



Puget Sound Energy  
P.O. Box 97034  
Bellevue, WA 98009-9734  
[pse.com](http://pse.com)

February 9, 2024

Received  
Records Management  
Feb 9, 2024

***Filed Via Web Portal***

Jeff Killip, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, Washington 98503

**Re: Puget Sound Energy's Informational Filing of Voluntary Kitsap Non-Wires Alternatives Request for Proposals; Docket UE-\_\_\_\_\_**

Dear Director Killip,

Attached is Puget Sound Energy's ("PSE") Kitsap Non-Wires Alternatives Request for Proposals (Kitsap NWA RFP). The Kitsap NWA RFP is a "targeted" and "voluntary" request for proposals, as defined in Washington Administrative Code ("WAC") 480-107-109(3). Pursuant to WAC 480-107-021(1), PSE is therefore submitting the Kitsap NWA RFP to the Washington Utilities and Transportation Commission ("Commission") for informational purposes only.

**I. Overview of the Kitsap NWA RFP**

As stated in the Kitsap NWA RFP main document, PSE has identified growing electric transmission system capacity needs on the bulk transmission system (230 kV) and local network transmission system (115 kV) serving Kitsap County, Washington. These needs exist today, as the 230 kV and 115 kV transmission lines serving Kitsap County are in some cases exceeding emergency limits for contingencies during winter and summer peak loading conditions. Demand for electricity in Kitsap County is also increasing, and that trend is expected to continue. Transmission system capacity upgrades are therefore needed to ensure continued and reliable service for customers in this growing region.

PSE is issuing this solicitation as part of a solutions development process to evaluate if and how non-wire alternatives (NWA), such as Clean Energy Transformation Act ("CETA") compliant transmission and distribution sited dispatchable resources can help PSE meet the identified needs. PSE's priorities for this solicitation are as follows:

- Develop a robust and cost-effective solution for identified Kitsap County transmission needs by investigating NWAs.
- Identify opportunities to add non-wires resources in Kitsap County and potentially provide system benefits to the PSE grid.

- Maximize customer benefits of NWAs in every stage from procurement through the life cycle of the non-wires equipment, focusing on Tribes, Highly Impacted Communities, and Vulnerable Populations (Named Communities).

To facilitate Respondent proposal submissions and PSE's evaluation of potential solutions, PSE has proposed three "options" in the Kitsap NWA RFP, each of which outlines potential solution approaches. The three options are as follows:

- **NWAs for bulk transmission capacity (Option 1):** capacity need of up to 260 MW/88,400 MWh (340 hours) or up to 420 hours for non-battery storage resources. Under this option, NWAs should be connected to PSE's transmissions system in Kitsap County.
- **NWAs for network transmission capacity (Option 2):** capacity need of up to 141 MW/1,128 MWh (8 hours). Under this option, NWAs should be connected to PSE's transmission system in the N. Kitsap area (which is the system downstream of PSE's Foss Corner substation feeding Kingston and Bainbridge Island).
- **NWAs for network transmission capacity (Option 3):** capacity need of up to 56 MW/448 MWh (8 hours) but allows for distribution-connected resources in the N. Kitsap area. Distribution-connected resources must be a minimum of 5 MW and less than 10 MW.

The goal of this Option framework is to ascertain the most optimal combination of solutions that can help PSE meet Kitsap County's capacity needs in a cost-effective manner. Given the large magnitude of Kitsap County's capacity need, however, PSE anticipates that the solution may require a combination of proposals.

## II. Resource Acquisition

As detailed in Section 2 of the RFP main document, PSE will consider technology agnostic capacity resources, including turnkey resources ready for development, ownership contracts, or power purchase agreements ("PPA") for a minimum of 10 years (2029-2038). Table 3 in Section 2 of the main document further describes the resource types eligible to participate, as well as the contract and ownership types that PSE will consider. As detailed there, eligible resources include CETA-compliant dispatchable generation resources, such as biomass, hydropower, pumped hydro, geothermal, wind, and solar, as well as battery energy storage systems ("BESS"). This section also details resource performance and monitoring and control requirements. Besides stated eligible resources, PSE is also seeking any smart grid solutions or other technologies that can meet Kitsap transmission capacity needs.

PSE's analysis has determined that behind-the-meter ("BTM") distributed energy resources ("DER") will not be feasible for meeting Kitsap County's transmission needs. These resources are important to PSE, and PSE is pursuing them through numerous other solicitation processes, customer programs, and company initiatives; however, they cannot be considered for

this RFP. PSE will consider Front-of-the-meter (“FTM”) DERs with a minimum of 5 MW and up to 10 MW in size connected to PSE’s distribution system (Option 3).

### **III. Evaluation Process**

As set forth in Section 3 of the Kitsap NWA RFP main document, PSE will follow a structured evaluation process designed to screen and rank individual proposals based on an evaluation of costs, risks, and benefits. PSE will consider a number of qualitative and quantitative factors to compare proposals with diverse attributes. PSE will evaluate each proposal based on compliance with Section 4 of the Kitsap NWA RFP (Minimum Requirements) and Exhibit A: Evaluation Criteria and Scoring. The evaluation process will be divided into three phases, including a qualitative assessment (Phase 1), a quantitative assessment of technical feasibility, cost-effectiveness, and operability (Phase 2), and a final evaluation and selection process (Phase 3).

The Kitsap NWA RFP will also include an energy equity analysis, examining proposals through the four core tenets of energy justice, including restorative justice, recognition justice, procedural justice, and distributional justice. Please see Sections 1 and 3 of the Kitsap NWA RFP main document for additional detail regarding equity compliance and the evaluation process.

### **IV. Role of the Independent Evaluator**

Consistent with the requirements of WAC 480-107, PSE has contracted with an independent evaluator (IE) to consult with PSE on the procurement activities and evaluation process for the Kitsap NWA RFP. In August 2023, following Commission approval, PSE hired PA Consulting Group, Inc. (PA Consulting) to provide IE services for this RFP.

For information about PSE’s IE selection process and the qualifications of PA Consulting, please see PSE’s petition dated May 25, 2023, in Docket UE-230283, found on the Commission’s website (<https://www.utc.wa.gov>). Further information about the role and scope of the IE is also provided in section 3 of the Kitsap NWA RFP main document.

### **V. Anticipated Schedule**

The proposed schedule for the Kitsap NWA RFP is set forth in Section 3 (Table 4) of the RFP main document. This schedule is also provided below for reference. Any updates to the proposed schedule will be posted online at PSE’s Kitsap NWA RFP website (<https://www.pse.com/pages/energy-supply/acquiring-energy/Kitsap-Non-wires-Alternatives-RFP>). Please note that dates for the evaluation processes will be further refined after the end of the submittal period.

<b>Milestone</b>	<b>Date</b>
RFP release	February 9, 2024
Open Q&A period	February 9, 2024 – February 29, 2024
Q&A release	March 15, 2024
Proposal submittal period begins	March 29, 2024
Proposal submittal period ends	May 24, 2024 (by 6 p.m. PST)
PSE posts compliance report to RFP website, per WAC 480-107-035(5)	June 24, 2024
PSE conducts Phase 1 eligibility screening and non-price qualitative scoring process	July 2024
PSE selects RFP shortlist for Phase 2 and notifies bidders	Q4 2024
PSE conducts Phase 2 price and portfolio evaluation and selects shortlist for Phase 3; notifies bidders	Q4 2024
PSE conducts Phase 3 evaluation and makes final selection	By December 31, 2024
If applicable, PSE negotiates and executes agreement(s) with bidder(s)	2025

## **VI. Outreach and Engagement**

PSE engaged with interested parties in late March 2023 to discuss the anticipated scope of the Kitsap NWA RFP and the selection of an IE. To broaden awareness of the Kitsap NWA RFP among persons who may be interested, PSE has provided notice of this RFP to entities involved in the development of eligible resources, including representatives of interested persons who have participated in PSE’s other resource procurement activities, including the 2021 All-Source RFP and 2022 Distributed Energy Resources RFP. PSE will also provide notice to a variety of trade publications, with an emphasis on encouraging participation from diverse types of respondents.

PSE will be reaching out to potential bidders to notify them of the Kitsap NWA RFP and seek their interest in providing a proposal. PSE does not intend for these outreach activities to show preference or limit applicants to those who PSE contacts but to proactively build engagement for the Kitsap NWA RFP.

Jeff Killip, Executive Director and Secretary

February 9, 2024

Page 5 of 5

## VII. Conclusion

PSE intends to issue the Kitsap NWA RFP on February 9, 2024. For additional information about this filing, please contact the Kitsap NWA RFP team staff through the Kitsap NWA RFP mailbox at [KitsapnonwiresRFP@pse.com](mailto:KitsapnonwiresRFP@pse.com). Please also copy PA Consulting ([NWARFP\\_IE@paconsulting.com](mailto:NWARFP_IE@paconsulting.com)) on all correspondence. If you have any other questions, please contact me at (425) 462-3051.

Sincerely,

*/s/ Wendy Gerlitz*

Wendy Gerlitz  
Manager, Regulatory Policy  
Puget Sound Energy  
PO Box 97034, BEL10W  
Bellevue, WA 98009-9734  
425-462-3051  
[Wendy.Gerlitz@pse.com](mailto:Wendy.Gerlitz@pse.com)

cc: Tad O'Neill, Public Counsel

Attachment: Kitsap NWA RFP