

April 24, 2025

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RE: Comments of Renewable Northwest, Docket UE-250155
Avista Corporation's Draft 2025 All-Source Request for Proposals

I. INTRODUCTION

Renewable Northwest ("RNW") thanks the Washington Utilities and Transportation Commission ("the Commission" or "UTC") for this opportunity to comment in response to the Commission's March 12, 2025, Notice of Opportunity ("Notice") to File Written Comments on Avista's Draft 2025 All-Source Request for Proposals ("AS-RFP" or "RFP") Pursuant to WAC 480-107, which Avista Corporation ("Avista" or "the Company") originally filed on March 10, 2025.

We support Avista's issuance of an RFP, which follows from the near-term resource needs identified in the 2025 IRP filed in December of 2024. In these comments, we support various components of the RFP, seek additional clarity on others, and provide several recommendations in an effort to increase transparency and encourage broad participation in the RFP. We thank the Company and the Commission for their consideration of our comments.

II. COMMENTS

1. We recommend Avista treat its Evaluation Methodology as non-confidential

RFP Exhibit D describes Avista's Evaluation Methodology for the 2025 RFP. Bids will be evaluated on six categories - risk management, financial analysis, price risk, electric risk factors, environmental factors, and social and community. As filed, the weighting associated with each of these categories is treated as confidential, as is the quantitative scoring of bids within these categories. While we appreciate Avista sharing a non-confidential version with RNW, we believe it would be more useful and in line with Commission rules to make the quantitative scoring and weighting elements available to all stakeholders including, in particular, bidders. Below we

reiterate the argument we made in joint comments with the Northwest Energy Coalition (“NWECC”) on Avista's 2022 draft RFP where the same issue arose:

WAC 480-107-025(4) provides that “The RFP must explain the specific ranking procedures and assumptions that the utility will use in accordance with WAC 480-107-035” and “must include a sample evaluation rubric that quantifies, where possible, the weight the utility will give each criterion during the bid ranking procedure, and provides a detailed explanation of the aspects of each criterion that would result in the bid receiving higher priority.” In the Commission’s rulemaking to establish these rules, RNW specifically supported this language, explaining in our October 2018 comments and reiterating in our January 2019 comments:

[T]he requirement either to quantify the weight the utility will afford to its scoring criteria or to provide a detailed narrative explanation regarding the relative priority of the scoring criteria should give bidders important information that allows them to tailor their bids to the utility’s needs. Ultimately, the result of this additional transparency will likely be the submission of more competitive bids and, at the conclusion of the RFP process, a better chance that the utility procures lowest reasonable cost resources.¹

In its order adopting the rules, the Commission specifically affirmed the importance of transparency to the success of the rules:

The proposed rules reduce the burden on small business participation in RFPs by increasing the transparency of the RFP process. The proposed rules require utilities to provide increased detail in RFPs regarding the utility’s resource need, evaluation rubric, and ranking procedures, which will reduce the time and expense to both small and large businesses to participate as bidders. For example, the expanded level of required detail will help small businesses understand how their specialty can be successfully bid.²

Avista’s decision to treat quantitative scoring criteria as confidential runs counter to the letter and intent of the Commission’s Purchases of Resources rules, in particular the

¹ Reply Comments of Renewable Northwest, Docket U-161025 at 6 (Oct. 26, 2018); *see also* Comments of Renewable Northwest, Docket UE-190837 at 5 (June 29, 2020) (quoting the 2018 Reply Comments).

² General Order R-602 at para. 11 (Dec. 28, 2020).

principle of transparency and the ability of bidders to undertake informed participation in RFPs. We therefore recommend that the company release those scoring details publicly.³

In response to joint party comments on Avista's draft 2022 RFP, the Company released a nonconfidential version of its Evaluation Methodology. We encourage the Company to file the nonconfidential version in this proceeding and to share the quantitative scoring from the beginning in future RFP dockets.

2. We urge Avista to make Company-owned transmission available to bidders if that was not already its intent

The 2022 AS-RFP made Company-owned transmission available to bidders. Avista included a table entitled "Summary of Avista Transmission Capacity," above which the Company explicitly noted: "Summary of Avista transmission assets available for delivery of proposed resources."⁴ This language is omitted in the 2025 draft RFP, though the table summarizing Avista's transmission capacity remains, leaving Avista's treatment of its transmission assets unclear. RNW requests that Avista clarify whether it is making Company-owned transmission available in this RFP. If Avista was not already intending to do so, we urge the Company to make transmission assets available to bidders to support delivery of clean resources to Avista's customers.

3. We recommend Avista encourage broad participation in the RFP via relaxed transmission and interconnection requirements

While Avista does not require firm transmission service as a minimum eligibility hurdle, Avista's transmission requirements may still be overly and unnecessarily restrictive. In the Detailed Proposal Requirements (Exh. C), Avista notes that they will consider conditional firm bridge service "if the transmission customer has committed to acquiring long-term point-to-point transmission service within five years from Commercial Operation."⁵ When RNW met with the Company to discuss the draft RFP, Avista staff indicated an openness to relaxing this timeline requirement given the transmission constraints in the Northwest and the uncertainty around upgrade timelines. We continue to encourage the Company to consider bids with deliverability plans that may have more extended timelines for acquiring long-term firm ("LTF") transmission service.

³ Joint Party Comments, Docket UE-210832 at 3 (Dec. 15, 2021)

⁴ Avista 2022 Draft RFP, Section V, available at <https://apiproxy.utc.wa.gov/cases/GetDocument?docID=35&year=2021&docketNumber=210832>

⁵ Draft RFP, Exhibit C, Section 4.1 and 4.3.4

Taking this one step further, RNW recommends that Avista encourage bidders with transmission products other than LTF to participate in the RFP. The Bonneville Power Administration (“BPA”) has other transmission service products that, while curtailable, are generally not curtailed in hours of significant need. These products can support Avista’s needs at lower cost to customers and an acceptable level of risk, especially for resources designed primarily to deliver clean energy rather than capacity.

Similar to the conversation around non-firm transmission products, relaxing interconnection requirements can help Avista get more out of the region’s constrained transmission system. The draft RFP currently requires generators to be connected to the grid via Network Resource Interconnection Service (“NRIS”). While this is a common requirement, Avista may benefit from allowing bids to select Energy Resource Interconnection Service (“ERIS”), a product which is curtailable under severe grid conditions but does not require the expensive and time-intensive transmission upgrades associated with NRIS. ERIS designation can help projects get connected to the grid more quickly and at lower cost, which can relieve near-term interconnection bottlenecks, facilitate more efficient use of the region’s constrained transmission system, and support Avista’s clean energy progress. Reducing the stringency around interconnection service makes sense particularly in the context of energy-only resource needs, which will become increasingly common as the region transitions to clean energy.

We support Avista’s treatment of interconnection cost estimates in bids, which are optional rather than required. The 2025 RFP is aligned with Avista’s 2025 Interconnection Cluster Study, which means that Phase I interconnection cost estimates “will be available to bidders in a timely manner so that cost information can be incorporated into their Detailed Proposals.”⁶ This optionality is helpful because interconnection cost estimates can and do change, especially when there is attrition from a cluster study area.

4. We seek additional clarity on the Financial Evaluation component of the draft RFP

Avista’s Financial Evaluation approach outlined in Exhibit D, Section 2 provides that: “Initial Proposals will be evaluated based on a detailed analysis of their combined cost and contributed value to Avista’s resource portfolio.” In the 2022 RFP, the same category, though previously named Customer Energy Impact, explained that: “Proposals will be evaluated using a portfolio optimization approach to determine the mix of the lowest cost resources with the minimum impact to customer’s energy burden.”⁷ The language in the current draft RFP doesn’t necessarily suggest that Avista is using a portfolio optimization approach when evaluating bids. However,

⁶ Draft RFP, Section V

⁷ Avista 2022 Draft RFP, Exh. D, p. 3, available at <https://apiproxy.utc.wa.gov/cases/GetDocument?docID=39&year=2021&docketNumber=210832>

based on a conversation with Avista, it is our understanding that the Company *does* plan to use a portfolio optimization approach. Such an approach allows the Company to capture the full value that projects bring to Avista's system. This is particularly important for short and long duration energy storage, which provide unique system benefits that can be difficult to capture without a portfolio approach. RNW suggests the Company clarify its Financial Evaluation framework in a subsequent filing so that bidders have more confidence that their projects will be fairly and accurately assessed.

5. We encourage Avista to offer bidders room to negotiate on tariff treatment

Assessing the risk and potential impact of increased tariffs on bidding projects is incredibly challenging in the current political environment. Avista has attempted to do so by including an item around supply chain and tariff risk related to major component procurement: "[T]he major components are subject to foreign adversary supply chain risk or at significant risk of increased US import tariffs." If a bid falls within this category, it receives the highest point deduction. In all likelihood, many if not all of the bids Avista receives will fall into this category due to the sweeping nature of the Trump administration's tariffs. Given this reality and the subjectivity involved in this assessment, RNW recommends that Avista be as transparent as possible about how bids are evaluated against this criteria. We also recommend that the Company give bidders the opportunity to negotiate on tariff treatment as part of the RFP and contract negotiation process.

III. CONCLUSION

Renewable Northwest thanks Avista and the Commission for their consideration of our comments. We hope that the recommendations we have proposed will help Avista identify a least-cost portfolio of projects that supports the Company's progress toward achieving the state's clean energy standards.

Sincerely,

/s/ Katie Chamberlain

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