of Bates & White as PSE's independent evaluator for the anticipated Targeted Voluntary
3 Solar RFP and any other targeted voluntary RFPs that PSE may issue on or before
4 September 30, 2023.

5 III. REQUEST FOR RELIEF

6 40. Pursuant to WAC 480-107-023(2), PSE respectfully requests that the
7 Commission approve PSE's recommendation that Bates & White serve as the
8 independent evaluator in the Targeted Voluntary Solar RFP that PSE anticipates issuing
9 by the end of calendar year 2022 and any other targeted voluntary RFPs that PSE may
10 issue on or before September 30, 2023, to procure resources to meet targets identified
11 in the 2021 CEIP. Notwithstanding the foregoing sentence, PSE reserves the right to
12 request Commission approval of an alternative independent evaluator if circumstances
13 arise that warrant the selection of an independent evaluator other than Bates & White.

14 41. PSE respectfully requests the Commission consider this request as part of
15 its next open meeting agenda on Thursday, October 13, 2022.

Dated: September 23, 2022.

PUGET SOUND ENERGY, INC.

/s/ Jason Kuzma

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