Attachment C

Redlined Version of PSE's

Draft 2022 DER RFP, Including Exhibits

202[illegible] RESOURCES~~DISTRIBUTED ENERGY~~ RESOURCES

Request for Proposals

January~~November~~ ~~15~~ ~~14~~7, 202~~1~~2

PUGET SOUND ENERGY

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List of Exhibits

Acronyms and Definitions

Term	Definition
ADMS	Advanced Distribution Management System
BESS	Battery Energy Storage System
BTM	Behind-the-Meter (BTM) refers to customer-sited resources (e.g., solar and BESS) that are connected to the distribution system on the customer's side of the utility's service meter.
CAISO	California Independent System Operator
CBI	Customer Benefits Indicator
Clean Energy Implementation Plan ("CEIP")	The Clean Energy Implementation is a four-year roadmap that guides PSE's clean electricity actions, programs, and investments for the years 2022-2025.
Clean Energy Transformation Act ("CETA")	PSE is obligated to meet the requirements of the Clean Energy Transformation Act ("CETA"), Chapter 19.405 RCW. CETA sets statewide policy goals for the elimination of coal-fired resources by December 31, 2025, 80 percent carbon free generation and overall carbon neutral electricity by 2030, and 100 percent carbon free electricity by 2045.
COD	Commercial Operation Date
DEI	Diversity, Equity, and Inclusion
DER	Distributed Energy Resource
Distribution System	Medium-voltage (12.5 kV-55 kV) infrastructure that carries electricity from a substation to customers; includes the substation transformer
DR	Demand Response
EIM	Energy Imbalance Market
ELCC	Effective Load Carrying Capability
EMS	Energy Management System
EV	Electric Vehicle
EVSE	Electric Vehicle Supply Equipment
FTM	Front-of-the-Meter (FTM) resources are interconnected to the distribution and transmission system.
Highly Impacted Community ("HIC")	As defined by CETA, "a community designated by the department of health based on the cumulative impact analysis required by RCW 19.405.140 or a community-located in census tracts that are fully or partially on "Indian country," as defined in 18 U.S.C Sec. 1151" [WAC 480-100-605]
IRP	Integrated Resource Plan
LI	Low-Income
Named Communities	Overarching term covering "Highly Impacted Communities" and "Vulnerable Populations".
PPA	Power Purchase Agreement

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ACRONYMS AND DEFINITIONS

Term	Definition
SCADA	Supervisory Control and Data Acquisition: a system of remote control and telemetry used to monitor and control the transmission and distribution system including substations, transformers, and other electrical assets.
VPP	Virtual Power Plant
Vulnerable Populations	As defined by RCW 19.405.020 (40), communities that experience a disproportionate cumulative risk from environmental burdens due to (a) Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguist isolation; and (b) Sensitivity factors, such as low birth weight and higher rates of hospitalization.
WUTC	Washington Utilities and Transportation Commission

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1. Introduction

Overview

This Distributed Energy Resources ("DER") Request for Proposals ("the DER RFP") seeks bids from qualified parties ("respondents" or "Respondents") to collectively supply a minimum of 129 MW of DERs by 2025 and 522 MW of DERs by 2031 to Puget Sound Energy ("PSE" or "the Company") to fulfill the Clean Energy Transformation Act ("CETA") compliance requirements,[1] and consistent with the Washington Utilities and Transportation Commission's ("WUTC") Order 05 issued in Docket UE-200413 on March 25, 2021. This RFP includes procurement of **distribution interconnected solar PV generation (includes ground and rooftop solar PV), Battery Energy Storage System ("BESS"), and Demand Response ("DR")** located within PSE's service area that can meet all or part of the Company's resource need, consistent with the requirements described herein. The DER RFP will be available on PSE's website at the following link: http://www.pse.com/RFP.

PSE's priorities for the DER RFP are as follows:

- Identify opportunities to add DERs to the PSE grid to meet system level capacity needs, increase PSE's clean energy portfolio, and explore additional DER grid benefits;
- Maximize customer benefits of DERs in every stage from procurement through the life-cycle of the DER equipment, focusing on Highly Impacted Communities[2] and Vulnerable Populations[3] ("named communities"), and
- Learn from Respondent submissions and resulting programs to inform future RFPs and program development.

[1] PSE is obligated to meet the requirements of the Energy Independence Act, Chapter 19.285 RCW and the Clean Energy Transformation Act ("CETA"), Chapter 19.405 RCW. The Energy Independence Act, also known as Washington State's renewable portfolio standards, requires PSE to acquire qualifying eligible renewable resources and/or renewable energy credits to meet 15 percent of its load. CETA sets statewide policy goals for the elimination of coal-fired resources by December 31, 2025, 80 percent carbon free generation and overall carbon neutral electricity by 2030, and 100 percent carbon free electricity by 2045.

[2] Highly Impacted Communities as defined at https://www.doh.wa.gov/DataandStatisticalReports/WashingtonTrackingNetworkWTN/ClimateProjections/CleanEnergyTransformationAct

[3] Pursuant to RCW 19.405.020 (40), "Vulnerable populations" means communities that experience a disproportionate cumulative risk from environmental burdens due to: (a) Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguist isolation; and (b) Sensitivity factors, such as low birth weight and higher rates of hospitalization. PSE further defined Vulnerable Populations in Chapter 3 of the draft 2021 CEIP.

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Acquisition Categories

Through this RFP, PSE plans to acquire DERs under two broad categories: 1) Turnkey Resources (**Category A)**, which are complete resources ready for deployment, and 2) Vendor Service Components (**Category B)** as described in Table 1 below.

Table 1. ***Acquisition Categories***

Category A: Turnkey Resource Acquisition
Applies to solar, DR, and BESS resources
Under this category, PSE requests bids for **turnkey pay-for-performance** for DR and BESS, ~~or~~ **ownership contracts** for ~~delivering~~ solar and~~,~~ BESS, or **Power Purchase Agreements (PPA)** for solar~~, or DR~~; refer to Table 4 for additional details.~~.~~ The purpose for obtaining bids under this category is to acquire: • Turnkey DR and BESS programs that maximize grid and customer benefits • Aggregated and individual solar and other DER resources that are accessible across multiple customer types
Category B: Vendor Service Components
Applies to future PSE DER Programs, including solar, DR, and BESS programs
Under this category, PSE requests bids for providing **program services where Respondents could select one or more service components** to bid on. PSE will use the bids to develop a portfolio of programs as outlined in the Company's Clean Energy Implementation Plan ("CEIP").[4] The purpose for obtaining bids under this category is to: • Apply diversity, equity and inclusion ("DEI") best practices by providing opportunities for small, diverse businesses to participate in the procurement process and maximize impact on the local economy • Leverage community organizations to maximize benefits to named communities.

Respondents can submit proposals under either Category A or Category B or can submit bids under both categories A and B. Multiple proposals under each or both categories are acceptable, but each proposal requires a separate response.

[4] *The complete draft of PSE's CEIP and instructions for providing comments are at https://www.cleanenergyplan.pse.com/ceip-documents*

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SECTION 1. INTRODUCTION

Respondents should note that PSE issued an All-Source RFP on June 30, 2021, which included DERs, however, no DER or DR proposals were received.[5] PSE will compare all resources in a combined analysis with the shortlists from both RFPs to ensure an optimal portfolio, consistent with WAC 480-107-009(4). PSE will pursue a resource procurement process that is accessible and fair for all Respondents and values Respondents with similarly equitable procurement processes. PSE encourages all Respondents able to meet the requirements of this DER RFP to participate, including Respondents representing minority-, women-, disabled- and veteran-owned businesses.

This DER RFP process may or may not result in one or more transactions by PSE. PSE reserves the right to modify and/or cancel this DER RFP to comply with changes to regulatory policy or federal, state, or local laws.

Resource Need

The integrated resource planning analysis, which evaluates and establishes the Company's capacity (physical reliability) and renewable energy (policy driven) needs, consistent with WAC 480-100-620, guides PSE's electric resource acquisition process. PSE's most recent Integrated Resource Plan (the "2021 IRP") includes a discussion of the electric planning standard and describes the methodology for analyzing the Company's resource needs. PSE filed the 2021 IRP in April 2021. The 2021 IRP includes an assessment of PSE's resource needs and can be found on PSE's website at the following link: http://www.pse.com/irp.[6]

Washington's new Clean Energy Transformation Act ("CETA") sets a trajectory for electric utilities, including PSE, to provide electricity that is carbon neutral by 2030 and 100 percent carbon-free by 2045. PSE's 2021 IRP modeling shows DERs as a growing part of PSE's electricity resource portfolio to "achieve targets at the lowest reasonable cost", per CETA requirements. PSE anticipates that in addition to new large-scale resources, a diversified portfolio of DERs, including distributed renewable generation, distributed BESS, and flexible DR resources will be necessary, at scale, to affectively execute its approach. PSE's 2021 CEIP has the same DER targets as the IRP, with the exception of DR. The CEIP does not include time-of-use programs in its DR target calculation because PSE is actively developing a time-of-use pilot to identify these savings. The targets identified in this DER RFP are aligned with the 2021 CEIP DER additions, as shown in Table 2 below.

[5] *See PSE's 2021 All-Source RFP: Proposal Summary Report at Docket UE-210220 (October 1, 2021), or at this link.*
[6] *See also WUTC Docket Nos. UG-200305 (natural gas) and UE-200304 (electric).*

Table 2. ***PSE's 2021 CEIP Incremental DER Additions through 2045***

Distributed Energy Resource Type	Incremental Resource Additions			Total
	2022-2025	2026-2031	2032-2045	
Solar	80 MW	180 MW	420 MW	680 MW
Battery Energy Storage	25 MW	175 MW	250 MW	450 MW
Demand Response	24 MW	167 MW	21 MW	212 MW
Total	**129 MW**	**522 MW**	**691 MW**	**1,342 MW**

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This RFP seeks to add DERs to PSE's portfolio, particularly the following types:

- **Distributed Solar (ground and rooftop):** PSE is seeking to acquire a minimum of 80 MW of distributed solar capacity by 2025 through this DER RFP. The longer-term goal is to acquire 180 MW of distributed solar capacity by 2031. These include both Front-Of-The-Meter ("FTM") and Behind-The-Meter ("BTM") solar installations from ground and rooftop solar installations.

- **Distributed Battery Energy Storage System ("BESS") (standalone or paired with solar):** PSE is seeking to acquire a minimum of 25 MW of BESS capacity by 2025 through this DER RFP. The longer-term goal is to acquire 175 MW of distributed BESS by 2031. This includes both FTM and BTM BESS installations that are either standalone resources or paired with solar installations. Distributed~~BTM~~ BESS is treated as a dispatchable resource ~~similar to Demand Response~~.

- **Demand Response ("DR"):** PSE is seeking to acquire a minimum of 24 MW of DR for winter peak reduction by 2025 through this DER RFP. The longer-term goal is to achieve 167 MW of DR for winter peak reduction by 2031. This includes any type of curtailable load at customer premises (e.g., space heating/cooling, water heating, lighting, EV charging, etc.) and dispatch of BTM batteries for load shifting during DR events. ~~At this time, PSE does not allow power export from BTM batteries that are not paired with solar to the grid.~~ DR acquisition will cover all customer sectors (residential, commercial, and industrial).

To be considered eligible under this RFP, all individual solar and BESS projects must interconnect to PSE's distribution system.[7]

PSE anticipates selecting one or more Proposals for all three resource types. PSE will evaluate any commercially viable distributed solar, distributed BESS, and DR that complies with all

[7] *See Schedule 152 and PSE's Small Generation Technical Specification 160.70 for requirements for distribution interconnected generators*

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applicable laws and regulations and meets the minimum qualification requirements described in Section 5 of this DER RFP.

PSE's Preferred DER Portfolio from Clean Energy Implementation Plan (CEIP)

PSE's 2021 CEIP preferred DER portfolio modeled a scenario that meets the 2021 IRP DER targets while balancing cost, customer benefits (especially for named communities), and a mix of customer participation structures. PSE expects this RFP to result in the acquisition of programs that provide the same benefits as in the preferred portfolio, but may not align fully with the specified program mix. PSE encourages Respondents, especially those responding under Category B, to use the preferred portfolio as informative as to the type and mix of programs PSE is interested in offering to customers. The programs listed in Table 3 below are representative examples and convey PSE's priorities, but are not a limitation of what programs PSE will accept. PSE currently offers "Green Power", "Solar Choice", "Net Metering", and "Community Solar" programs. Information on these programs is available at PSE's Renewable Energy Programs website.

Table 3. ***PSE's 2021 CEIP Preferred Portfolio***

PSE 2021 CEIP Preferred Portfolio	
Program	**Program Description**
PSE Customer-sited Solar + Storage Offering	PSE enrolls customers' solar + storage systems in an incentive program that can offset customers' load from the grid in response to operating settings or dispatch signals from PSE.
Commercial and Industrial (C&I) and Multi-Family Roof-top Solar Incentive	PSE offers upfront incentive to C&I and Multi-Family (MF) customers, discounting their upfront cost to install and own distributed solar generation throughout service territory.
3rd Party Distributed Solar PPA	3rd party installs/provides rooftop solar panels to customers throughout service territory. PSE off-takes Renewable Energy via PPA while the 3rd party is responsible for managing program and financing equipment.
Residential PSE Battery Leasing + Targeted Low Income (LI)	PSE installs batteries in customer homes. Customers pay a fee for backup power services; PSE uses battery to manage system/local peaks.
Residential and Commercial Roof-top Solar Leasing + Targeted LI	PSE offers to lease residential and commercial customers' rooftop space to install solar PV. Customer receives a recurring lease payment; PSE generates RE to supply grid.
Multi-Family Solar Partnership	PSE facilitates installation of solar PV at Multi-Family Unit buildings by connecting with technology providers and/or billing support to share production across units.

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PSE 2021 CEIP Preferred Portfolio	
Program	Program Description
Additional Community Solar (MF Focus)	PSE offers customers the ability to subscribe to the output of solar panels. Customers pay a monthly fee and receive a monthly credit for generation.
C&I Space for Batteries - Leasing	PSE leases space from/at C&I customers to deploy BESS to improve power quality and/or resiliency and manage system/local peak. Backup power for host customer as additional integration.
Demand Response Programs	Programs utilizing technologies to reduce customer loads during peak load events.

About Puget Sound Energy

Puget Sound Energy, a subsidiary of Puget Energy, is Washington State's oldest local energy company, providing electric and natural gas service to homes and businesses primarily in the vibrant Puget Sound area. PSE serves approximately 1.1 million electric customers and more than 790,000 natural gas customers in 10 counties. PSE meets the energy needs of its customers, in part, through cost-effective energy efficiency, procurement of sustainable energy resources, and far-sighted investment in the energy-delivery infrastructure. PSE employees are dedicated to providing great customer service and delivering energy that is safe, dependable, and efficient.

Please visit the company website at www.pse.com for more detailed information. A service area map depicting PSE's service coverage area as well as other pertinent company information may be found under the "Who We Are" tab.

PSE Core Values

PSE is committed to its core values of safety, honesty, responsibility, and integrity and has specific expectations of entities with which we do business. As such, PSE expects all suppliers to comply with all applicable laws and regulations, such as those pertaining to the environment, safety and employment, discrimination, and labor laws.

For more information, please review PSE's Responsible Contractor Guidelines and Corporate Ethics and Compliance Code:

- http://pse.com/aboutpse/VendorsSuppliers/Pages/Supplier-Contractor-Guidelines.aspx
- http://www.pugetenergy.com/pages/codeethics.html

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2. Category A: Turnkey Resource Acquisition

In order for a proposal to be considered, the bidding entity must demonstrate that it currently owns or has legally binding rights to develop or market the resource(s). The Respondent must also demonstrate an ability to meet the minimum requirements for eligibility, which can be found in Section 5 of this DER RFP.

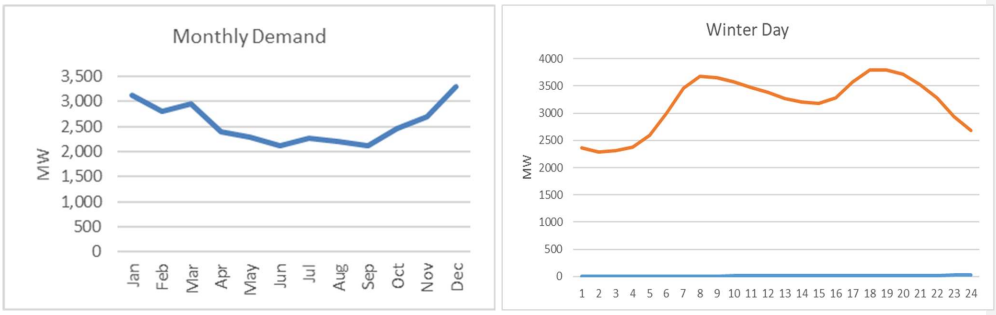
PSE will accept responses from consortiums or multiple parties in partnership to complete a Turnkey Resource. Proposals from consortiums or multiple parties must clearly identify the relationship (actual or proposed) among the parties for the purposes of a transaction with PSE, including the party (or parties) with whom PSE will have the contractual relationship.

Eligible Resources and Performance Requirements

Under Category A, PSE will consider turnkey contracts and ownership agreements for distributed solar, distributed BESS, and demand response. PSE has a dual need for resources to help meet the CETA requirement to achieve an 80 percent renewable or non-emitting resource portfolio by 2030, and to help meet the capacity need described in the IRP.

PSE's capacity needs are greatest in winter; therefore, PSE will evaluate DERs based on their ability to fill winter deficits while minimizing off-peak surpluses. Although PSE's resource need is expressed as a winter peak, PSE also has seasonal and daily capacity needs. PSE's effective load carrying capability ("ELCC") quantitative analysis will favor resources with production shapes that align well with PSE's load or that offer the ability to dispatch to meet load. Figure 1 below illustrates PSE's typical monthly load shape and its hourly load shape for a typical winter day. Proposals that can help meet seasonal (Nov.-Feb., Dec.-Feb. or Nov.-Mar.), heavy load hour (HE 0700-2200), and super peak (HE 0700-1000 and 1800-2100, Nov.-Feb.) needs, while reducing surpluses off peak, will benefit in PSE's quantitative analysis. Exhibit E: Schedule of Estimated Avoided Cost is provided as a reference for information on avoided cost by time and resource.

Figure 1. ***PSE's typical monthly and hourly shapes***



Resources that are dispatchable (BESS and DR), shaped to meet winter peak needs, or have generation profiles (for solar) that align well with PSE's load shape will perform best in PSE's analysis. PSE will consider the seasonality of the generation, the ability to control the resource's output to match PSE's resource needs (up to and including real-time dispatch and displacement), and contractual mechanisms to shape project output to need. Proposals must be consistent with the proposal requirements described in Section 5 of this RFP: Minimum Proposal Requirements, Exhibit B: Proposal Requirements Forms, and Exhibit K: Requirements List. PSE encourages qualified respondents representing individual projects interconnected to PSE's distribution system to participate in this DER RFP. Table 4 below lists the resource types PSE plans to acquire under Category A. PSE anticipates selecting one or more proposals to meet the cumulative need for each resource type.

Table 4. ***Resource Types***

Resource	Description	Ownership
Solar	• Minimum 80 MW cumulative needed by 2025 • Includes Front-Of-The-Meter (FTM) and Behind-the-Meter (BTM) solar • FTM projects must interconnect to PSE's distribution system	~~Power Purchase Agreement (~~PPA~~)~~ / Ownership
Battery Energy Storage System (BESS)	• Minimum 25 MW cumulative needed by 2025 • Includes FTM and BTM BESS ~~(BTM BESS for load shifting included under DR; grid export not allowed for BTM BESS)~~ • BESS could be either standalone or paired with solar for both BTM and FTM systems.	Pay-for-performance contract / Ownership

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	• FTM projects must interconnect to the distribution system	
Demand Response	• Minimum 24 MW cumulative needed by 2025 • Includes any type of curtailable BTM load at customer sites that could be dispatched (load shed and/or load shift) during DR events in response to grid needs • Includes distribution and transmission interconnected customers	Pay-for-performance contract

Resources currently taking service under Schedule 91 or Schedule 92 PPAs must complete the full term they selected under those Schedules and as noted in those PPAs. These resources may bid into an RFP for the years after/outside the obligated term under those Schedule 91 and Schedule 92 PPAs.

Type of Connection and Control

The type of connection and control for the three types of DERs listed above in Table 4 vary by resource size and whether the resource is FTM or BTM aggregated resource. Figure 2 below represents the types of control for the different types of DERs, differentiated by size and whether they are FTM or BTM resources.

To prepare for the significant amount of DERs, PSE is currently developing a virtual power plant ("VPP") platform for the operational integration of a sizeable DER presence on PSE's system as dispatchable network resources. In order to monitor, dispatch, and track these resources, it is PSE's preference that all resources (particularly dispatchable resources) be integrated into PSE's VPP platform, see the energy delivery section of the qualitative scoring rubric in Exhibit A: Evaluation Criteria and Scoring.

The two types of control for DERs are (1) SCADA or (2) PSE's VPP.

- **SCADA control***:* PSE requires that all FTM DERs of greater than or equal to 2 MW capacity be SCADA controlled.

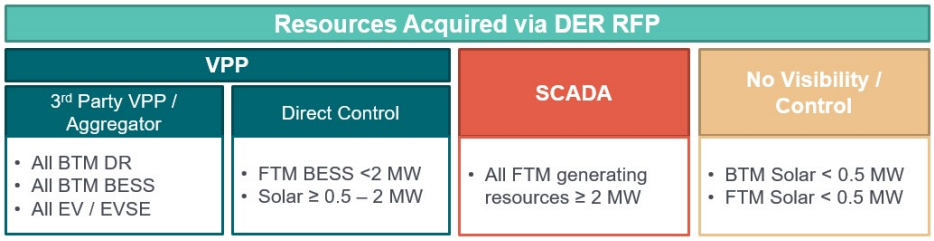
- **VPP integration:** PSE requires that all aggregated BTM DERs be integrated with PSE's VPP, except for solar less than 0.5 MW. FTM solar greater than 0.5 MW and less than 2 MW, and FTM BESS less than 2 MW, also require integration with PSE's VPP.

PSE is in the process of updating its "Technical Specifications for Small Generation Interconnections" for generation interconnecting to PSE's distribution system, and PSE anticipates that the updated version will be published and publicly available in ~~January~~ mid-February 2022~~, prior to the final version of this RFP being issued~~. ~~Accordingly, c~~Capacity thresholds for SCADA interconnection ~~may change~~will not change~~, and PSE will update the final~~

~~version of this RFP to reflect any such changes~~in the updated Technical Specifications. Respondents with bids subject to the Technical Specifications for Small Generation Interconnections are required to adhere to the published version of the Technical Specifications and interconnection process.

PSE does not require monitoring and control of FTM solar resources with less than 0.5 MW capacity. These resources need to be metered but do not need to be monitored and controlled using either PSE's SCADA or VPP platform.

Figure 2. ***Types of Control for Acquired DERs***



The specific requirements by resource type are listed below. Also refer to Exhibit K: Requirements List for general requirements across the different DERs. ~~Respondents can provide suggested redlines to Exhibit K if a requirement cannot be met.~~ Not being able to meet the requirements labeled "Must Have" in Exhibit K and Exhibit B: Proposal Requirements Forms (Tab 4) will not automatically eliminate a respondent. PSE requests that respondents unable to meet the requirements in Tab 4 of Exhibit B~~, explain what their capabilities are instead~~provide an explanation as to how their proposal still meets PSE's needs. PSE will compare respondent capabilities with PSE requirements in its evaluation.

Solar

Distributed solar resources acquired through this RFP can be either FTM or BTM solar resources. Table 5 below lists the type of connection for distributed solar resources.

Table 5. ***Distributed Solar Connection Type***

Category	Type of Connection
FTM Solar ≥ 2MW	Connected to PSE's SCADA system
FTM Solar ≥ 0.5MW and <2MW	Connected to PSE's VPP

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Category	Type of Connection
FTM Solar < 0.5 MW	Metered; not connected to either SCADA or VPP
BTM Solar < 0.5 MW	Control not applicable. PSE does not require visibility through VPP platform.

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Requirements for the above-referenced solar categories are as follows:

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- Solar Resources must interconnect as Tier 1, Tier 2, or Tier 3 under Schedule 152: Interconnection with Electric Generators.
- All resources will require interconnection following PSE's established processes and technical standards, linked at the Distributed Renewables website.
- Respondents for solar generation must have the capability to measure performance and communicate performance data to PSE.

PSE's cross-Cascades transmission path, the Intermountain Power ("IP") line, which crosses the Cascade Mountains to Kittitas County is fully subscribed. System upgrade costs from previously proposed distributed renewable projects in Kittitas County have proven to be cost-prohibitive because they trigger an upgrade to the IP line. PSE expects that solar projects proposed in Kittitas County will likely result in the same cost-prohibitive system upgrades. The Hosting Capacity Map, linked in Exhibit L: Resources, shows the location of capacity for generation resources on PSE's system, which reflects lower interconnection costs.

The Information and Operation Technology (IT/OT) specific requirements, depending on the type of connection and control are described under the IT/OT Requirements section as well as in both Exhibit B: Proposal Requirements Forms (Tab 4) and Exhibit K: Requirements List.

Battery Energy Storage System (BESS)

PSE will evaluate BESS on a value ~~fit~~ add basis, and based on the evaluation process described in Section 4 and Exhibit A: Evaluation Criteria and Scoring of this DER RFP. The evaluation of BESS will consider the additional benefits BTM BESS provides in terms of providing back-up power to customers, and allowing customers to load shift in response to time-varying rates.

Table 6 below lists the type of connection and control for distributed BESS.

Table 6. ***BESS Characteristics***

Category	Type of Control

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FTM BESS ≥ 2 MW	Directly controlled using PSE's SCADA
FTM BESS < 2 MW	Integrated with PSE's VPP platform
BTM BESS	Aggregated BTM batteries, controlled either by an aggregator VPP or individual APIs, which in turn communicate with PSE's VPP. ~~This is covered under Demand Response~~

The requirements for these BESS categories are described below.

The proposed FTM BESS configuration (pricing, O&M costs, lifecycle, and warranties) in Exhibit B: Proposal Requirements Forms (Tab 3b) should reflect the following operating characteristics (shown in Table 7 below); however, PSE will consider other operating characteristics proposed by respondents. Respondents choosing other operating characteristics should describe them thoroughly in their response.

- Full cycle – PSE may charge and discharge all usable energy[8] on average one time per day 365 days per year.

Table 7. ***BESS configuration characteristics***

Full Cycles Per Year	Maximum Annual MWh Discharged
Average 1 cycle/day & 365 days/year	1,752~~730~~ MWh per installed MW

Due to the unique risks associated with ownership of BESS and PSE's limited experience, PSE prefers lithium ion technology for ownership proposals ~~and PPAs~~ for FTM BESS resources acquired through this RFP, see the technology risk section of the qualitative scoring matrix in Exhibit A: Evaluation Criteria and Scoring. Proposals must describe the BESS they propose to deploy and provide information regarding the following:

- Installation information: Proposed targeted customer sites for installing the BESS and a conceptual site layout

- BESS characteristics, including:
  - forecasted charge and discharge cycles,
  - roundtrip efficiency and losses,
  - proposed energy management and control systems, and

[8] *Usable energy will be evaluated as the total energy available to be discharged, without voiding the warranty or minimum state of charge requirements, and is defined as rated MW capacity multiplied by hours of run time at rated capacity.*

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- methods of communication to ensure they can be reliably dispatched and controlled using PSE's SCADA or PSE's VPP (see Table 6).

- Proposals should include only batteries and associated equipment (transformers, inverters, controllers, etc.) from industry-recognized top-tier battery suppliers and integrators.[9]
- Proposals should include a full description of the battery technology proposed including history of successful implementation for the application proposed.
- Proposals should indicate the names of the manufacturers of all the major system components along with their history in providing equipment in similar applications.
- Proposals should state the design life of the batteries selected and detail plans for operation as they degrade in performance, as well a plan for ultimately replacing and recycling the batteries upon end of life.
- Proposal should include a fire protection system and address fire and explosive gas detection, prevention, and mitigation.
- Proposals should include a description of the manufacturer warranties/guarantees for all major equipment in the system including batteries, inverters, control systems, generator step-up ("GSU") transformers, etc.
- Proposals should include a conceptual description of the proposed cooling system.
- Proposals should include documentation including system and equipment compliance with appropriate governing agencies and standards including Federal Energy Regulatory Commission ("FERC"), North American Electric Reliability Corporation ("NERC"), Western Electric Coordinating Council ("WECC"), Underwriters Laboratories ("UL"), Institute of Electrical and Electronics Engineers ("IEEE"), National Electrical Code ("NEC"), Industry Foundation Classes ("IFC"), etc., as applicable.
- All proposed design engineering firms and project constructors should have proven expertise and experience in projects of similar scope and size.

Additionally, the supplier will be required to fulfill the following general requirements:

- Conduct a site inspection to determine the feasibility and safety of installing BESS at the provided customer location.
- Obtain all permits associated with any work required.

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[9] *Some examples of top-tier battery manufacturers include Samsung, BYD, LG Chem, Tesla, A123, Beacon Power, NEC, Saft, NGK and Toshiba.*

- All FTM BESS systems must be interconnected on the utility-side of the revenue meter and operate in parallel with PSE's electric system and must meet the interconnection requirements per Schedule 152: Interconnection with Electric Generators.

The IT/OT specific requirements, depending on the type of connection and control are described under the IT/OT Requirements section as well as in both Exhibit B: Proposal Requirements Forms (Tab 4) and Exhibit K: Requirements List.

Demand Response

PSE is seeking bids from qualified firms to develop DR resources covering all customer sectors – residential, commercial, and industrial. PSE's primary objective through the DR resource acquisition is to achieve winter peak demand reduction. Through this DER RFP, PSE seeks to acquire a minimum 24 MW of DR by 2025 for winter peak reduction, with a longer-term goal of developing 167 MW of DR by 2031 for winter peak reduction. PSE's secondary objectives for DR resource acquisition are to achieve summer peak demand reduction and to utilize DR for providing additional types of grid services (e.g., ancillary and load following services) with flexible loads that are available year-round. There is no minimum size threshold requirement for stand-alone or aggregated DR resources to be eligible for the DER RFP.

Additional details on Demand Response are available in Exhibit J: Demand Response Addendum.

Respondents are required to respond to the DR-specific items listed in Exhibit B: Proposal Requirement Forms (Tab 3c). Respondents should provide responses for a five-year contract period of 2023-2028. Respondents may also propose alternate proposals with a longer contract period (e.g., 10-year contract over 2023-2033). PSE expects a ramp up rate for all resources, especially behind-the-meter customer-sited resources. The minimum 5 year contract for DRs might be executed in early 2023, but PSE is not expecting full capacity to be achieved in that same year and will work with respondents on what a fair ~~scaling up would be~~ramp rate that aligns with its ~~to achieve its~~ 2025 targets.

DR will include the customer segments and combinations of end-uses and enabling technologies represented below in Table 8. Aggregate customer information (count and sales) is provided in Exhibit J: Demand Response Addendum. Respondents are not restricted to the types of DR represented in Table 8 and can propose additional types of DR beyond those listed here. **PSE will consider any type of end use control technology** (e.g., switches, thermostats, etc.), **delivery mechanism** (e.g., direct install, bring-your-own-device [BYOD], etc.), **or combination of technologies and delivery mechanisms**, provided the proposed solution meets PSE's primary objectives.

Table 8. ***Demand Response Characteristics***

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Type of DR	Eligible Customer Classes / Devices	Controlled End-Uses and Enabling Technologies
Direct Load Control	• Residential • Small/Medium Commercial Customers with ≤ 150 kW max. demand[10]	• Space heating/cooling control via thermostats • Water heating controls These devices would be directly controlled by aggregators communicating with PSE's VPP.
Behavioral DR	Residential	No control: customers are free to make any type of load adjustments.
C&I Curtailment	Large C&I customers with >150 kW max. demand	• Custom curtailment strategies, depending on the type of facility (can be either manual curtailment or Auto-DR). • Facilities could also shift load to back-up generators as long as emissions regulations are fulfilled. Controlled by aggregators communicating with PSE's VPP.
Electric Vehicle ("EV") Managed Charging	Passenger and Fleet EVs	• Control of EVs/EVSEs during DR events at home (single-family and multi-family) and at workplaces • Managed charging of fleet vehicles. Controlled by aggregators communicating with PSE's VPP.
BTM Battery Dispatch	BTM batteries across all customer classes (Residential, Small/Medium C&I, Large C&I)	• Dispatch of BTM batteries during DR events for home/facility load shifting. ~~*Grid export not allowed for standalone BTM batteries.*~~ Controlled by aggregators communicating with PSE's VPP.

[10] *Customers in Rate Schedules 24 and 25.*

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PSE plans to utilize DR resources to fulfill the Company's primary and secondary objectives outlined below. In addition to calling DR events for fulfilling PSE's primary and secondary objectives, DR events can be triggered at any time due to system emergency conditions.

DR Performance Requirements for Fulfilling PSE's Primary Objective

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PSE's primary objective is to utilize the DR resources for achieving winter peak load reduction. In order to fulfill this objective, DR resources must meet the following minimum performance requirements:

- Be available to provide load reduction during winter events that typically occur during weekday peak hours, between 6 a.m. to 10 a.m., and 5 p.m. to 9 p.m., from November 1 through February 28 (29).[11] PSE may call DR events outside these time windows, but Respondents will not necessarily be expected to provide the same level of curtailment.
- The combined total duration of events from November 1 through February 28/29 shall be no more than 40 hours per individual device, and PSE shall call up to 10 events.
- A maximum of one event per day per device may be called, and event duration shall be a minimum of 1 hour and a maximum of 4 hours per device~~. Events will not be called on more than two consecutive days~~.
- Capacity must be dispatchable with one of the following notification options: (1) hour ahead, (2) day ahead, or (3) a combination of hour ahead and day ahead.
- Provide real-time (≤15 seconds) resource delivered data in MW

Payments for contracted capacity will be dependent on the r~~R~~espondent's ability to ~~will incur damages for failing to~~ deliver contracted capacity during a dispatch event. Failure to deliver all or a portion of contracted capacity will result in a reduction of payment, terms of which will be discussed during contract negotiations.

DR Performance Requirements for Fulfilling PSE's Secondary Objectives

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PSE's secondary objectives for DR are as follows:

- Year-round availability to enable load curtailment during summer and shoulder months, if needed.
- Develop flexible DR capability that provides fast response (10 minutes or less) and greater integration of DR dispatch with grid monitoring.
- Schedule DR Resources in wholesale market operations and bid DR in CAISO's Energy Imbalance Market (EIM) and accordingly follow the EIM performance requirements.

[11] *PSE uses a daily forecast high below 40 degrees Fahrenheit and/or a forecast low below 30 degrees Fahrenheit to trigger a higher state of readiness for peak load. DR events can also be triggered at any time to address system emergency conditions within the program parameter constraints.*

- Offer potential for energy arbitrage by shifting consumption from high-priced to low-priced periods.
- Provide additional products/services (other than EE) that could be bundled with the DR program offering to enhance customer engagement, service, and satisfaction.

These performance requirements related to fulfilling PSE's secondary objectives are further described in Exhibit J: Demand Response Addendum.

Additionally, Exhibit J: Demand Response Addendum presents additional details relevant for DR proposal submission.

Implementation Plan

The Respondent should include a detailed plan for implementing customer resources necessary to acquire and deliver the DERs to PSE. When preparing the Implementation Plan, Respondents should refer to the Implementation Plan requirements provided by resource type in Exhibit B. The Respondent should highlight plans to contract and partner with local businesses that align with their goals. The Implementation Plan should provide the manner and timing in which Respondent and its subcontractors plan to conduct the implementation activities described below and address, at a minimum, the following subsections:

Marketing, Customer Recruitment and Enrollment

Respondent shall perform tasks related to recruiting customers, including marketing, advertising and execution of a Participant Services Agreement. PSE values its relationships with customers. Service partners should understand these relationships, and combine a high degree of technical expertise with superior customer-focused awareness and service during planning and implementation. It is PSE's preference to 'own' the customer relationship with the selected Respondent and co-coordinate DER implementation efforts with the selected respondent(s) and PSE's Product and Services teams and other customer service and program implementation conduits, see Exhibit A: Evaluation Criteria and Scoring for scoring implications for owning the customer relationship.

Each Proposal must describe how Respondent will market participation in any proposed resource to PSE's customers, further details of which are listed in Section 3 (Customer Outreach and Enrollment), and how Respondent will coordinate program outreach and education activities with PSE to ensure consistent messaging. At a minimum, PSE must be able to review and approve all customer-facing marketing materials, which may include PSE branding or co-branding of programs (see Exhibit M: Co-Branding and Customer Interaction Requirements). Each Proposal should also describe how Respondent will support a seamless and positive customer experience for all resource participants throughout all aspects of their participation including pre-enrollment, enrollment, incentive payments, notifications, operations and events, and un-enrollment processes. If available, proposal should include proposed evaluation metrics and any

required data that would be needed to monitor success. If a Respondent chooses to do so, a Respondent could offer minimal marketing, and rely on PSE to provide marketing support as required. Respondents shall perform tasks related to scheduling customer visits for audits and/or installation and testing.

The Respondent's Implementation Plan must include a Customer Acquisition Plan that clearly identifies the customer classes to be targeted for recruitment and specifies their marketing strategy. The Implementation Plan must highlight the Respondent's capabilities and experience in marketing customer-side programs to utility customers. Respondents must provide the methodology used to project the number of customers and plans to recruit and enroll customers in customer-side programs. The Plan must also identify the tasks required before the recruitment process begins, including a timeline. Respondent should articulate if and how local entities will be performing customer recruitment, especially for named communities.

Technology Provision

Respondent shall provide the customer-sited device (if applicable), Virtual End Node (VEN), and Virtual Top Node (VTN), as follows:

- *Customer-sited Device* - The device, which is connected to the VEN on the customer side of the meter, is the equipment that ultimately provides the response that results in a grid service. This applies to all BTM dispatchable resources.
- *VEN - Virtual End Node*, also known as a gateway. The VEN is a device that allows communication between the customer-sited devices and the Respondent's VTN, which will participate during a DR event by connecting to PSE's VPP Platform. The VEN could be at the device itself (e.g., thermostat) or it could be a cloud-based VEN.
- *VTN - Virtual Top Node*, also known as a head-end. The VTN signals customers VEN to start and end event participation. VTN can also send price signals to VEN's. In this instance, there are two types of VTNs: Respondent VPP platform/individual APIs and PSE's VPP platform.

At a minimum, the Plan should cover the following (if applicable):

- *Installation of Customer-sited Devices:* All efforts associated with the installation of, or retrofitting of, a customer-sited device such that the device is enabled and can perform to an event signal from the Respondent's VEN or VTN. Respondent should articulate if and how local entities will be performing the installation or retrofit.
- *Commission VEN:* Respondent shall perform tasks related to purchasing VEN, installing VEN, connecting VEN with VTN, and verifying VTN to VEN connection and resource response during test events. Respondent should articulate if and how local entities will be performing the VEN commissioning.

- *Operation of VTN:* Operations performed by a VTN include, but are not limited to, provisioning of VENs, execution of events, contacting participants, tracking participant information, and reporting related to events and participation.

The Company has specified technical design principles for the architecture. These are described under IT/OT Requirements in this section and identified in Exhibit K: Requirements List. The Respondent's technology solution must adhere to those principles and requirements. They include:

- Cyber Security
- Scalable Solution
- Leverage Industry Protocols
- Interoperability

The Respondent's Implementation Plan should clearly explain the technical solutions to be employed by the Respondent. PSE reserves the right to require a field demonstration of technical solutions proposed by Respondents if they are unproven technologies.

The Plan should also explain how the Respondent's systems are logistically operated including staffing levels, server locations, communications requirements, and the availability of secure communications networks.

In the Plan, the Respondent should clearly identify the responsibilities of PSE, if any, necessary to implement the technical solution, including required integration with the Company's back-office systems.

Operations and Maintenance

- *Customer Maintenance:* Respondent shall perform tasks related to the customer premise, maintaining customer devices and/or VEN's, addressing customer inquiries and performing baseline calculations for purposes of determining customer performance. Respondent should articulate if and how local entities will be performing the customer maintenance, if applicable.
- *Measurement & Verification (M&V)* – For all dispatchable BTM resources, M&V is the use of data to quantify customer performance when the resources are dispatched. PSE is currently deploying AMI meters across all customer classes, and deployment is scheduled to be complete by the end of 2023. AMI interval meter data can be used to measure customers' performance, which in turn can be used for incentive payments. For customers with pending AMI meter installation by PSE, M&V requirements will be waived until their AMI meter is installed. Respondents should provide a sub-meter or on-board resource telemetry for measurement purposes, where applicable.

- *Settlement* – Respondent shall perform tasks related to settlement of compensation for the provision of DERs. Respondent shall submit settlement results to PSE for delivery of customer incentive.

The Respondent's Implementation Plan should address its plan for the installation of VENs/gateways and other in-premise devices, including personnel requirements, transportation requirements, scheduling practices, customer service level requirements, installation status reporting practices and safety training and practices. The Plan must identify any subcontractors to be used for this work, or if such subcontractors have not yet been identified, then a plan for identifying and retaining subcontractors. Respondent should articulate if and how local entities will be performing the installation or retrofit.

The Respondent must describe its plan for providing service related to customer and/or Company-initiated trouble calls, repairs and other field services. Respondents are expected to meet all industry standards.

Continuity of Business Plan

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A Continuity of Business Plan will be required, and must demonstrate how the enabled devices will be capable of containing the delivery of grid services in accordance with contractual obligations in the event of a Respondent's default or bankruptcy. The Continuity of Business Plan will elaborate on how the Respondent will provide the Source Code, which provides the compilation, linking, packaging and platform requirements of equipment (inverters, energy storage system, DVAR equipment and additional applicable equipment), or other means to provide surety of operations for PSE.

Achieving Performance Requirements

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The Respondent shall prepare information in the Implementation Plan to clearly depict the overall approach to portfolio design and management such that the Respondent can be reasonably expected to meet the bid and the contractual obligations as set forth in this DER RFP. The Respondent may include information about the expected load shapes of the customers and load profiles of associated participating devices, the analysis employed to derive the quantity of services to be committed, the risk adjustments made and applied to the assumptions to minimize exposure to failure to meet obligations, and so forth.

DER System Support and Maintenance

The respondent should provide details in the Implementation Plan of their system support structure including staffing, response and resolution Service Level Agreements, process for opening and tracking incident tickets, process for maintaining SW currency, periodic maintenance and upgrades.

The respondent should provide details regarding their long term plans to keep currency of their compliance to communication and control standards related to their technology such as (but not

limited to) openADR, Sunspec, IEEE 2030.5, etc. ~~c...~~ a~~A~~s these standards are likely to evolve.~~,~~ PSE wants to make sure the respondents are able to support evolutions of these standards in their roadmap.

The respondent should provide details of their data and records retention and disposal policies in relation to the solution they propose to PSE.

DER System Customer References

The respondent should provide a list of reference customers that PSE can contact in order to gather information regarding their experience with the respondent's system integration and support services performance.

IT/OT Requirements

There are two main types of DER connection types that PSE is requesting in this RFP. The first is aggregated DERs interfacing with PSE's VPP. The second type is direct connected DERs to PSE's system with monitoring and control through PSE's VPP or EMS / ADMS depending upon size and electrical level of connection. ~~A~~ There is a common set of requirements ~~apply~~ that apply across both cases, ~~and there are~~as well as requirements specific to each case. The common and specific requirements are described in Exhibit K: Requirements List, including requirements tagged "IT" and "Operations". In addition, the Respondent must complete the questions found in Exhibit B: Proposal Requirements Forms (Tab 4). Not being able to meet the requirements labeled "Must Have" in Exhibit K and Exhibit B: Proposal Requirements Forms (Tab 4) will not automatically eliminate a respondent. ~~PSE requests that respondents unable to meet the requirements in Tab 4 of Exhibit B, explain what their capabilities are instead.~~ PSE requests that respondents unable to meet the requirements in Tab 4 of Exhibit B provide an explanation as to how their proposal still meets PSE's needs. PSE will compare respondent capabilities with PSE requirements in its evaluation.

The connection types are described below with graphical representations of each type. Note that the types here apply to the different types of DERs shown in Figure 2 "Types of Control for Acquired DERs" and Table 4 "Resource Types".

System Descriptions and Diagrams by Types of Control

Aggregated DER

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The Aggregated DER case is for BTM DERs that are connected to PSE's system and that PSE has indirect visibility, control, or influence over. The DER aggregator will respond to the commands from the PSE VPP shown on the left in Figure 3 below by DER type. In addition, the DER aggregator will provide a variety of forecasting, presently available, and current production information by DER type (see Figure 3). Respondents should respond to any requirement in Exhibit K: Requirements List tagged with "Aggregator" for this type of DER control.

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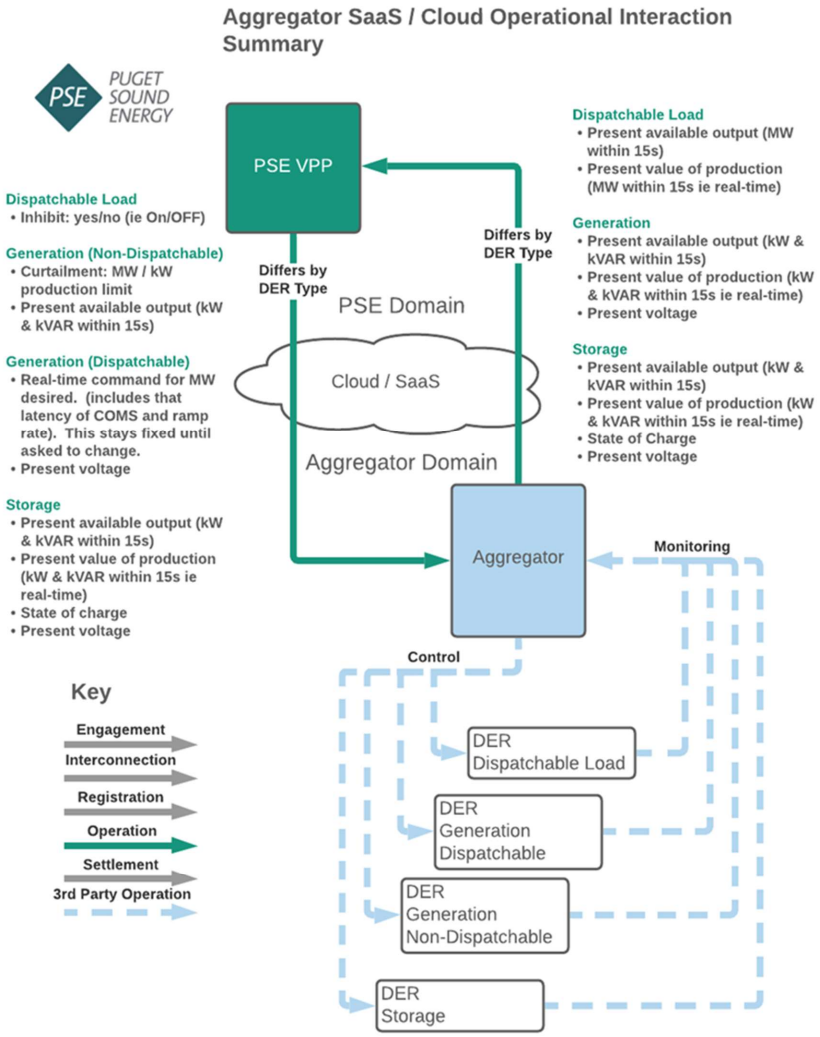
Figure 3. ***DER Aggregator***



Direct Connect DER with monitoring & control in PSE's VPP

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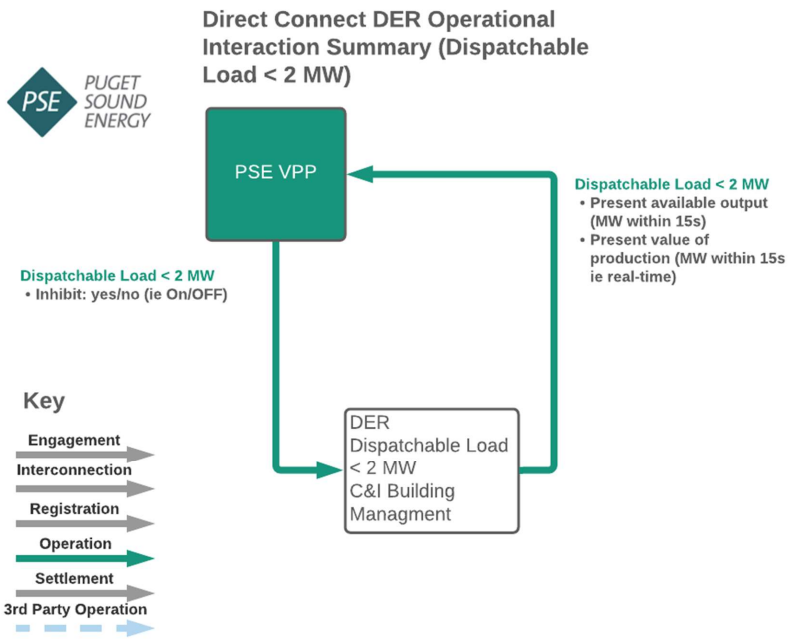
Monitoring and control for directly connected solar resources greater than or equal to 0.5 MW and less than 2 MW, or BESS less than 2 MW, are shown in Figure 4 below. The interactions for these types of DERs consist of control and forecasting interactions. Respondents should respond to any requirement in Exhibit K: Requirements List tagged with "Direct Connect" for this type of DER control.

Figure 4. ***Direct Connect < 2 MW***



Direct Connect DER with monitoring & control in PSE's EMS / ADMS

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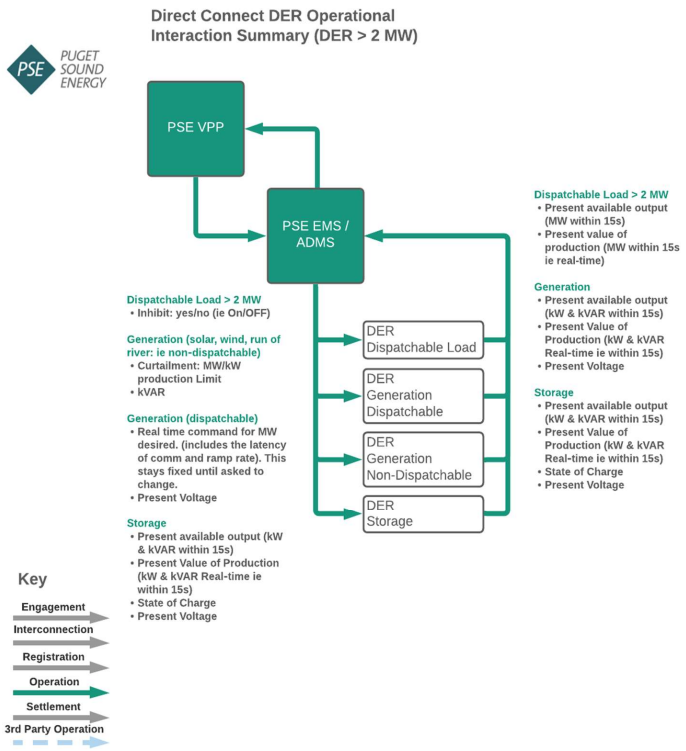
Monitoring and control for directly connected resources that are greater than or equal to 2 MW are shown in Figure 5. These types of resources require monitoring, control, and protection from PSE's EMS and/or ADMS systems. The interactions for these types of DER are more complicated and consist of control and forecasting interactions separated by type. Please respond to any

requirement in Exhibit K: Requirements List that is tagged with "Direct Connect" for responses with DERs greater than or equal to 2 MW.

Figure 5. ***Direct Connect ≥ 2 MW***



Requirements by Category Type

The requirements in Exhibit K: Requirements List are separated by functional areas including Business, Engineering, IT, Load Office, Operations, and Planning. Each requirement is tagged by the primary type of DER control: Aggregator or Direct Connect. In general, most of the business and load office requirements apply to all DER control types, while engineering, IT, operations, and planning requirements apply to one or more DER control types. These two different aspects of the requirements, as shown below, introduce complication but are intended to meet the

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Commission's goal of broadly enabling interconnection of DER into PSE's system to meet the long-term energy goals.

Please review each requirement by functional group and respond to any requirement in Exhibit K: Requirements List that is tagged for the applicable type of DER resource. Note that the Direct Connect can apply to DER < 2 MW and to DER ≥ 2 MW. The primary difference is that PSE expects that DER ≥ 2 MW will be monitored and controlled in PSE's EMS or ADMS system depending upon a variety of factors including size, interconnect voltage, and type of DER.

Pricing

Respondents should refer to the pricing sheets by resource type in Exhibit B: Proposal Requirements Forms and must follow the pricing structure outlined below. Respondents are encouraged to review Exhibit E: Schedule of Estimated Avoided Cost.

Solar and Battery Energy Storage System (BESS)

The price for solar and FTM BESS must be expressed in one of the following three options outlined below. Pricing for BTM BESS is included under Demand Response.

- *A fixed capacity ($/kW-year) and energy charge ($/MWh) for the term of the PPA:* In this case, respondents need to specify the fixed charges and the PPA term start and end dates for which the fixed charges are valid.
- A *first-year capacity ($/kW-year) and energy charge ($/MWh) with an annual escalation rate for the PPA term*: In this case, Respondents are required to provide the start year capacity and energy charges, an annual escalation rate, and specify the PPA term start and end dates.
- *Market Index premium/discount:* In this case, respondents need to specify the premium or discount over the Mid-C price forecast ($/MWh), see Exhibit E: Schedule of Estimated Avoided Cost.

For BESS, Respondents should indicate whether the pricing is for BESS paired with solar or standalone BESS.

The offer price should be inclusive of equipment prices, installation, and O&M charges. Additionally, Respondents need to separately specify the fixed O&M costs ($/kW-yr.) and variable O&M costs ($/MWh), which include maintenance and repair costs.

Respondents may also specify a buyout price and timeframe as part of their response.

For solar and FTM BESS where the ownership option applies, in which assets are transferred over for PSE's ownership, Respondents should specify the ownership start year and the ownership price.

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For PPAs, Respondents are required to include underlying fixed and variable cost of production. In PSE's view, a pricing structure that closely mirrors the actual cost structure of the project aligns the Respondent's and PSE's interests with respect to scheduling and dispatch.

Demand Response

Respondent should provide pricing for the collective products and services being offered under DR in sufficient detail such that PSE will understand precisely what is being proposed and how much the proposed products and services will cost. Respondents should provide this pricing information with the understanding that products and services must fulfill DR-specific performance requirements in fulfillment of PSE's primary and secondary objectives.

The Respondents shall reflect pricing in the Pricing Section Exhibit B: Proposal Requirements Forms (Tab 3c). Respondents are required to provide firm pricing for a five-year contract term as indicated in this pricing section. Respondents can submit alternate pricing proposals for a longer contract term if they choose to in addition to the required pricing for a five-year contract term for providing DR.

For DR, Respondents are required to provide pricing in the following format, broadly under two sections that correspond to PSE's primary and secondary objectives for DR (specified in Exhibit B (Tab 3c)):

Pricing for Fulfillment of PSE's Primary Objectives for DR

- *Pricing for Winter Capacity Events ($/kW-~~season~~event):* Respondents are required to provide an all-inclusive $/kW-~~season~~ event capacity charge for achieving winter peak demand reduction in fulfillment of PSE's primary objectives and the corresponding annual MWs for winter peak demand curtailment for each year of the contract period. Separately, Respondents must indicate the normalized customer incentive charges ($/kW-~~season~~event), which is included in the capacity charges. This needs to be specified for every year over a five-year contract duration.
- *Pricing for Delivered Energy ($/MWh):* Respondents can provide an optional energy charge ($/MWh) associated with achieving the winter peak demand reductions for the actual energy reduced during winter DR events.
- ~~*Total Annual Costs ($/year):* Respondents are required to provide a summary of total costs corresponding to the annual winter capacity rollout indicated in their proposal. These costs should include capacity charges, customer incentives, and any "other pricing elements" specified by the Respondent.~~
- *Estimated Breakdown of Costs by Category:* PSE's BCA model uses disaggregated resource costs from respondents as inputs to cost tests, used in evaluation.~~, and thus,~~ Respondents are required to provide ~~an estimated breakdown of the total annual costs (as percentage~~

~~of total costs) for~~costs for providing winter curtailment capacity by the following categories.

- *Program Startup Costs ($/kW):* Respondents are required to provide a summary of total capital costs corresponding to the installation of equipment necessary to achieve stated capacity and energy reductions.
- *Program Administration Costs ($/kW-year):* Respondents are required to provide a summary of ongoing administration and/or management costs corresponding to the duration of the 5-year contract.
- *Program Marketing Costs ($/~~kW~~ new participant*): Respondents are required to provide a summary of one-time marketing costs corresponding to the acquisition of new customers to program.
- *Customer Incentives Payments for Winter Peak Events ($/kW-event):* Respondents are required to provide a summary of program event incentive payments to customers necessary to achieve stated capacity and energy reductions.
- ~~Program startup costs~~
- ~~Software licensing~~
- ~~Marketing/Recruitment~~
- ~~Equipment Capital~~
- ~~Equipment Installation~~
- ~~Equipment Maintenance~~
- ~~Participant Incentives~~
- ~~Customer Service~~
- ~~Tracking and Reporting, M&V~~
- ~~Other (please specify)~~

Pricing for Additional Products/Services

Under this item, Respondents may provide pricing for year-round DR capacity in fulfillment of PSE's Secondary Objectives. This includes meeting capacity requirements during summer and shoulder months, and for providing the additional grid services identified as PSE's secondary objectives. PSE does not require that Respondents provide year-round curtailment capability, but the value of proposals may be enhanced by competitively priced curtailment capability beyond just the winter months. Respondents' pricing for additional products/services must specify the following:

- *Capacity charges, by ~~season~~event, for summer and shoulder months ($/kW-~~season~~event):* Respondents should indicate the pricing by ~~season~~ event for providing seasonal capacity in terms of $/kW-~~season~~ event for summer and shoulder months.
- *Pricing for additional grid services, as identified in PSE's secondary objectives:* Respondents should indicate the additional grid services that DR resources can provide (e.g., different types of ancillary and load following services) and the incremental capacity

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charges for providing these services. Respondents should specify the type of grid service and the associated pricing for that type.

3. Category B: Vendor Service Components

PSE's goal under this category is to secure responses to support the implementation of existing and new DER offerings, programs, and services to provide demand savings, renewable energy and related services to all PSE customers. PSE is seeking proposals for new and existing DER programs[12] and/or program support services that will produce electric demand savings and/or renewable energy from both residential and business customer sectors throughout PSE's service area. The purpose of Category B is to encourage and seek responses from local and diverse firms that specialize in providing specific types of services or working with specific communities, ~~and~~ but may not be equipped to offer turnkey solutions for deployment of DERs under Category A. Such services may include customer outreach and enrollment, equipment installation and/or maintenance, and program administration amongst others. Category B services will be integrated with PSE's internal capabilities to develop programs such as space leasing, partnerships, and DER equipment incentives. Respondents may provide proposals under both categories A and B.

Respondents to Category B are expected to provide indicative pricing (discussed further in the Pricing for Vendor Service Components section), and can expect to engage in negotiations with PSE to revise and finalize the proposal if selected for the short list. Respondents should anticipate a delay in contract development as compared to turnkey solutions due to the additional program evaluation step.

PSE will accept, and encourages, responses from consortiums or multiple parties in partnership. Proposals from consortiums or multiple parties must clearly identify the relationship (actual or proposed) among the parties for the purposes of a transaction with PSE, including the party (or parties) with whom PSE will have the contractual relationship.

PSE is committed to making this RFP accessible to small, diverse and local respondents. In order to encourage participation in this RFP from these types of respondents, PSE will be reaching out to potential respondents to notify them of the upcoming RFP and seek their interest in providing a proposal. This is not meant to show preference or limit applicants to those who are contacted, but to proactively build engagement with under-represented respondents pursuant to WAC 480-107-015(2).

DER Program Types and PSE's CEIP Preferred Portfolio

Table 9 below lists the representative DER programs in PSE's 2021 CEIP-preferred DER portfolio that PSE wishes to develop. PSE does not expect this RFP to result in the acquisition of all programs in the preferred portfolio, but the Company encourages Respondents to use the

[12] *See PSE's Renewable Energy Programs website*

preferred portfolio as an informative guide as to the type and mix of programs PSE is interested in offering to customers.

Table 9. ***DER Program Types in PSE's CEIP Preferred Portfolio***

Type of DER	Position	Customer Segments	Representative Program Types in Priority Areas
Solar	FTM	Residential *(multifamily and low income are priority segments)* C&I	PSE Community Solar- Multifamily PSE Community Solar – Low Income Rooftop Solar Leasing-Low Income 3rd Party Distributed Solar PPA
	BTM	Residential *(multifamily is a priority area)* C&I	Multifamily Solar Partnership C&I Roof-top Solar Incentive
BESS (standalone or paired with solar)	FTM	Residential C&I	C&I Space Leasing for Batteries
	BTM	Residential C&I	Residential PSE Battery Leasing-Low Income PSE Customer-Sited Solar+Storage Offering
Demand Response	BTM	Residential C&I	Direct Load Control- Smart Thermostats (Residential and Small C&I) Direct Load Control- Water Heaters (Residential and Small C&I) C&I Curtailment (Large C&I) BTM Battery Dispatch (all sectors) EV Managed Charging (passenger and fleet vehicles)

~~Error! Reference source not found.~~Table 3 in Section 1 provides brief descriptions of the programs in PSE's 2021 CEIP preferred portfolio listed above.

The program components for which PSE is seeking implementation support services are:

- Program Design
- Customer Outreach and Enrollment
- Equipment Installation
- Equipment O&M
- Program Administration
- Other

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Respondents may submit proposals for providing one or more service components listed above. PSE will evaluate the service components together with the Turnkey bids and PSE's internal capabilities to develop a portfolio of best solutions (represented in Figure 6 below). Respondents can propose a separate 'other' component if the services being proposed do not fit the above-mentioned service types.

Bid to Program Process (High-Level Example)

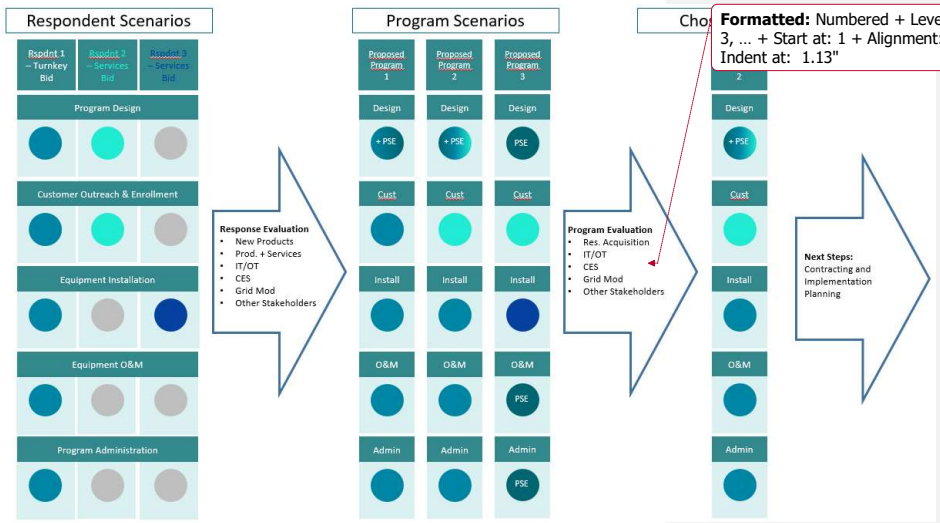

Figure 6.

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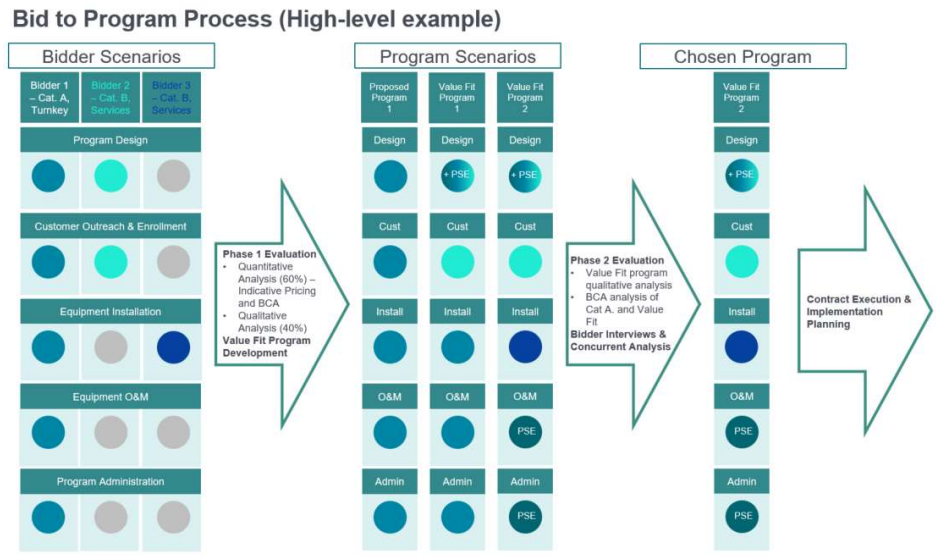

Respondents should refer to Exhibit C: Proposal Requirements Forms for the proposal requirements.

Component Descriptions and Requirements

Program Design

PSE's 2021 CEIP Preferred Portfolio includes representative DER programs PSE would like to develop as part of the Company's DER Portfolio, and highlights priority areas in which PSE is seeking development and deployment of DERs. PSE is also open to innovative and new DER program design ideas beyond those listed in PSE's CEIP Preferred Portfolio. Specifically, PSE seeks new offerings designed to help customers reduce peak grid loads, increase customer participation in clean energy programs, and maximize customer benefits from DERs in every stage, from procurement through the life-cycle of the DER equipment, focusing on Highly Impacted Communities and Vulnerable Populations (collectively, "Named Communities").

In this RFP, the key elements of Program Design are:

a) Type of DERs included (either singly or in combination) for the proposed program(s),

b) Targeted customer segments for the proposed program(s),

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c) Incentive design for the proposed program(s), and

d) Implementation plan for the proposed program(s).

Respondents should describe their experience in providing program design with a focus on innovative DER program design.

Written responses should demonstrate market readiness for an innovative idea and provide additional detail on the need for the program, savings sources and/or estimates, data supporting the need for the new approach, and any best practices or examples from other utilities implementing similar programs.

Customer Outreach and Enrollment

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Respondents proposing Customer Outreach and Enrollment services shall perform tasks related to recruiting customers, including marketing, advertising, and executing Participant Services Agreements. PSE values its relationships with customers. Service partners should understand these relationships and combine a high degree of technical expertise with superior customer-focused awareness and service during planning and implementation. It is PSE's preference to 'own' the customer relationship with the selected Respondent and co-coordinate DER implementation efforts with the selected respondent(s) and PSE's customer-facing program implementation teams. See Exhibit A: Evaluation Criteria and Scoring for scoring implications for owning the customer relationship.

Respondent should articulate if and how local entities will be performing the customer recruitment and enrollment. The proposal should indicate to what extent the Respondent would rely on PSE to provide marketing support as required.

The key elements of an Implementation Plan for providing Customer Outreach and Enrollment services are as follows:

- Customer Acquisition Plan that clearly identifies the customer sectors and segments to be targeted for recruitment with sector/segment specific marketing strategies.
- Types of DERs by customer segment (e.g., Community Solar for multi-family customers) and DER programs being considered (either from PSE's 2021 CEIP Preferred Portfolio and/or other programs not represented in the Preferred Portfolio).
- Respondent's capabilities and experience in marketing customer-side programs to utility customers.
- A description of the methodology used to project the number of customers that can be recruited and enrolled in customer-side programs over a certain period.
- Tasks required before the recruitment process begins, including a timeline.

- New or innovative ways of targeting specific customer segments, focusing on named communities.
- Eligibility recommendations, and how customers will be contacted and selected, or rejected, for participation.
- Customer communication channels and specific recruitment strategies that the Respondent has successfully utilized and proposes to employ in this proposal.
- Marketing assistance the respondent expects PSE to provide. This may include customer lists, customer billing records, letters of introduction, or support by PSE's customer service representatives.
- Overview of customer interaction points and expectations of customer and PSE. Selected Respondents must agree to the Customer Interaction Requirements found in Exhibit M: Co-branding and Customer Interaction Requirements. Respondents must explicitly state any exceptions that may be required for the proposal.
- Process used to track and report customer information to PSE.

PSE reserves the right to implement and/or coordinate all marketing activities. Specific and final Marketing Plans will be defined with PSE during contract negotiations. All marketing plans, materials, messaging, and deliverables must be reviewed and vetted through the DER program's designated PSE Marketing representative prior to implementation. The use of any third-party contractors or vendors must be reviewed and approved by the PSE marketing team. Respondent may include specific marketing activities, labor, and third-party vendor costs within budget and response, but all costs are subject to review and approval during the negotiation period.

Respondent's marketing and outreach strategies should consider how a DER program directly improves customer experience and satisfaction with PSE. If available, proposal should include proposed evaluation metrics and any required data that would be needed to measure success.

Equipment Procurement and Installation

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Respondents may submit proposals for providing "Equipment Procurement and Installation" service for a single type of DER (e.g., solar) or combinations of DERs (e.g., solar + BESS), and indicate the customer segments for which the Respondent proposes to provide this service.

Respondents may refer to PSE's 2021 CEIP Preferred Portfolio (see Table 9 above) for information on PSE's priorities on combinations of types of DERs and customer segments that PSE is seeking to target. Respondents may submit proposals for providing Equipment Procurement and Installation Services only or consider providing this in combination with other services listed in Category B: Vendor Service Components.

Respondents should articulate if and how local entities will be performing the equipment installation.

PSE expects the following from Respondents proposing Equipment Procurement and Installation services:

- Respondent must possess a valid State of Washington contractor license of the appropriate classification(s) required to perform the work for this Project and have a good safety record for at least the last three years. The license shall be valid for the entire term of the awarded contract.
- Respondent is responsible for obtaining any necessary approvals from the customer and property owner to install, maintain, and operate the DER (e.g., installing a rooftop PV on single family residential customers).
- Respondent must conduct a site inspection to determine the feasibility and safety of installing a DER System at the provided customer location and must obtain all permits associated with equipment installation. For example, if a Respondent is installing a rooftop PV system and if the roof at the customer location is under a warranty, Respondent is responsible for performing all work in a manner that is consistent with the requirements of such warranty and will be solely liable for any act or omission that voids such warranty.
- Respondent shall perform tasks related to scheduling customer visits for audits and/or installation and testing.
- Respondent is responsible for interconnection of the DER system consistent with the requirements of Schedule 152, and ensuring that IT/OT requirements are fulfilled. For dispatchable DERs, the Respondent is responsible for ensuring that the installed equipment is enabled and can respond to dispatch signals.
- For PSE-owned resources, Respondent must remove the DER system if, and when, required by PSE.
- Respondent must include details of all PSE obligations necessary for Equipment Procurement and Installation. Additionally, proposals should indicate any customer share of the cost of the installed equipment, and other fees or costs for participation, estimates of customer's time involvement, use of customer premises, etc.
- Respondent must include an overview of customer interaction points and expectations of customer and PSE. Selected Respondents must agree to the Customer Interaction Requirements found in Exhibit M: Co-Branding and Customer Interaction Requirements. Explicitly state any exceptions that may be required for the proposal.
- Include any and all written or implied warranties that will be provided to customers regarding quality of materials and installation.
- Include the process used to track and report customer information to PSE.

Equipment O&M

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Respondents may submit proposals for providing "Equipment O&M" service for a single type of DER (e.g., solar) or combinations of DERs (e.g., solar + BESS), and indicate the customer segments for which the Respondent proposes to provide this service. Respondents may refer to PSE's 2021 CEIP Preferred Portfolio (see Table 9 above) for information on PSE's priorities on combinations of types of DERs and customer segments that PSE is seeking to target. Respondents may submit proposals for providing Equipment O&M service only or consider providing this in combination with other services listed under Category B: Vendor Service Components. Respondent should articulate if and how local entities will be providing the O&M services.

Key considerations for Respondents proposing Equipment O&M services are listed below:

- Indicative pricing should include performing all tasks related to O&M of installed DERs, including addressing customer inquiries related to equipment O&M.
- Include details of all PSE obligations necessary for Equipment O&M. Additionally, proposals should indicate any customer share of the equipment O&M cost, and other fees or costs for participation, estimates of customer's time involvement, use of customer premises, etc.
- Provide an overview of customer interaction points, and expectations of customer and PSE. Selected Respondents must agree to the Customer Interaction Requirements found in Exhibit M: Co-Branding and Customer Interaction Requirements. Explicitly state any exceptions that may be required for the proposal.
- Include any and all written or implied warranties that will be provided to customers regarding quality of O&M services.
- Describe process used to track and report customer information to PSE.

Program Administration

Respondents may submit proposals for providing "Program Administration" service for DER programs. Respondents may refer to PSE's 2021 CEIP Preferred Portfolio (see Table 9), for information on representative DER programs that indicate PSE's priorities. Respondents may propose to provide program administration services across multiple DER programs.

Selected Respondent will collaborate with PSE program team to achieve specific DER program targets (budgets & capacity/energy), forecasting, strategic planning, and customer issue resolution. Procedure changes may take place during the contract duration warranting a contract amendment or scope change. Selected Respondent(s) will oversee program implementation services which may include the following:

- Administrative support
    - Manage subcontractors, trade allies, and cross vendor coordination to ensure efficient delivery of program services.

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- Ensure the safety of Respondent staff, sub-contractors, trade-allies, and customers being served.
- Undertake incentive processing for DER programs.

- Training
  - Provide appropriate training to Respondent staff, subcontractors, and trade allies needed to provide the DER program services.
  - Provide training to inform trade allies and necessary parties (e.g., contractors and property managers) of program procedures, and provide new contractors the training necessary to perform work for a given DER program.
  - Coordinate with PSE's Trade Ally program staff to plan contractor meetings, and cross-program contractor messaging, where applicable.
- Reporting and evaluation
  - Be responsible for verification of DER measures, tracking DER performance, and conducting evaluation studies.
  - Collect, store, and track data on customer's DER energy use and customer workflow through program implementation steps. Interface with PSE, as required, to allow for secure, automated data transfers of key program metrics meeting PSE data transfer protocols.
- Customer service
  - Collect, store, and track data on customer satisfaction metrics.
  - Manage a call center according to PSE customer interaction standards found in Exhibit M: Co-Branding and Customer Interaction Requirements.
  - Provide timely resolution to customer complaints and issues, with documented call center scripting and complaint escalation processes.

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Pricing for Vendor Service Components

Respondents must submit indicative pricing for the proposed components and provide responses to the items listed in Exhibit C: Proposal Requirements Forms. The pricing requirements vary by service component. Respondents should clearly state the assumptions on which the proposed prices are based, and any caveats and/or considerations related to the proposed pricing.

Respondents may specify component pricing for providing services across multiple DER programs and should refer to PSE's 2021 CEIP Preferred Portfolio for a list of representative DER programs in PSE's priority areas. As noted previously, Respondents may indicate other DER programs not listed in the Preferred Portfolio. The pricing assumptions should clearly state the DER program types for which the Respondent proposes to provide services, and the customer segments ~~being~~ to be served. Respondents should indicate whether the prices by component are for providing

bundled services across multiple components, or for providing services for individual components. If providing pricing by individual component, Respondents should indicate how the pricing would vary if Respondents were to combine multiple components into a bundled offer.

Table 10 below shows the indicative pricing structure by service component that Respondents should use as a guideline to provide pricing for each component. Respondents may suggest additional pricing structures not specified below, and should include clear descriptions of assumptions and considerations for the proposed pricing.

Table 10. ***Indicative Pricing Structure by Service Component***

Service Component	Indicative Pricing Structure

Program Design	• Provide pricing for undertaking a representative program design for proposed DER program(s) which includes:
	  ○ Blended hourly rates for key staff
	  ○ Hours and cost estimate

Customer Outreach and Enrollment	• Specify customer segments and the types of DERs for which the Respondent is providing the pricing for Customer Outreach and Enrollment services.
	• Provide unit pricing (e.g., $/1000 enrolled customers) for a hypothetical case (e.g., Solar PV installation for Res SF homes) and state the pricing assumptions for the types of DERs and customer segments being targeted.
	  ○ Clearly describe the unit for the proposed pricing
	  ○ Indicate how pricing varies by customer segments being targeted and by the type of DER.
	  ○ State the program scale (in terms of number of customers and/or units being targeted) for which the indicated pricing applies and describe to how the pricing would change at a different scale of the program.

Equipment Procurement/ Installation	• Provide the price for one installed system (unit price) and describe the configuration of the installed system by DER type and customer segment (e.g., a rooftop solar PV system with 4 kW peak output, installed at single family homes). • Indicate underlying assumptions on the scale (number of units proposed to be installed) for different types of DERs (Solar, BESS, DR) and applicable customer segments. • Indicate price per unit for equipment installation.

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Service Component	Indicative Pricing Structure
	○ Equipment cost ○ Installation costs with required labor hours for equipment installation ○ Include any additional cost items related to equipment procurement and installation ○ Indicate variations in unit price by customer segment, if applicable.
Equipment O&M	• Indicate pricing for providing O&M services for one installed system (unit system) and describe the configuration of the system by DER type and customer segment (e.g., a rooftop solar PV system with 4 kW peak output, installed at single family homes). • Indicate underlying assumptions on the scale (number of units assumed for providing O&M services) for different types of DERs (Solar, BESS, DR) and applicable customer segments ○ Describe O&M items included in services ○ Include any additional cost items related to equipment procurement and installation ○ Indicate variations in unit price by customer segment, if applicable.
Program Administration	• Describe the specific services being proposed under Program Administration and the DER programs being considered. • Provide blended hourly rates by staff with hours and cost estimate for providing program administration services, with clear descriptions of underlying assumptions on the DER program types for which the administration services are being proposed.

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Key Considerations for Respondents

- Any services bid through this RFP should be available for implementation starting January 1, 2023 and ending December 31, 2024.
- PSE will determine from the list of responding interested parties, those vendors and contractors with whom PSE, in its sole judgment, wishes to engage in further discussion and/or negotiate a contract.

- PSE is under no obligation to select any proposal or move forward with any proposed services.
- For all awarded contracts, the Respondent must collect and provide to PSE staff: data on individual customers, DERs being proposed, and fulfill requirements related to DER evaluation, measurement & verification (EM&V). PSE must approve EM&V, marketing, IT infrastructure, sales and/or promotional plans.
- All DERs included in a program and service offering must produce CETA-compliant energy or capacity that can be reliably measured or estimated with accepted M&V methods.
- Written response should highlight integration with other PSE programs, products and/or services such as (but not limited to): energy efficiency programs, existing renewable customer-facing programs, electric vehicle programs, myPSE, paperless billing, autopay, etc.
- PSE requires successful respondents to use PSE branding in activities contracted by the parties. Co-branding helps PSE customers recognize that program activities are authorized by, and performed on behalf of PSE. Include in proposal those areas that might be considered for co-branding if company is a successful respondent. Co-branding Guidelines are found in Exhibit M: Co-Branding and Customer Interaction Requirements.
- If the proposal includes a digital user interface, it should be integrated with established PSE digital architecture, providing a seamless and consistent digital experience across all channels (i.e. website, mobile applications, interactive voice response systems, etc.) The interface should include single sign-on capability through PSE's myPSE Account login.
- Respondents must respond to the IT security questions in Exhibit N: IT Security Questionnaire and must be willing and able to adhere to PSE's data security requirements.
- Any customer data (including all transaction and interaction data) collected or generated through the idea or created as part of the program shall be the property of Puget Sound Energy and must be accessible to PSE at all times in near real time as necessary via secure automated means. This includes data such as (but not limited to) customer contact information and the customer journey across all channels. If data collection is part of the product, program and/or support service, written response should include detailed requirements related to data inventories and movement. Vendor will be required to demonstrate adherence to PSE's Co-Branding and Customer Interaction Requirements and IT Security Requirements as outlined in Exhibits M and N.
- Outside of the Service Level Agreements outlined by PSE, Key Performance Indicators (KPIs) specific to the program will be developed in collaboration with the selected respondent and the Program planning teams to ensure operational efficiency and a high level of customer satisfaction.

- All respondents must submit Exhibit I: Master Services Agreement with a statement of acceptance or must identify area(s) for discussion with suggested language modifications. Include the specific Section and Item number for clarity.
- PSE anticipates selecting a short list in Q3 2022. Unless a bid is withdrawn, PSE will assume that it is valid through completion of the RFP. PSE further assumes that proposals will remain valid for a period that would allow for negotiation and execution of definitive agreements, including any applicable management and regulatory approvals.

4. Schedule and Process

RFP schedule

The following schedule (Table 11) is subject to adjustment based on Commission review and the actual pace of the evaluation process. Updates will be posted online at http://www.pse.com/RFP.

Table 11. *2022 DER RFP Schedule*

Date	Milestone
November 15, 2021	Draft DER RFP filed with WUTC
December 30, 2021	Public comment period ends[13]
January 31, 2022	WUTC review period ends; decision anticipated
February 7, 2022	PSE issues final DER RFP
Late February 2022	PSE hosts Respondents' conference[14]
March 21, 2022	Offers due to PSE
April 20, 2022	PSE posts compliance report to its RFP website, consistent with the requirements of WAC 480-107-035(5)
Q2 2022	PSE completes Phase 1 screening process and selects Phase 2 candidates, notifies Respondents
Q3 2022	PSE selects DER RFP short list, notifies Respondents
End of Q3 – Start of Q4 2022	Concurrent Evaluation begins

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Evaluation process

PSE will follow a structured evaluation process designed to screen and rank individual proposals based on an evaluation of costs, risks, and benefits. These include resource cost, market-volatility risks, demand-side uncertainties and benefits, resource dispatchability, effects on system operation, customer benefits, credit and financial risks to the utility, the risks to ratepayers, public policy, and Washington State and federal government requirements. PSE will consider a number of quantitative and qualitative factors to compare proposals with diverse attributes. PSE will evaluate each proposal based on its compliance with this DER RFP and according to the

[13] WAC 480-107-017(3) allows interested parties to submit comments within 45 days after a draft RFP is filed. Based on a November 15, 2021 filing date, this period will close on December 30, 2021.

[14] The DER RFP Respondents' conference details and registration instructions will be posted at www.pse.com/rfp as they become available.

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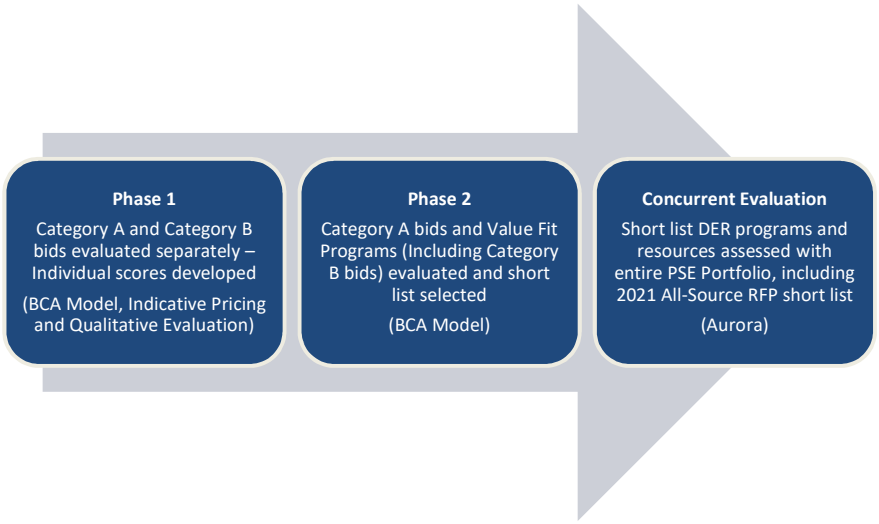
criteria described in Section 5: Minimum Requirements and Exhibit A: Evaluation Criteria and Scoring to this DER RFP.

The evaluation process will be divided into two phases, followed by a concurrent evaluation with the All-Source RFP in Docket UE-210220. Phase 1 is a screening phase, Phase 2 is the Value Fit program building and portfolio design phase, and the Concurrent Evaluation is an assessment of the entire PSE portfolio across the All-Source RFP and DER RFP, see Figure 7 below.

Figure 7. ***2022 DER RFP Evaluation Process***



Intake process

PSE's evaluation process will begin with the intake of proposals through a web platform. Respondents will download the RFP forms from PSE's RFP website (www.pse.com/rfp) and submit the completed forms and attachments through the platform. The platform will be accessible by a link from the RFP website when the final RFP is issued.

Category A proposals will be tested for completeness and adherence to minimum criteria requirements (described in Section 5) in two ways during the intake process. First, an automated system performs real-time validation of proposal completeness and adherence to certain minimum criteria. If the automated system determines that a proposal is incomplete or fails to meet required criteria, it will generate an error-specific response, allowing the Respondent to adjust the proposal and resubmit it by the due date. Second, because certain minimum criteria may be difficult to confirm with a simple algorithm, PSE's DER acquisition team will perform a preliminary eligibility screening to verify that all proposals accepted by the system appear to

meet the minimum requirements. Category B proposals will not go through the automated screening and will be reviewed by PSE's DER acquisition team. If a proposal is determined to be ineligible based on the screening, PSE will notify the Respondent and the Respondent will be given three business days to remedy the proposal (the "cure period").

Phase 1: Screening phase

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Once the intake process is complete, PSE will begin Phase 1 of the evaluation. In Phase 1, PSE will conduct a preliminary cost analysis and qualitative risk screening to produce a list of the most promising resources for further consideration. In this phase only, Category A and Category B bids will be evaluated separately. PSE will use its benefit-cost analysis ("BCA") model, Qualitative analysis, and the scoring approach for price and non-price factors presented in Exhibit A: Evaluation Criteria and Scoring to screen and rank proposals based on the Respondent's responses to Exhibit B/C: Proposal Requirements Forms. Upon completing its evaluation, the DER acquisition team will combine its quantitative and qualitative screening results to produce a Phase 1 individual score and ranking for each proposal. See Exhibit A: Evaluation Criteria and Scoring for the ranks and weights associated with price and non-price factors considered by PSE, and a description of PSE's approach to scoring individual proposals.

At the end of Phase 1, PSE will select a candidate list of proposals that will proceed to Phase 2 for portfolio design (the "Candidate List"). PSE will select a pool of resources that represents the best-performing proposals from different resource types and vendor service components, and for different programs in the preferred portfolio. PSE will stack resources by type and advance proposals to Phase 2 that are price-competitive within each resource stack. Examples of resource stacks for Category A include smart thermostat DR, FTM solar, BTM BESS, etc. For Category B, each vendor service component (e.g. program design, customer outreach & enrollment, etc.) is a separate resource stack. Resource stacks will also take into account responses that target specific communities and overlapping market potential. In determining price-competitiveness, PSE will look for scoring gaps and establish cut-off points, with the goal of advancing as many proposals as needed such that the resources included in Phase 2 amount to at least 150 percent of the resource need, see Table 2. PSE may also hold in reserve a certain number of proposals that fall short of the cut-off point, in the event that one or more of the selected proposals are subsequently withdrawn or eliminated for any reason, including unacceptable risks or fatal flaws identified during the course of additional due diligence.

Proposals that fail to substantiate a viable resource, lack credible detail, involve unacceptable risks or prohibitive costs, or otherwise fail to meet the minimum proposal requirements defined in Section 5 of the DER RFP will not be further considered. Any proposal that does not meet the minimum requirements of this RFP in the preliminary eligibility screening will be disqualified and will not receive a Phase 1 price or non-price score.

All Respondents will be notified of their selection status at the end of Phase 1. Respondents whose proposals have been selected to proceed to Phase 2 will be given an opportunity to submit an updated best and final offer price ("BAFO"). The BAFO may not be higher than the original

price, and no other aspect of the proposal may be changed. By the end of Phase 1, PSE may have chosen its VPP vendor. If a Respondent has an existing platform or service that is compatible with the chosen VPP vendor, PSE encourages price adjustments to be made to reflect those synergies. If no BAFO is submitted, the original bid price will be used in Phase 2.

Phase 2: Program Building and Design Phase

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During Phase 2 of the RFP evaluation process, PSE will design a suite of programs for evaluation from the candidate list developed in phase 1 of Category A "turnkey" and Category B, Value Fit programs, further described in Exhibit A: Evaluation Criteria and Scoring. PSE will then use the BCA tool and qualitative metrics to compare different portfolio mixes to determine the shortlisted portfolio of DERs. Exhibit A provides further details on how PSE will quantitatively evaluate programs and resources, and qualitatively evaluate the customer benefit plans submitted by respondents and associated CBIs.

At the end of Phase 2, PSE will develop a short list of proposals that best align with the Company's overall objective to select a portfolio of resources delivered to its system that balances lowest reasonable cost[15] considering risk, customer benefits, and broad customer class inclusion. The risks associated with determining lowest reasonable cost include compliance with all applicable state laws and regulations, including CETA. The costs and risks associated with compliance with CETA include the customer benefit and equity considerations outlined in RCW 19.405.040(8).

Concurrent Evaluation of the DER and All-Source RFPs

The analysis of the DER and All-Source RFPs will be coordinated to create the most holistically optimized portfolio. Each RFP is separately evaluated through short list selection (Phases 1 and 2 above for the DER RFP). The short list from the targeted DER RFP will be included in a combined portfolio analysis with the short list from the All-Source RFP. Phase 2 of the All-Source RFP evaluation will include a sensitivity that considers optimized portfolio scenarios in which the DER RFP targets are and are not fully met. Aurora will be used for this portfolio optimization and will compare different combinations of resources over a variety of future pricing scenarios. This approach allows for a fair comparison and concurrent evaluation to identify the best resources from both RFPs.

Quantitative modeling

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The RFP will use modeling tools and methodologies that are consistent with the 2021 CEIP. In Phase 2 of the DER RFP, the BCA will be used to evaluate all proposals; PSE will use the Aurora

[15] *Lowest reasonable cost is defined in WAC 480-107-007 and 480-100-605 to mean "the lowest cost mix of generating resources and conservation and efficiency resources determined through a detailed and consistent analysis of a wide range of commercially available resources. At a minimum, this analysis must consider resource cost, market-volatility risks, demand-side resource uncertainties, resource dispatchability, resource effect on system operation, the risks imposed on the utility and its customers, public policies regarding resource preference adopted by Washington or the federal government, and the cost of risks associated with environmental effects, including emissions of carbon dioxide. The analysis of the lowest reasonable cost must describe the utility's combination of planned resources and related delivery system infrastructure and show consistency with chapters 19.280, 19.285, and 19.405 RCW."*

model only for the Concurrent analysis. Aurora is a production cost model that will be used for optimal resource selection (also known as long-term capacity expansion modeling) and hourly economic dispatch. Consistent with RCW 19.280.030(3)(a)(iii) and the 2021 IRP, the social cost of greenhouse gases ('SCGHG") is included as a cost adder to emitting resources in the long-term capacity expansion model.

Independent evaluator

In early February 2021, following Commission approval in Docket UE-210037, PSE hired Bates White to provide independent evaluator ("IE") services for the All-Source RFP. For information about PSE's IE selection process and the qualifications of Bates White, please see PSE's petition dated January 19, 2021 in Docket UE-210037, found on the WUTC website. Subsequently, PSE hired Bates White as the IE for the DER RFP to leverage the knowledge gained on PSE's internal processes and priorities through their work on the All-Source RFP.

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Role and scope of the IE

Consistent with the requirements in WAC 480-107, the following sections describe the role and scope of the IE: (i) Role and expectations, (ii) Responsibilities and tasks, and (iii) Deliverables.

Role and expectations

The function of the IE is to consult with PSE, as needed, on the procurement activities in the 2022 DER RFP as described below. The IE will:

- ensure that PSE's 2022 DER RFP process is conducted fairly, transparently, and properly;
- participate in the design of the 2022 DER RFP;
- evaluate the unique risks, burdens, and benefits of each bid;
- provide to PSE the IE's minutes of meetings and the full text of written communications between the IE and PSE and any third-party related to the IE's execution of its duties;
- verify that PSE's inputs and assumptions, including capacity factors and capital costs, are reasonable;
- assess whether PSE's process of scoring the bids and selection of the initial and final shortlists is reasonable;
- prepare a final report to the WUTC after reconciling rankings with PSE in accordance with WAC 480-107-035(3) that must:

- include an evaluation of the competitive bidding process in selecting the lowest reasonable cost acquisition or action to satisfy the identified resource need, including the adequacy of communication with stakeholders and Respondents; and
- explain ranking differences and why the IE and PSE were or were not able to reconcile the differences.

The IE will participate in meetings with the WUTC and PSE, on an as-needed basis, to discuss its findings. If called upon to testify, the IE may serve as an expert witness in proceedings.

The IE will be given reasonable access to information, meetings and communications related to offers submitted by all respondents. The IE will immediately report to PSE and the WUTC any perceived attempt by any individual or party, including any PSE self-build or affiliate Respondents, to improperly influence any findings determined by the IE, or to challenge or interfere with their independent role in the solicitation process. See also Section 5 subsection Eligibility and Conflict of Interest Disclosure for more information about self-build and affiliate bids.

Responsibilities and tasks

In support of the functions discussed above, the IE responsibilities and tasks will include the following:

- Review and provide feedback and recommendations on PSE's draft 2022 DER RFP, including stakeholder comments. Assess the 2022 DER RFP's design, including review of the adequacy, accuracy and completeness of solicitation materials to ensure compliance with the WUTC's Purchase of Electricity Rules and consistency with accepted industry standards and practices. The IE will participate in the design of the RFP and provide feedback to PSE on the draft 2022 DER RFP prior to their release.
- Advise on the consistency of solicitation activities with the WUTC's rules and procedures and PSE's WUTC-approved 2022 DER RFP.
- Advise on the evaluation process, including recommending data requests, as needed, to supplement the information requested from Respondents in the 2022 DER RFP to allow for a full and fair evaluation of proposals.
- Assess whether the quantitative and qualitative bid evaluation criteria and methodologies are applied to all bids in a fair and non-discriminatory manner and whether PSE's process of scoring the bids and selection of the initial and final shortlists is reasonable. The IE will be provided reasonable access to the evaluation meetings and documentation of PSE's DER acquisition and cross-functional teams, in order to credibly assess the bid evaluation and selection processes.
- Verify that PSE's inputs and assumptions, including capacity factors and capital costs, are reasonable. The IE will be provided with a description of how the evaluation models

function, including the inputs and outputs of all models used during the evaluation process.

- Assess whether PSE's process of scoring the bids and selection of the initial and final shortlists is reasonable The IE will score and rank qualifying bids based on PSE's modeling output and an independent qualitative assessment using the RFP's ranking criteria and methodology and consult with PSE to reconcile any ranking differences. If a Respondent makes material changes to its bid after shortlist selection, PSE and the IE will re-rank bids according to the revised bid.
- Monitor the evaluation processes and promptly submit recommendations to PSE's DER manager to ensure that no Respondent has an information advantage and that all respondents or counterparties, if applicable, receive access to relevant communications in a non-discriminatory manner.

Deliverables

- Prepare a final written report as to whether or not PSE's competitive bidding process, evaluation process and decisions were reasonable and appropriate and were applied in a transparent, fair and non-discriminatory manner for all offers received. The report will explain why the IE and PSE were (or were not) able to reconcile any ranking differences. The IE will protect confidential Respondent information subject to the terms of the confidentiality agreement included in the IE RFP and consistent with the terms of the confidentiality agreement included in the 2022 DER RFP.
- Provide to PSE the IE's minutes of meetings and the full text of written communications between the IE and the utility and any third-party related to the IE's execution of its duties.
- Participate as an independent witness or in an advisory capacity during administrative hearings, as required, before the WUTC in any associated proceedings.

Negotiations and contracts

PSE may elect to negotiate price and non-price factors with any Respondent whose proposal has been shortlisted. During negotiations, PSE will continue to update its economic and risk analysis on an as-needed basis to reflect any additional or revised factors that may impact the total cost of a proposed resource.

PSE has no obligation to enter into definitive agreements with any respondent to this DER RFP and may terminate or modify the DER RFP at any time without liability or obligation to any Respondent. This DER RFP shall not be construed as preventing PSE from entering into any agreement that it deems appropriate at any time before, during, or after the DER RFP process is complete. PSE reserves the right to negotiate only with those Respondents and other parties who

propose transactions that PSE believes, in its sole opinion, to have a reasonable likelihood of being executed substantially as proposed.

5. Proposal Requirements

Summary of Proposal Submission Requirements

Table 12 below lists required exhibits for Category A and Category B proposal submission. The primary proposal submission documents are Exhibit B for Category A respondents, and Exhibit C for Category B respondents. In addition, Respondents are required to address the requirements included in other specified exhibits as part of the proposal submission. A few of the exhibits (as indicated below in Table 12) are for reference only and do not include any submission requirements.

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Table 12. ***Summary of Required Exhibit Submissions***

Exhibit	Required Submission for Category A Respondents	Required Submission for Category B Respondents	For Reference Only
Exhibit A: Evaluation Criteria and Scoring			✓
Exhibit B: Proposal Requirements Forms (Category A)	✓		
Exhibit C: Proposal Requirements Forms (Category B)		✓	
Exhibit D: Mutual Confidentiality Agreement	✓	✓	
Exhibit E: Schedule of Estimated Avoided Cost			✓
Exhibit F: Prototype Ownership Agreement Term Sheet	If Applicable		
Exhibit G: Prototype Capacity and/or Energy Agreement Term Sheet	If Applicable		
Exhibit H: Prototype Clean Energy PPA Term Sheet	If Applicable		
Exhibit I: Master Services Agreement	✓	✓	
Exhibit K: Requirement List			✓
Exhibit L: Resources			✓
Exhibit M: Co-Branding and Customer Interaction Requirements			✓
Exhibit N: IT Security Questionnaire		✓	

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Exhibit	Required Submission for Category A Respondents	Required Submission for Category B Respondents	For Reference Only
Exhibit O: Vendor Questionnaire for Non-SaaS Provider[16]			✓
Exhibit P: PSE Customer Consent Letter	If Applicable	If Applicable	

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Confidentiality agreement

Each bid submittal shall include a signed and scanned copy of Exhibit D: Mutual Confidentiality Agreement, which is due no later than March 21, 2022. PSE will return one fully executed scanned Mutual Confidentiality Agreement to the respondent.

Consistent with the requirement in WAC 480-107-023, PSE must provide the IE with all data and information necessary to perform a thorough investigation of the bidding process and responsive bids. Consistent with the requirements of WAC 480-107-035, PSE will make available on its website a summary of all proposals received within 30 days of the close of the bidding period.[17] PSE will also file a final summary report with the WUTC pursuant to WAC 480-107-145.

Additionally, in accordance with the requirements of WAC 480-107-145, PSE will retain all information pertinent to this DER RFP process for a period of seven (7) years or until PSE concludes its next general electric rate case, whichever is later. Except to the extent required by law or regulatory order, PSE shall have no obligation under this DER RFP to provide the models and data used in its evaluation process to respondents or other third parties.

DER RFP Proposal Requirements

PSE expects respondents to provide complete information in their original submittals. PSE will not consider proposals that provide insufficient information to substantiate the project or offer. Minimum qualifying criteria are defined later in this section.

[16] *This is provided for reference only and applies to non-SaaS providers. PSE will require Respondents to fill this out in the post selection stage.*

[17] *PSE will post a non-confidential summary of proposals consistent with the requirements of WAC 480-107-035. Past proposal summaries have included a PSE-assigned Project ID#, the state in which the proposed resource is located, the resource type, the operating status of the resource, project COD, term start/end, commercial structure (contract type) and nameplate capacity. For storage resources, PSE includes both capacity (MWh) and duration (hours). For DR resources, PSE typically includes a capacity range (over the program life) and the customer class. Unless otherwise required by law or regulatory order, PSE will not include any specific confidential information (e.g., bid price, owner/developer name, project name, or specific project location) in any non-confidential summary of proposals.*

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SECTION 5. PROPOSAL REQUIREMENTS

To ensure that all proposals are thorough and complete, PSE has developed Exhibit B and Exhibit C for proposal requirements forms, Exhibit B (Tab 1) includes a checklist of required items for respondents to complete (see Figure 8 below), and Exhibit C (Section VII) includes a list of additional exhibits for respondents to complete. All respondents must complete a set of Exhibit B or Exhibit C forms, including any required attachments identified therein, for each proposal submitted. Additional information, such as a cover letter or other attachments not specifically required in Exhibit B/C, may be provided as part of a respondent's proposal and will be considered supplementary information to the required Exhibit B/C forms.

Exhibit B/C shall be considered the primary proposal document. While it is the Respondent's responsibility to ensure that all information provided in Exhibit B/C is true and accurate, if PSE identifies an inconsistency between the Exhibit B/C forms and other proposal contents, PSE will seek to clarify the discrepancy with the respondent with a data request. The respondent will be given three business (3) days to correct the discrepancy.

Category A Respondents must complete Exhibit B: Proposal Requirements Forms. PSE has designed the Exhibit B Excel file to be an automated key input to PSE's DER RFP proposal database and models. Respondents may not add, remove or modify tabs in Exhibit B. PSE will reject Exhibit B forms if respondents add, remove or modify tabs in the Exhibit B file. Any changes to the integrity, or failure to complete the required fields of Exhibit B will result in a validation error response and the web platform will not accept the proposal until the error is corrected.

Figure 8. ***Proposal content checklist (Exhibit B, Tab 1)***

1. Proposal Content Checklist

Required for all RFP proposals submitted under Category A: Turnkey Resource Acquisition (Do not remove tab)

Proposal element	Required for	Section	Select response from drop-down list
Required proposal contents	**All proposals**	**Exhibit B**	
Proposal Content Checklist	All proposals	Tab 1	
Commercial Details	All proposals	Tab 2a	
Offer Details	Proposals including Solar and BESS; Not applicable to Demand Response	Tab 2b	
Facility	Proposals including Solar and BESS; Not applicable to Demand Response	Tab 3	
Solar	Proposals including Solar	Tab 3a	
Battery Energy Storage System (BESS)	Proposals including BESS	Tab 3b	
Demand Response	Proposals including DR	Tab 3c	
IT/OT Requirements	All Proposals	Tab 4	
Energy Output (8760)	Proposals including Solar	Tab 5a	
Solar Irradiance (8760)	Proposals including Solar	Tab 5b	
Interconnection	Proposals that include Schedule 152 interconnection	Tab 6	
Development - Projects Detail	Development or construction project proposals	Tab 7	
Ownership - Capital Costs	Proposals including asset sale offers	Tab 8	
Ownership - Operating Costs	Proposals including asset sale offers	Tab 9	
Bid Certification and contacts	All proposals	Tab 10	
Mutual Confidentiality Agreement	All proposals	Exhibit D	
Prototype Term Sheet (by offer structure)	All proposals	Exhibit F, G and H	
PSE Customer Consent Letter	Proposals for projects with a pending request for or agreement for PSE distribution interconnection	Exhibit P	

Proposals must be substantially complete consistent with the requirements of this RFP.
Proposals that do not provide sufficient information to substantiate a project or offer will not be considered in this RFP.

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Category B Respondents must complete Exhibit C: Proposal Requirements For Category B. The Exhibit C file asks Respondents for information about their vendor service component proposal, as well as background information about the Respondent and their capabilities. Respondents may not modify Exhibit C in any way. Additional information not required as part of Exhibit C may be included with the proposal and will be considered supplementary. Exhibit C is intended to be accessible to small and medium sized respondents as well as providing broader information to PSE about the respondent's capabilities and potential to be part of a Value Fit program. More information may be needed for later-stage evaluation; Category B respondents who are selected for Phase 2 will be asked for more information at that time.

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If any Respondents are interested in providing bids for both Category A and B resources, they must provide separate proposals for each resource with the correct Exhibit completed for each.

Minimum qualifying criteria

PSE considers a variety of evaluation criteria when making resource decisions, as described in Exhibit A: Evaluation Criteria and Scoring to this DER RFP. PSE has also identified a set of minimum qualifying criteria to help respondents craft proposals designed to best meet the objectives of this solicitation. Proposals must meet the minimum criteria outlined below for consideration in this RFP.

For all proposals (as applicable)

- Respondents must submit a complete proposal by the due date specified in Section 7 of the DER RFP, including either Exhibit B or C: Proposal Requirements Forms[18] and all required attachments indicated therein, and all the relevant Exhibits, as stated in Table 12 above. PSE has provided respondents with a proposal contents checklist in Exhibit B: Proposal Requirements Forms (Tab 1), and an additional exhibits list in Exhibit C: Proposal Requirements Forms (Section VII). PSE will not consider proposals that do not provide sufficient information to substantiate a project or offer.
- Each proposal (if applicable) shall acknowledge and state that PSE disclaims and shall not assume any risk associated with the potential expiration of (or the respondent's or other project entity's ability to utilize) any then applicable federal or state tax incentives, cash grant programs, or similar programs meant to support a relevant resource.
- All proposals shall state that there will be no assignment of proposals during the evaluation or negotiation stage of this DER RFP and that, in the event the respondent and PSE negotiate and execute definitive agreements based on the respondent's proposal, the definitive agreements and obligations thereunder shall not be sold, transferred, or assigned, or pledged as security or collateral for any obligation, without the prior written permission of PSE. Any project lender who takes an assignment of the definitive

[18] *Respondents may not modify the contents or structure of the Exhibit B forms in any way. The forms are designed to be inputs to our modeling process. Validation errors in the submission process will result from attempting to modify the forms or a failure to complete the forms, and the proposal will not be accepted by PSE's online platform until the errors are corrected.*

agreements for security and exercises any rights under such agreements will be bound to perform such agreements to the same extent.

- At a minimum, all qualifying Category A responses must:
    - Demonstrate site control consistent with guidance in the non-price scoring matrix in Exhibit A: Evaluation Criteria and Scoring for both the project and any other project-related infrastructure.
    - For proposals requiring interconnection, submit an interconnection application on or before June 1, 2022.
    - Use commercially viable technology.
- To align with PSE's first CEIP, PSE is seeking renewable resources beginning no later than December 31, 2025. Proposals must include a plan to deliver energy and/or capacity by this date.
- All resources proposed must be CETA compliant and connected to PSE's system.
    - FTM BESS resources must demonstrate the ability to charge and discharge as required to meet the need. (PSE requires batteries to be studied additionally as a load. These resources will need to establish both a generation interconnection and a means to charge the load either through retail load service or otherwise.)
- PSE reserves the right to request additional data and engage third-party consultants to independently verify project data.
- For development projects, proposals must describe the respondent's labor plan. As specified in Exhibit A: Evaluation Criteria and Scoring, preference will be given to projects constructed with high labor standards, including family-level wages, benefits and opportunities for local workers and businesses.[19]
- All proposals must state that all environmental attributes [20] associated with the proportionate share of the subject project, if any, will accrue to the ownership and beneficial use of PSE. PSE will not accept REC-only proposals at this time.
- Respondent must provide a customer benefit plan consistent with the provisions in RCW 19.405.040(8). See Exhibit B: Proposal Requirements Forms, Tab 2a. Commercial Details, "CETA Equity Plan and Company Commitments" section or Exhibit C: Proposal Requirements Forms, Section VI: Equity Plan, which guide Respondents to describe a

[19] As referenced in Exhibit A, PSE prefers projects that utilize a Project Labor Agreement or Community Workforce Agreement for major construction activities associated with the construction of the project. Respondents shall make commercially reasonable efforts to ensure that such Project Labor Agreement or Community Workforce Agreement is eligible to be certified by the Washington Department of Labor and Industries under the standards of the Washington State Clean Energy Transformation Act (RCW 19.405).

[20] "Environmental attributes" means generally credits, benefits, reductions, offsets and other beneficial allowances with respect to fuel, emissions, air quality, or other environmental characteristics, resulting from the use of certain generation resources or the avoidance of emissions.

proposed plan. Respondents may also provide a separately attached written diversity commitment, policy, or plan in addition to their responses to Exhibit B/C.

- All proposals must comply with all applicable laws, regulations and executive orders, including environmental laws, such as the Emissions Performance Standards[21], and labor regulations such as prevailing wage regulations and, if applicable, Clean Energy Labor Standards Certification[22].
- PSE will not accept credit requirements imposed on PSE by the respondent.
- Respondents must certify to adhere to all applicable safety laws, guidelines and industry practices. If proposal is selected for acquisition, PSE reserves the right to review and assess at least the previous three (3) year safety performance of companies responding to this RFP to ensure that they meet acceptable standards. A corporate safety plan and corporate drug and alcohol plan will be required in the proposal.
- Proposal will certify that if selected for acquisition, the respondent will be responsible for meeting its scheduled deadlines. PSE will require the respondent to accept the risk and agree to pay liquidated damages for failing to meet contractual milestones, except in the case of DR resources, the terms of which will be discussed during contract negotiations. An example situation of liquated damage restitution would be a Respondent not achieving commercial operation by the agreed upon date and PSE collecting liquated damages to cover the cost of procuring that lost capacity through other means. PSE may impose credit requirements based on the respondent's credit rating.
- Applicable proposals for standalone projects must identify the geographical boundaries of the overall project by map, sketch or drawing, depict all property ownerships within those boundaries on the map, sketch or drawing and provide real estate agreements demonstrating respondent's degree of project site control for the purposes of the proposed project. Per PSE's qualitative scoring matrix shown in Exhibit A: Evaluation Criteria and Scoring, proposals that demonstrate more site control will score higher.
- Proposals must identify required permits and approvals, their status, and provide a schedule for completion as part of the overall project schedule. As discussed in Exhibit A: Evaluation Criteria and Scoring, PSE prefers proposals that further demonstrate a respondent's permitting acumen (e.g. providing a permitting plan or demonstrating progress, identifying required studies and status, successful outreach to lead agencies and stakeholders, indicating past success permitting other projects in the area). Respondents should have begun permitting or long lead-time studies, such as habitat studies. If

[21] *System PPAs longer than five years are eligible to participate in this DER RFP; however, they must comply with the Emissions Performance Standards (Chapter 173-407 WAC) and Chapter 480-100 WAC, which require disclosure of the underlying resource or resource pool to verify compliance with the standards.*

[22] *Washington State Labor & Industries is in the process of adopting WAC 296-140 to create a Clean Energy Labor Standards certification program that allows tax breaks for contractors who use diverse labor. As of the filing of this RFP, it is not in effect, but respondents are encouraged to certify for applicable responses when it does go into effect.*

permitting or studies have not begun, Respondents should present a plan for receiving or completing the aforementioned, respectively.

- Development proposals must include sufficient detail to substantiate a viable project and to adequately assess risk. For example, community solar proposals must also provide the information listed below. Other resource types should plan to provide a similar level of detail and expect a similar level of scrutiny.
    - Proposals should include only PV panels from industry-recognized top-tier suppliers.
    - Proposals should include full description of PV panels to be used. Proposals should indicate anticipated date of third-party certification of proposed PV panels along with the name of the recognized industry third-party providing certification.
        - Proposals should include documentation of a site-suitability review performed by a third-party.
    - Proposals should include documentation indicating the plant's ability to comply with IEEE 1547, CA-21, and UL-1741 for ride-through.
- All cloud-based software solutions must have a SOCII Type 2 audit completed. Vendors who are in the process of a SOC2 audit will be considered if a letter is provided from their auditor stating they are in a SOC2 audit and have an estimated completion date on or before July 1, 2022. PSE expects cloud-based vendors will provide a SaaS agreement, including SLAs, during contracting to cover the licensing terms, and expects all other services to be covered by the MSA provided in Exhibit I.

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For ownership proposals

In addition to the minimum qualifying criteria required for all proposals listed above, PSE has identified the following additional criteria for ownership proposals:

- PSE will only accept proposals for ownership at or after COD.
- If project is selected, PSE will require comprehensive engineering design documents and drawings well in advance of project construction. Projects will be required to meet all PSE requirements and specifications.
- Respondents shall certify that all proposed design engineering firms and project constructors will have proven expertise and experience in projects of similar scope and size.
- Proposals should include a description of the manufacturer warranties/guarantees for major equipment and the GSU/step-up transformers. Proposals should also include the maintenance requirements to maintain manufacturer warranties.

Additional requirements

In addition to the applicable requirements in the sections above, proposals for Solar, BESS, or Demand Response should provide the following items:

Category A

- Solar
    - Respondents seeking to bid a solar resource must respond to solar-specific requirements in tab '3a. Solar' of Exhibit B.
    - To inform the planning process, Respondents must provide an 8760 generation forecast for the proposed resource (tab '5a. Energy Output' in Exhibit B) and one year of solar irradiance data (tab '5b. Solar Irradiance (8760)' in Exhibit B).
- BESS
    - Respondents seeking to bid a BESS resource must respond to BESS-specific requirements in tab '3b. BESS' of Exhibit B.
        - If available at the time of bid submittal, provide comprehensive engineering design documents and drawings well in advance of project construction. If available, Respondents should also provide one-line diagrams, three-line schematics, communication plans and protocols used, and a list of tags and alarms used in the battery management system ("BMS"). If unavailable at the time of bid submittal, PSE will request this information during the evaluation or negotiation process. Projects will be required to meet all PSE requirements and specifications. These items are described in tab '3b. BESS' of Exhibit B.
- DR
    - Respondents seeking to bid DR resources must respond to DR-specific requirements in tab '3c. DR' of Exhibit B.

Category B

- All Category B respondents must submit a completed Exhibit C: Proposal Requirements Forms, along with the other required exhibits as indicated in Table 12.

Signatures and certifications

Each electronic proposal must include a scanned copy of the Bid Certification Form: Exhibit B (Tab 10) or Exhibit C (Section VIII), signed by a duly authorized officer or agent of the respondent submitting the proposal. By signing the form, the respondent's duly authorized officer or agent certifies that:

- The respondent's proposal is genuine; not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation; and is submitted in conformity with any anti-competitive agreement or rules.
- The respondent has not directly or indirectly induced or solicited any other respondent to submit a false or sham proposal.
- The respondent has not solicited or induced any other person, firm, or corporation to refrain from proposing.
- The respondent has not sought to obtain for itself any advantage over any other respondent by collusion.

Code of conduct, eligibility and conflict of interest disclosure

This DER RFP will accept proposals from all third-party project developers or owners, marketing entities, or other utilities that meet the minimum requirements and comply with the process guidelines described in this DER RFP. All respondents shall disclose in their proposals any and all relationships between themselves, the project and/or members of their project team and PSE, its employees, officers, directors, subsidiaries, or affiliates.

Code of conduct

PSE is committed to a culture of ownership, accountability, honesty, integrity and trust. In conducting this RFP, PSE will follow its Code of Conduct. This Code of Conduct outlines the honest and ethical manner in which all employees and board of directors at Puget Energy, Inc., Puget Sound Energy, and related subsidiaries are expected to behave, with each employee having a duty to uphold the Code of Conduct.

The Federal Energy Regulatory Commission's ("FERC") regulations governing the sales of energy and/or capacity at market-based rates impose restrictions on transactions between "market-regulated power sales affiliates" and their affiliated traditional franchised public utilities with captive wholesale or retail customers. Under FERC regulations, "affiliate" is defined in 18 C.F.R. section 35.36(a)(9).

Washington state law and regulations define what constitutes an "affiliated interest," which is different than how FERC defines "affiliate." In Washington, affiliated interest is defined in RCW 80.16.010.

Self-build proposals

PSE does not plan to submit a self-build proposal in the 2022 DER RFP.

Subsidiary or affiliate proposals

Subsidiaries or affiliates of PSE will be eligible to submit proposals in response to this DER RFP. Each respondent to PSE's DER RFP must disclose any subsidiary or affiliate relationship to PSE in Exhibit B (Tab 2a) to this DER RFP or Exhibit C (Section II). All respondents, including affiliates and subsidiaries of PSE, shall follow a consistent process for submittal. PSE will treat all respondents, including affiliates and subsidiaries of PSE, in a fair and consistent manner throughout the evaluation. Consistent with the provisions in WAC 480-107-023 and -024, the DER RFP evaluation team will neither give preferential treatment or special consideration to any subsidiary or affiliate of PSE to ensure no unfair advantage occurs, nor will PSE or its independent evaluator disclose the contents of its DER RFP evaluation or competing proposals to subsidiaries or affiliates of PSE prior to the information becoming publicly available. The IE will immediately report to PSE and the WUTC any perceived attempt by any individual or party to improperly influence any findings determined by the IE, or to challenge or interfere with their independent role in the solicitation process.

Validity, deadlines and regulatory approval

Bid validity and deadlines

PSE anticipates selecting a short list in Q3 2022. Unless a bid is withdrawn, PSE will assume that it is valid through completion of the RFP. PSE further assumes that proposals will remain valid for a period that would allow for negotiation and execution of definitive agreements, including any applicable management and regulatory approvals.

Regulatory approvals

Regulatory approvals for resources acquired may not be obtained until the latter half of 2023 or later. PSE may seek post-closing regulatory review of any resource purchases, exchanges, acquisitions, or associated costs that result from this RFP. Such regulatory review could include receipt by PSE from the WUTC of approvals and orders, as applicable, pertaining to and confirming the inclusion of the full amount of any asset purchase price plus PSE's transaction costs and other amounts allocable to the construction, start-up, testing and commissioning of the project, as applicable, in PSE's rate base. Such approvals and/or orders to be in form and substance satisfactory to PSE in its sole discretion.

In addition to being subject to the jurisdiction of the WUTC, PSE is also regulated by the FERC. FERC's jurisdiction and authority over the activities of PSE are defined in the Federal Power Act and include certain aspects of the acquisition of electric power. In particular, Sections 203 and 205 of the Federal Power Act require, respectively, (i) approval by FERC prior to transferring FERC-jurisdictional assets a value in excess of $10,000,000; and (ii) certain filings by PSE to support its authorization to sell power and related products at market-based rates.

Pursuant to Section 203 of the Federal Power Act, FERC has approval authority over any acquisition by PSE of public utility facilities subject to FERC jurisdiction with a value in excess of

$10,000,000. In reviewing filings under Section 203 of the Federal Power Act, FERC considers the effect on competition, rates, and regulation. FERC's approval of such an acquisition will be based on a finding that it is "consistent with the public interest."

FERC has authorized PSE to sell power at market-based rates pursuant to Section 205 of the Federal Power Act. As a condition of its authority to sell power at market-based rates, PSE must demonstrate to FERC that it does not possess market power in the relevant markets. Acquisition by PSE of generation or power resources may require PSE to demonstrate that it continues to lack market power after the resource acquisition. In addition, FERC's regulations prohibit PSE from engaging in the wholesale purchase of energy or capacity from an affiliate without first seeking FERC authorization. As a result, PSE may be required to seek prior FERC approval of any transaction with an affiliated entity.

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Accordingly, PSE will evaluate all proposals in light of the requirements of the Federal Power Act and the effect that such regulatory requirements and review may have on PSE.

6. Credit Requirements

PSE will not accept collateral thresholds, credit ratings triggers, general adequate assurances language or similar language that might require PSE to provide performance assurance. PSE developed this policy in order to protect its customers and to avoid undue costs, especially in the event of an industry-triggered credit downgrade.

PSE will require respondents to provide performance assurance. PSE will expect respondents with sub-investment-grade credit ratings (or being of similar creditworthiness), or whose credit ratings drop below investment grade, to provide performance assurance acceptable to PSE. Non-investment grade entities have inherent default risks. Collateral requirements are utilized to mitigate such risks. When certain PPAs are in default, physical supply will be affected. The collateral gives PSE an option to purchase market power to bridge the gap and, in turn, protect its ratepayers from both cost and reliability risks. This is consistent with standard industry practices.

In addition to any provisions included in the prototype term sheets for ownership agreements (Exhibit F to this DER RFP), capacity and/or energy agreements (Exhibit G to this DER RFP), or clean energy power purchase agreements (Exhibit H to this DER RFP) PSE may require negative control provisions[23] in any definitive agreements.

[23] *"Negative control provisions" means covenants restricting respondent business practices that could jeopardize respondent's ability to perform its obligations.*

7. Proposal Submission

Submission process, deliverables and deadlines

PSE is developing a web platform for respondents to confidentially submit electronic proposals to this DER RFP. PSE will provide a link to the platform and instructions for proposal submission on the RFP web site (www.pse.com/rfp) once the final RFP is issued, or soon thereafter.

Questions or comments about the DER RFP may be submitted to DERRFPmailbox@pse.com. PSE will post answers to questions on its RFP website. RFP schedule updates and any supplemental informational updates associated with this RFP will also be posted to PSE's RFP website. Table 13 outlines the relevant deliverables and deadlines.

Table 13. *Deliverables and Deadlines*

Deliverable	Date Due	Format
DER RFP proposal *(See Section 5 and Exhibit B/C for Proposal Requirements)*	March 21, 2022	• One electronic copy of the proposal via PSE's confidential electronic proposal submission web platform (instructions will be provided on www.pse.com/rfp when the final RFP is issued) ○ Proposal must include one complete Excel copy of the Exhibit B or C: Proposal Requirements Forms and all required attachments (as indicated therein) [24] ○ Proposal must include one signed scanned copy of Exhibit D: Mutual Confidentiality Agreement ○ Proposal must also include a signed scanned copy of the Bid Certification Form, Exhibit B (Tab 10) or Exhibit C (Section VIII) in addition to the live version included in the form

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[24] *Respondents may not add, remove or modify tabs in Exhibit B (Proposal Requirements Forms). PSE has designed this Excel file to be a key input to PSE's DER RFP proposal database and models. PSE will reject Exhibit B forms, if respondents add, remove or modify tabs in the Exhibit B file. Any changes to the integrity of, or a failure to complete the required fields of, the Exhibit B file will result in a validation error response and the web platform will not accept the proposal until the error is corrected.*

Proposal requirements forms (Exhibit B and Exhibit C)

PSE is committed to providing Respondents with the guidance needed to successfully complete Exhibit B or C and to navigate the newly designed proposal submission process. Only Exhibit B will be subject to the automatic intake and data validation processes. PSE will not simply reject bids due to a data entry error or a misunderstood direction for a specific field. To help Respondents successfully submit their proposals, PSE will provide the following:

- a downloadable user instruction manual on how to navigate and use the RFP submission portal and its core features and functions,
- a downloadable user reference on typical expected data validation error messages,
- a live demonstration at the Respondents' conference to show Respondents how to submit a proposal and what to expect with the automated screening,
- unlimited access to submit and resubmit proposals during the RFP submission window, and
- a three-day curing period after the RFP due date to allow Respondents to remedy an unacceptable term or condition, or other non-conforming criteria or fatal flaw in a proposal.

Respondents may also reach out to DER RFP team staff through the DER RFP mailbox (DERRFPmailbox@pse.com) with questions about Exhibit B or C, and the automated submission process.

Respondents should note that the bid submittal deadline is not subject to the three-day cure period. It is expected that respondents will plan ahead to submit their bids on time, allowing for sufficient time to seek advice from the DER RFP team, in the event of any data entry errors. Respondents are encouraged to submit early to confirm that their proposal forms will be accepted by the automated system. Respondents will have until the due date to delete and resubmit forms and other supporting files from the portal.

Exh. A to PSE's Draft 2022 DER RFP

PUGET SOUND ENERGY

2022 Distributed Energy Resources RFP:

Exhibit A. Evaluation Criteria and Scoring

Evaluation Criteria and Scoring

PSE's evaluation of new DERs is based on a combined quantitative and qualitative assessment of all proposals that meet the minimum requirements of the DER RFP. Taken together, the quantitative and qualitative evaluation criteria assess the feasibility of proposals and measure each proposal's ability to satisfy compatibility with resource need, cost minimization, contribution to Clean Energy Transformation Act ("CETA") customer benefit and equity provisions, risk management, and strategic and financial considerations.

As described in Section 4 of the DER RFP, PSE divides its evaluation process into two phases, a screening phase (Phase 1), and the Value Fit program building and portfolio design phase (Phase 2), followed by a concurrent evaluation with the All-Source RFP shortlist in Docket UE-210220.

In Phase 1, resource proposals are evaluated and scored based on the quantitative and qualitative metrics described in this exhibit. The proposals are then ranked according to the weighted average of their price (quantitative) and non-price (qualitative) scores. The weights of the price and non-price scores in the combined scoring are 60 percent and 40 percent, respectively. Only those proposals that satisfy the RFP minimum requirements will receive a qualitative or quantitative score. The evaluation team will continue to check for any non-conforming criteria or fatal flaws throughout the evaluation process. PSE will use the results of the individual quantitative portfolio analysis and qualitative evaluation to identify the candidate list of resources selected to advance to the portfolio design in Phase 2. The candidate list will comprise of the best-in-class response(s) from each response type (e.g. for Category A: smart thermostats, residential batteries, etc. and for Category B: program design, customer outreach and enrollment, etc.)

In Phase 2, Value Fit programs will be built from the candidate list of Category B responses plus PSE program resources. Value Fit programs are essentially hybrid programs combining Category B vendor services with PSE resources to create a complete turnkey program. The Value Fit programs will then be added to the candidate list of Category A bids to test the portfolio impacts of potential resource combinations, and determine the best mix of proposals to meet PSE's resource needs at the lowest reasonable cost and highest customer benefit. The results of the portfolio design phase will determine the preferred resource portfolio to be selected for the preliminary short list.

Phase 2 will be followed by a concurrent evaluation of the preliminary short lists from both the DER and All-Source RFPs in Aurora to ensure an optimal total resource portfolio.

Intake Process

After proposals pass through the automated intake process (described in Section 4 of the DER RFP), the evaluation team will conduct a preliminary qualitative screening to verify that the minimum criteria have been met, and to check for non-conforming criteria or fatal flaws that would eliminate proposals from further consideration. Common examples of non-conforming criteria or fatal flaws include, but are not limited to: proposals with insurmountable or otherwise prohibitive feasibility constraints, resources that are not CETA-compliant, SaaS solutions without a completed or in progress SOCII Type 2 audit, commercially unproven technology, excessive counterparty risk, safety risk, and regulatory or legal risk associated with noncompliance that could adversely affect PSE. Any proposal identified to have non-conforming criteria or fatal flaws will be notified and given three (3) business days to remedy (the "cure period").

Phase 1 Screening

In Phase 1, PSE will conduct a preliminary cost analysis and qualitative screening to produce a list of the most promising resources for further consideration. For this DER RFP, the quantitative cost analysis will account for 60% of the score, and the qualitative analysis will account for 40% of the score. PSE's 2021 All-Source RFP used a 70%/30% quantitative/qualitative split, but because DERs have higher impact on equitable distribution of benefits than utility-scale resources, PSE determined that a 60%/40% split was appropriate for this DER RFP.

Quantitative metrics and price score (60%)

In Phase 1, quantitative scoring for Category A (turnkey) proposals will be conducted separately from Category B (vendor service component) proposals.

For Category A proposals, the quantitative metrics assessed in Phase 1 are expected costs associated with the capacity and energy prices offered for each response. PSE will use the DER Benefit Cost Analysis ("BCA") tool developed for the 2021 CEIP to model the costs and benefits of each proposal. The BCA model analyzes both the utility's and customers' economic perspectives and the interdependencies between the two. The BCA was selected as the primary modeling tool for the DER RFP for this ability to model both customer and utility economic impact as well as calculate cost tests that align with practices outlined in the National Standard Practice Manual (NSPM).[1] To align with existing PSE modeling practices, where possible, the BCA utilizes the same base Aurora modeling assumptions used to develop the 2021 IRP. ~~The BCA inputs the costs by the categories listed in Table 1, and models customer benefits (bill savings, incentives, and back-up power), utility benefits (peak capacity reduction, frequency response and~~

[1] *See National Standard Practice Manual For Benefit-Cost Analysis of Distributed Energy Resources August 2020, https://www.nationalenergyscreeningproject.org/wp-content/uploads/2020/08/NSPM-DERs_08-24-2020.pdf*

~~operational flexibility), and societal benefits (greenhouse gas reductions) to output the societal cost test and participant cost test.~~

~~**Table 1.** DER Benefit Cost Analysis Tool Cost Categories~~

~~Cost Category~~
~~Program startup costs~~
~~Software licensing~~
~~Marketing/recruitment~~
~~Equipment capital~~
~~Equipment installation~~
~~Equipment maintenance~~
~~Participant incentives~~
~~Customer service~~
~~Tracking and reporting/M&V~~

Table 1 lists major elements quantified in the BCA model, the host customer, utility, and societal costs and benefits. The BCA model was constructed to quantify each of these costs and benefits, when applicable, and apply cost tests consistent with the NSPM.

Table 1. ***BCA Model Costs and Benefits***

Costs	Benefits
Utility initial capital outlay	Utility reduced system peak capacity
Utility grossed-up return on asset base	Utility reduced transmission peak capacity
Utility O&M costs	DER generation hedge value
Utility PPA payments	Utility flexibility benefit and frequency response offset value
Utility owned/operated battery energy storage system charging costs	Customer backup power savings
Host customer initial capital outlay	Societal greenhouse gas benefits
Host customer program participation costs	
Host customer battery energy storage system market purchase charging costs	
Host customer O&M	

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PSE expects that not all cost categories will be applicable for all responses. See Appendix D of the CEIP for more details on the BCA model.

PSE will score responses based on the cost metrics shown in Table 2 from the BCA analysis. For this RFP, PSE does not envision differentiating between the value of capacity and energy at different locations.

Table 2. ***Metrics calculated by BCA to assess RFP proposals***

Metric	Description	Value
Net Resource benefit ($)	Difference between the net present value of bid resource and the net present value of equivalent generic resource. Projects may have a portfolio benefit by displacing higher cost DERs	Higher is better. Useful for comparing projects of similar size and technology type. Used to determine the optimal combination of resources that meets PSE's resource needs.
Net Resource benefit per offered Nameplate ($/MW)	Net present value of a proposed project's net resource benefit divided by the net present value of the project's offered nameplate capacity.	Higher is better. Useful for comparing different project sizes and technologies. Used along with qualitative metrics in establishing an initial ranking of projects for inclusion in the portfolio design.
Cost Test Output (ratio)	The ratio of net present value of benefits over net present value of costs with different cost tests using different specific costs, benefits, and discount rates.	Higher is better. Useful for comparing project cost and benefits from different perspectives.

Quantitative scoring for **Category B proposals** will consider the indicative pricing for each service or bundle of services offered. This pricing may be for specific hypothetical scenarios identified in the RFP, or for bidder-proposed scenarios per instructions in the RFP. See Section 3, Pricing for Vendor Service Components, in the RFP for examples of indicative pricing.

Qualitative metrics and non-price score (40%)

PSE has developed a qualitative rubric designed to assign value and score certain key non-price elements of resource proposals that meet the following minimum requirements. The qualitative review will include an assessment of the risks, benefits and viability factors set forth in the qualitative evaluation rubric provided in Exhibit A, including: counterparty and project viability, status of site control, status of permitting, deliverability, and contribution to CETA customer benefit and equity considerations. PSE will score proposals based on the information provided by Respondents and any further due diligence required to verify that the information provided is accurate and complete. In conducting due diligence and risk assessment, the DER acquisition team will consult as necessary with subject matter experts from specific functional areas throughout the company. Certain elements in the qualitative rubric may not apply in the same manner to all types of resources.

In Phase 1, PSE will perform additional due diligence, where necessary, to understand the unique risks and merits of particular proposals, verify proposal claims, clarify offer details, and answer any outstanding questions. To do this, the evaluation team may:

- submit data requests to respondents for clarification of proposal details or for further information to help illuminate the particular risks and benefits of proposals,
- discuss elements of the proposals with respondents by phone,
- draw on publicly available and non-confidential information as per the Mutual Confidentiality Agreement (Exhibit D) to better understand key elements of the proposals,
- utilize a third-party consultant to help assess the reasonableness of resource data.

The resource evaluation team will assign qualitative scores based on the information that respondents provided in their proposals, as well as PSE's experience in the market, as a resource owner/operator and program implementer, and on publicly available information. The evaluation team will also consult as necessary with subject matter experts from specific functional areas throughout the company.

PSE's qualitative scoring rubric is provided as Table 3 for Category A and Table 4 for Category B beginning on page A-8. Respondents should note the following:

- All cloud-based software solutions must have a SOCII Type 2 audit completed. Vendors who are in the process of a SOC2 audit will be considered if a letter is provided from their auditor stating they are in a SOC2 audit and have an estimated completion date on or before July 1, 2022.
- Any proposal that receives a score of "0" in the Project Viability, Site Control Status, Energy Delivery or the CETA customer benefit plan category will be deemed to have failed to meet the minimum criteria of the 2022 DER RFP and disqualified from further consideration (provided that such failure to meet minimum criteria has not been remedied within the three-business-day cure period).
- For categories that require a greater degree of judgement in assessing risk (Counterparty Viability, Project Viability and CETA customer benefit plan), the rubric indicates factors that the evaluation team will consider when assigning appropriate scores. Respondents should therefore ensure that the information in their responses adequately addresses these factors.

PSE will use information provided by the respondent as well as information available in the public domain to make an informed evaluation of the maturity and readiness of the proposal in the categories of counterparty viability, project viability, site control/customer acquisition status, permitting status, energy delivery, and CETA equity plan. PSE will evaluate each proposal based on the merits of the quality and completeness of information sought in each of those categories. The information provided below serves to aid respondents to build as complete a proposal as possible in order to achieve the highest qualitative score attainable for their project.

EXHIBIT A: EVALUATION CRITERIA AND SCORING

A. Counterparty viability

Experience

- Direct experience implementing similar size and technology deployment in the United States
  - Summary CV of all key project team members
  - Company structure and organization
  - List of previous projects and technology types, linking key project team members if applicable
- Previous safety performance record

Counterparty stability

- Credit history and stability
- Financial reports/10K/ CPA certified for previous 3 years
- Material legal proceedings within past five years. (PSE will generally consider legal breaches of greater than $5 million to be material)

B. Project viability

Financing plan [Category A only]

- Project financing
- Project's development history
- Project's ownership taxonomy
- Interconnection and transmission cost with studies complete

Execution plan

- OEM fleet monitoring statistics
- Program design
- Management
- Performance guarantees

Technology risk [Category A only]

- Installed project lists

C. Site control / Customer acquisition status

FTM Resources [Category A only]

- Description of how sites will be identified
- Evidence of local community support for the proposed project
- For larger sites or those further along in planning
  - Binding letters of land use agreement

- Non-binding letters of land use agreement
- Ownership documentation

BTM or customer-sited proposals

- Description of how customers will be identified
- Marketing tactics
- Market potential assessment
- Acquisition timeline

D. Permitting and studies [Category A only]

- Engineering studies
- Habitat studies
- Environmental impact studies
- State and/or federal discretionary permits
- Commercial and/or residential permits

E. Energy delivery [Category A only]

FTM Resources

- Preliminary Site Assessments
- Interconnection request and/or agreements
- Feasibility, system impact, and/or facilities study
- SaaS or on premise interface with PSE

Aggregated BTM Resources

- Experience interfacing with VPPs
- Viability of interfacing with PSE's VPP
- SaaS or on premise interface with PSE

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F. CETA Equity Plan

CETA customer benefit indicators and Business Values

The 2022 DER RFP requires respondents to submit an equity plan that at a minimum addresses the questions in the CETA Equity Plan and Company Commitments section: Tab 2a of Exhibit B for Category A respondents, and Section VI of Exhibit C for Category B respondents. Respondents are strongly encouraged to submit additional material with more detail, as appropriate, to help PSE assess the credibility and viability the respondent's equity plan. The Equity Plan should be guided by the principles set forth in RCW 19.405.040(8) of the Clean Energy Transformation Act, which states:

(8) In complying with this section, an electric utility must, consistent with the requirements of RCW 19.280.030 and 19.405.140, ensure that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and non-energy

benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency.

PSE will evaluate a respondent's Equity Plan based on the degree to which it identifies and explains specific plans and/or ways that the proposal addresses the CETA customer benefits and incorporates diversity, equity and inclusion in its business practices and program. PSE will also look for commitments from respondents to carry out those plans and/or track the contributions of the proposed project. Respondents are encouraged to include in their Equity Plan the methods by which non-energy benefits may be quantified, which the evaluation team may consider in the qualitative evaluation.

The five customer benefit indicators ("CBI") categories in the qualitative rubric are: 1) environmental 2) economic 3) health 4) energy and non-energy benefits and 5) energy security and resiliency. These are based on indicators presented by PSE's IRP team in its February 10, 2021 public presentation to stakeholders. PSE partnered with its Equity Advisory Group to identify CBI's in each of these categories. CBIs are discussed in detail in Chapter 3 of PSE's 2021 CEIP, including Table 3-15, which shows how PSE scored CBIs for its Preferred Portfolio.

As described above, PSE may perform analyses in the Phase 2 portfolio design phase aimed at producing a resource portfolio that meets the capacity and renewable need while maximizing CBIs prioritized by the ongoing public participation and advisory group process with stakeholders.

Named Communities Enrollment [Category A only]

For customer facing resources, respondents should state their commitment to enrolling customers in named communities, and describe their strategy to achieve the commitment. For standalone resources, respondents should state if they intend to build in a named community, and describe potential barriers and mitigation strategies. This is not applicable to Category B responses because it is not applicable to all vendor service components.

Table 3. ***Category A Qualitative scoring rubric***

EXHIBIT A: EVALUATION CRITERIA AND SCORING

Evaluation Categories	Weight			Points
Counterparty Viability *Screening based on 2 key areas listed below. The total sum is applied towards this category.*	10%	x	0	_ / 8
Experience Level				
Bidding Entity (company) has no demonstrable experience implementing **at least 1** similar size and technology deployment				1
Bidding Entity (company) has demonstrable experience implementing **< 3** similar size and technology deployment				2
Bidding Entity (company) has demonstrable experience implementing **≥ 3** similar size and technology deployments				3
Direct team working on project (at least one member) has demonstrable experience implementing **≥ 3 and ≤ 5** similar size and technology deployments				4
Direct team working on project (at least one member) has demonstrable experience implementing **> 5** similar size and technology deployments				5
Counterparty Stability				
Bidder assessed to have weak or limited financial profile and/or has been engaged in recent material disputes or legal proceedings				1
Bidder assessed to have an acceptable financial profile and/or has not been engaged in recent material disputes or legal proceedings				2
Bidder assessed to have a strong financial profile and has not been engaged in recent material disputes or legal proceedings				3
* Material legal proceedings within past five years. PSE will generally consider legal breaches of greater than $5 million to be material				

Evaluation Categories	Weight			Points
Counterparty Viability *Screening based on 2 key areas listed below. The total sum is applied towards this category.*	10%	x	0	_ / 8
Experience Level				
Bidding Entity (company) has no demonstrable experience implementing **at least 1** similar size and technology deployment				1
Bidding Entity (company) has demonstrable experience implementing **< 3** similar size and technology deployment				2
Bidding Entity (company) has demonstrable experience implementing **≥ 3** similar size and technology deployments				3
Direct team working on project (at least one member) has demonstrable experience implementing **≥ 3 and ≤ 5** similar size and technology deployments				4
Direct team working on project (at least one member) has demonstrable experience implementing **> 5** similar size and technology deployments				5
Counterparty Stability				
Bidder assessed to have weak or limited financial profile and/or has been engaged in recent material disputes or legal proceedings				1
Bidder assessed to have an acceptable financial profile and/or has not been engaged in recent material disputes or legal proceedings				2
Bidder assessed to have a strong financial profile and has not been engaged in recent material disputes or legal proceedings				3
* Material legal proceedings within past five years. PSE will generally consider legal breaches of greater than $5 million to be material				

EXHIBIT A: EVALUATION CRITERIA AND SCORING

Project Viability *Screening based on applicable areas listed below. The total sum of the respective applicable areas is applied towards this category.*	**10%**	**x**	**0**	**_ / 9**
Financing Plan				
Plan provided but no actionable progress made	1			
Project Financing yet to be achieved but in progress	2			
Balance Sheet Financed or Financial arrangement established	3			
Execution Plan				
Plans provide little or no details to evaluate robustness of execution plan	1			
Plans provide general overview without necessary details to evaluate some areas of the robustness of outlined execution	2			
Detailed plans describing among other items, overall program design and management, system integration, operations, dispatch, and performance guarantees.	3			
Technology Risk				
Non-commercial / unproven technology	0			
Commercial scale technology with minimal fleet deployment history (for ownership proposals: minimal operational experience of similar technology at PSE)	1			
≥5 deployments with similar asset with ≥ 5 years of fleet deployment history	2			
≥10 deployments with similar asset with ≥10 years of fleet deployment history	3			
* PSE may differentiate between technology upgrades and new classes of technology in assigning scores for deployment				

Project Viability *Screening based on applicable areas listed below. The total sum of the respective applicable areas is applied towards this category.*	**10%**	**x**	**0**	**_ / 9**
Financing Plan				
Plan provided but no actionable progress made	1			
Project Financing yet to be achieved but in progress	2			
Balance Sheet Financed or Financial arrangement established	3			
Execution Plan				
Plans provide little or no details to evaluate robustness of execution plan	1			
Plans provide general overview without necessary details to evaluate some areas of the robustness of outlined execution	2			
Detailed plans describing among other items, overall program design and management, system integration, operations, dispatch, and performance guarantees.	3			
Technology Risk				
Non-commercial / unproven technology	0			
Commercial scale technology with minimal fleet deployment history (for ownership proposals: minimal operational experience of similar technology at PSE)	1			
≥5 deployments with similar asset with ≥ 5 years of fleet deployment history (for ownership proposals: successful pilot programs with similar technology at PSE)	2			
≥10 deployments with similar asset with ≥10 years of fleet deployment history (for ownership proposals: operational experience of similar technology at PSE)	3			
* PSE may differentiate between technology upgrades and new classes of technology in assigning scores for deployment				

EXHIBIT A: EVALUATION CRITERIA AND SCORING

Site Control / Customer Acquisition Status	20%	x	0	_ / 3
Project Site (single POI distribution projects)				
No executed land agreements / Not feasible				0
≥25% Executed land agreements / Low probability of complete site control				1
≥50% Executed land agreements / Demonstrated consistent progress in complete site control				2
≥75% Executed Land agreements / High probability of complete site control				3
Customer / Site Acquisition Plan (DR and Aggregated DER only)				
Plan provides little or no detail about how sites / customers will be identified, what constitutes a qualifying site, or what marketing tactics will be utilized. Plan does not involve PSE in the customer relationship.				0
Plan provides a general overview without necessary details to evaluate some areas on the robustness; may not include an assessment of market potential within PSE service territory. Plan minimally involves PSE in the customer relationship.				1
Detailed plan describing how sites will be identified, customer acquisition timeline and tactics, market potential, and timeline of resource additions. PSE is the primary owner of the customer relationship.				2
Detailed plan and some customers / sites already identified. PSE is the primary owner of the customer relationship.				3

Permitting and Studies *If Applicable*	5%	x	0	_ / 5
Permitting or long lead-time studies (such as Habitat Studies) not begun / no plan submitted				0
Permitting or long lead-time studies (such as Habitat Studies) not begun / plan submitted				1
Permitting and long lead-time studies (such as Habitat Studies) begun				2
Discretionary permits filed				3
Discretionary permits obtained / Only Non-discretionary permits required				4
All permits obtained/Not required*				5

Site Control / Customer Acquisition Status	20%	x	0	_ / 3
Project Site (single POI distribution projects)				
No executed land agreements / Not feasible				0
≥25% Executed land agreements / Low probability of complete site control				1
≥50% Executed land agreements / Demonstrated consistent progress in complete site control				2
≥75% Executed Land agreements / High probability of complete site control				3
Customer / Site Acquisition Plan (DR and Aggregated DER only)				
Plan provides little or no detail about how sites / customers will be identified, what constitutes a qualifying site, or what marketing tactics will be utilized.				0
Plan provides a general overview without necessary details to evaluate some areas on the robustness; may not include an assessment of market potential within PSE service territory.				1
Detailed plan describing how sites will be identified, customer acquisition timeline and tactics, market potential, and timeline of resource additions.				2
Detailed plan and some customers / sites already identified.				3

Permitting and Studies *If Applicable*	5%	x	0	_ / 5
Permitting or long lead-time studies (such as Habitat Studies) not begun / no plan submitted				0
Permitting or long lead-time studies (such as Habitat Studies) not begun / plan submitted				1
Permitting and long lead-time studies (such as Habitat Studies) begun				2
Discretionary permits filed				3
Discretionary permits obtained / Only Non-discretionary permits required				4
All permits obtained/Not required*				5

EXHIBIT A: EVALUATION CRITERIA AND SCORING

Energy Delivery *For applicable resources, a completed application for schedule 152 is not required to bid into this RFP, but any resource without a submitted application by June 1, 2022 will be considered ineligible for this RFP*	**10%**	**x**	**0**	**_ / 4**
DER/DR projects directly interconnected to the distribution system (on PSE system only)				
No interconnection submitted -or- Deliverability not feasible	0			
Submitted Preliminary Site Assessment application	1			
Completed application for Schedule 152	2			
Preliminary review indicates delivery is feasible	3			
Transmission distribution study complete (if applicable) -or- Interconnection approved -or- Not required (DR)	4			
BTM DER/DR aggregators				
Interface with PSE VPP not feasible	0			
Interface with PSE VPP feasible	4			

Energy Delivery *For applicable resources, a completed application for schedule 152 is not required to bid into this RFP, but any resource without a submitted application by June 1, 2022 will be considered ineligible for this RFP*	**10%**	**x**	**0**	**_ / 15**
DER/DR projects interconnected to the distribution system (on PSE system only)				
Deliverability not feasible	0			
No interconnection submitted	1			
Submitted Preliminary Site Assessment application	2			
Completed application for Schedule 152	3			
Preliminary review indicates delivery is feasible	4			
Transmission distribution study complete (if applicable) -or- Interconnection approved -or- Not required (DR)	5			
DER/DR aggregators and BESS dispatch				
Interface with PSE through an on premise application or similar deployment	1			
Interface with PSE through a SaaS platform	5			
BTM DER/DR aggregators				
Interface with PSE VPP not feasible	0			
Interface with PSE VPP feasible	5			

EXHIBIT A: EVALUATION CRITERIA AND SCORING

CETA Equity Plan *Customer Benefits from Transition to Clean Energy Plan*	**25%**	**x**	**0**	**_ / 22**
Does the project reduce air pollution by decreasing carbon emissions and deploying renewable resources?				
May produce more annual metric tons of CO2				0
Not likely to reduce annual metric tons of CO2				1
Reduces annual metric tons of CO2				2
Does the program mitigate the impacts of climate change eg. Wildfires, droughts through reduced peak demand?				
Increases impacts of climate change				0
Does not mitigate				1
Can measurably mitigate				2
Does the program improve outdoor air quality and help abate health issues (eg. asthma, heart disease)?				
May produce more annual metric tons of NOx, SOx, and PMP2.5				0
Not likely to reduce annual metric tons of NOx, SOx, and PMP2.5				1
Reduces annual metric tons of NOx, SOx, and PMP2.5				2
Does the program help abate health and safety issues, including indoor air quality (e.g., asthma, heart disease, and heat-related illnesses)? - Health factors like mortality, hospital admittance, work loss days				
% increase				0
No discernable % increase/decrease				1
% decrease				2
Does the program decrease the percentage of customers' income dedicated to energy costs?				
Non-measurable % decrease				0
Measurable % decrease, but only for targeted or participating customers				1
Measurable % decrease for all customers				2

CETA Equity Plan *Customer Benefits from Transition to Clean Energy Plan*	**25%**	**x**	**0**	**_ / 20**
Does the project reduce air pollution by decreasing carbon emissions and deploying renewable resources?				
May produce more annual metric tons of CO2				0
Not likely to reduce annual metric tons of CO2				1
Reduces annual metric tons of CO2				2
Does the program mitigate the impacts of climate change eg. Wildfires, droughts through reduced peak demand?				
Increases impacts of climate change				0
Does not mitigate				1
Can measurably mitigate				2
Does the program improve outdoor air quality and help abate health issues (eg. asthma, heart disease)?				
May produce more annual metric tons of NOx, SOx, and PMP2.5				0
Not likely to reduce annual metric tons of NOx, SOx, and PMP2.5				1
Reduces annual metric tons of NOx, SOx, and PMP2.5				2
Does the program help abate health and safety issues, including indoor air quality (e.g., asthma, heart disease, and heat-related illnesses)? - Health factors like mortality, hospital admittance, work loss days				
% increase				0
No discernable % increase/decrease				1
% decrease				2
Does the program decrease the percentage of customers' income dedicated to energy costs for highly impacted communities and vulnerable populations?				
Non-measurable % decrease				0
Measurable % decrease, but only for targeted or participating customers				1
Measurable % decrease for all customers				2

EXHIBIT A: EVALUATION CRITERIA AND SCORING

Does the program decrease the percentage of customers' income dedicated to energy costs for highly impacted communities and vulnerable populations?	
Measurable risk of % increase	0
Non-measurable % increase/decrease	1
Measurable % decrease	2
Does the program or action provide additional career opportunities to highly impacted communities or vulnerable populations?	
No new full-time clean energy jobs	0
<20 new full-time clean energy jobs in named communities	1
≥20 new full-time clean energy jobs in named communities	2
Does the program reduce barriers (eg. Rent vs. own, financing, rebates or other incentives) for our target population and incentivize participation by these customer classes?	
No commitment to enrolling customers in named communities *(Both Aggregated and Standalone)*	0
<30% enrollment of customers in named communities *(Aggregated)*	1
≥30% enrollment of customers in named communities *(Aggregated); Located in named communities (Standalone)*	2
Does the program decrease the number of and frequency of outages through the use of distributed resources?	
No discernable impact or decrease	0
May help to mitigate risk or lessen impact of potential number and/or duration of outages	1
Measurable % decrease for all customers	2
Does the program support an increase in community resilience (eg. microgrid which may include storage and solar, DERs, education and preparedness)?	
No to minimal impact	0
Provides resources to support future resiliency or educates customers about resiliency	1
Provides direct resiliency	2
Does the project improve home comfort for customers including heating and cooling and indoor air quality?	
No impact	0
Minimal impact	1
Significant impact	2
Does the program provide additional, higher quality career opportunities to highly impacted communities or vulnerable populations?	
No new full-time clean energy jobs	0
<20 new full-time clean energy jobs in named communities	1
≥20 new full-time clean energy jobs in named communities	2
Does the program increase outreach and accessibility for highly impacted communities or vulnerable populations by providing materials in non-English languages?	
No effort made	0
Partial effort with at least one to two additional translations	1
Significant effort made with three or more translations made	2
Does the program decrease the number of and frequency of outages through the use of distributed resources?	
No discernable impact or decrease	0
May help to mitigate risk or lessen impact of potential number and/or duration of outages for direct customers	1
Measurable % decrease for all customers	2
Does the program increase access to reliable clean energy for highly impacted communities or vulnerable populations?	
No impact	0
Minimal impact	1
Significant impact	2
Does the project improve home comfort for highly impacted communities or vulnerable populations including heating and cooling, and indoor air quality?	
No impact	0
Minimal impact	1
Significant impact	2

EXHIBIT A: EVALUATION CRITERIA AND SCORING

CETA Equity Plan *Business Values*	**10%**	**x**	**0**	**_ / 12**
Has your firm adopted an Environmental, Social, Corporate Governance - ESG/sustainability policy, implementation process and business procedures?				
No action plan				0
Partial action plan touching on at least one element				2
Comprehensive action plan touching on social, environmental and additional topics				4
Commitment to contracting with small businesses and minority, women and verteran owned business enterprises				
No commitment to contracting with SMWBE				0
<20% contract value subbed to SMWBE				1
≥20-<30% contract value subbed to SMWBE				2
≥30% contract value subbed to SMWBE				3
Respondent is a women-, minority-, disabled-, or veteran-owned business				4
Does the developer intend to comply with the labor standards in RCW 82.08.962 and 82.12.962? If yes, provide a summary description.				
Noncompliance with labor standards				0
Partial commitment to labor standards				2
Complete commitment to labor standards				4
Named Communities Enrollment	**10%**	**x**	**0**	**_ / 2**
Commitment to enrolling customers in named communities *(For Aggregated Resources)*				
No commitment to enrolling customers in named communities				0
<30% enrollment of customers in named communities				1
≥30% enrollment of customers in named communities				2
Standalone projects located in named communities *(For FTM Resources)*				
Not located in named community				0
Located in named community				2

CETA Equity Plan *Business Values*	**10%**	**x**	**0**	**_ / 12**
Has your firm adopted an Environmental, Social, Corporate Governance - ESG/sustainability policy, implementation process and business procedures?				
No action plan				0
Partial action plan touching on at least one element				2
Comprehensive action plan touching on social, environmental and additional topics				4
Commitment to contracting with small businesses and minority, women and verteran owned business enterprises				
No commitment to contracting with SMWBE				0
<20% contract value subbed to SMWBE				1
≥20-<30% contract value subbed to SMWBE				2
>30% contract value subbed to SMWBE				3
Respondent is certified by the Washington State Office of Minority & Women's Business Enterprises (OMWBE), Washington State Department of Veterans Affairs (WDVA) and/or U.S. Small Business Administration				4
Does the developer intend to comply with the labor standards in RCW 82.08.962 and 82.12.962? If yes, provide a summary description.				
No, the developer does not intend to comply with labor standards consistent with RCW 82.08.962 and 82.12.962				0
The developer intends to comply with labor standards consistent with RCW 82.08.962(1)(c)(i) and RCW 82.12.962(1)(c)(i).				1
The developer intends to comply with labor standards consistent with RCW 82.08.962(1)(c)(ii) and RCW 82.12.962(1)(c)(ii).				2
The developer intends to comply with labor standards consistent with RCW 82.08.962(1)(c)(iii) and RCW 82.12.962(1)(c)(iii).				4
Named Communities Enrollment	**10%**	**x**	**0**	**_ / 2**
Commitment to enrolling customers in named communities *(For Aggregated Resources)*				
No commitment to enrolling customers in named communities				0
<30% enrollment of customers in named communities				1
≥30% enrollment of customers in named communities				2
Standalone projects located in named communities *(For Standalone Resources)*				
Not located in named community				0
Located in named community				2

Table 4. ***Category B Qualitative scoring rubric***

EXHIBIT A: EVALUATION CRITERIA AND SCORING

Counterparty Viability *Screening based on 2 key areas listed below. The total sum is applied towards this category.*	**15%**	**x**	**0**	**_ / 8**
Experience Level				
Bidding Entity (company) has no demonstrable experience implementing **at least 1** similar size and technology deployment				1
Bidding Entity (company) has demonstrable experience implementing **< 3** similar size and technology deployment				2
Bidding Entity (company) has demonstrable experience implementing **≥ 3** similar size and technology deployments				3
Direct team working on project (at least one member) has demonstrable experience implementing **≥ 3 and ≤ 5** similar size and technology deployments				4
Direct team working on project (at least one member) has demonstrable experience implementing **> 5** similar size and technology deployments				5
Counterparty Stability				
Bidder assessed to have weak or limited financial profile and/or has been engaged in recent material disputes or legal proceedings				1
Bidder assessed to have an acceptable financial profile and/or has not been engaged in recent material disputes or legal proceedings				2
Bidder assessed to have a strong financial profile and has not been engaged in recent material disputes or legal proceedings				3
* Material legal proceedings within past five years. PSE will generally consider legal breaches of greater than $5 million to be material				

Project Viability *Screening based on applicable areas listed below. The total sum of the respective applicable areas is applied towards this category.*	**15%**	**x**	**0**	**_ / 9**
Execution Plan				
Plans provide little or no details to evaluate robustness of execution plan				1
Plans provide general overview without necessary details to evaluate some areas of the robustness of outlined execution				2
Detailed plans describing among other items, overall program design, management and performance guarantees.				3
Detailed plans as described above, but also include plans for integration of operations with other parties for completion of program				4

EXHIBIT A: EVALUATION CRITERIA AND SCORING

Evaluation Categories	Weight			Points
Counterparty Viability *Screening based on 2 key areas listed below. The total sum is applied towards this category.*	15%	x	0	_ / 8
Experience Level				
Bidding Entity (company) has no demonstrable experience implementing **at least 1** similar size and technology deployment				1
Bidding Entity (company) has demonstrable experience implementing **< 3** similar size and technology deployment				2
Bidding Entity (company) has demonstrable experience implementing **≥ 3** similar size and technology deployments				3
Direct team working on project (at least one member) has demonstrable experience implementing **≥ 3 and ≤ 5** similar size and technology deployments				4
Direct team working on project (at least one member) has demonstrable experience implementing **> 5** similar size and technology deployments				5
Counterparty Stability				
Bidder assessed to have weak or limited financial profile and/or has been engaged in recent material disputes or legal proceedings				1
Bidder assessed to have an acceptable financial profile and/or has not been engaged in recent material disputes or legal proceedings				2
Bidder assessed to have a strong financial profile and has not been engaged in recent material disputes or legal proceedings * Material legal proceedings within past five years. PSE will generally consider legal breaches of greater than $5 million to be material				3
Project Viability *Screening based on applicable areas listed below. The total sum of the respective applicable areas is applied towards this category.*	15%	x	0	_ / 9
Execution Plan				
Plans provide little or no details to evaluate robustness of execution plan				1
Plans provide general overview without necessary details to evaluate some areas of the robustness of outlined execution				2
Detailed plans describing among other items, overall program design, management and performance guarantees.				3
Detailed plans as described above, but also include plans for integration of operations with other parties for completion of program				4
Site Control / Customer Acquisition Status *If Applicable*	15%	x	0	_ / 3
Customer / Site Acquisition Plan (DR and Aggregated DER only)				
Plan provides little or no detail about how sites / customers will be identified, what constitutes a qualifying site, or what marketing tactics will be utilized. Plan does not involve PSE in the customer relationship.				0
Plan provides a general overview without necessary details to evaluate some areas on the robustness; may not include an assessment of market potential within PSE service territory. Plan minimally involves PSE in the customer relationship.				1
Detailed plan describing how sites will be identified, customer acquisition timeline and tactics, market potential, and timeline of resource additions. PSE is the primary owner of the customer relationship.				2
Detailed plan and some customers / sites already identified. PSE is the primary owner of the customer relationship.				3
Site Control / Customer Acquisition Status *If Applicable*	15%	x	0	_ / 3
Customer / Site Acquisition Plan (DR and Aggregated DER only)				
Plan provides little or no detail about how sites / customers will be identified, what constitutes a qualifying site, or what marketing tactics will be utilized.				0
Plan provides a general overview without necessary details to evaluate some areas on the robustness; may not include an assessment of market potential within PSE service territory.				1
Detailed plan describing how sites will be identified, customer acquisition timeline and tactics, market potential, and timeline of resource additions.				2
Detailed plan and some customers / sites already identified.				3

EXHIBIT A: EVALUATION CRITERIA AND SCORING

CETA Equity Plan *Customer Benefits from Transition to Clean Energy Plan*	35%	x	0	_ / 22
Does the service enhance the program's ability to reduce air pollution by decreasing carbon emissions and deploying renewable resources?				
Not Applicable	N/A			
No (annual metric tons of CO2)	0			
Yes (annual metric tons of CO2)	2			
Does the service enhance the program's ability to mitigate the impacts of climate change eg. Wildfires, droughts through reduced peak demand?				
Not Applicable	N/A			
No (%)	0			
Yes (%)	2			
Does the service enhance the program's ability to outdoor air quality and help abate health issues (eg. asthma, heart disease)?				
Not Applicable	N/A			
No (annual metric tons of NOx, SOx, and PMP2.5)	0			
Yes (annual metric tons of NOx, SOx, and PMP2.5)	2			
Does the service enhance the program's ability to abate health and safety issues, including indoor air quality (e.g., asthma, heart disease, and heat-related illnesses)? - Health factors like mortality, hospital admittance, work loss days				
Not Applicable	N/A			
No (%)	0			
Yes (%)	2			
Does the service enhance the program's ability to decrease the percentage of customers' income dedicated to energy costs?				
Not Applicable	N/A			
No (%)	0			
Yes (%)	2			
Does the service enhance the program's ability to decrease the percentage of customers' income dedicated to energy costs for highly impacted communities and vulnerable populations?				
Not Applicable	N/A			
No (%)	0			
Yes (%)	2			
Does the service enhance the program's ability to provide additional career opportunities to highly impacted communities or vulnerable populations?				
Not Applicable	N/A			
No (F/T, training and short term jobs)	0			
Yes (F/T, training and short term jobs)	2			
Does the service enhance the program's ability to reduce barriers (eg. Rent vs. own, financing, rebates or other incentives) for our target population and incentivize participation by these customer classes?				
Not Applicable	N/A			
No (%)	0			
Yes (%)	2			
Does the service enhance the program's ability to decrease the number of and frequency of outages through the use of distributed resources?				
Not Applicable	N/A			
No (%)	0			
Yes (%)	2			
Does the service enhance the program's ability to support an increase in community resilience (eg. microgrid which may include storage and solar, DERs, education and preparedness)?				
Not Applicable	N/A			
No	0			
Yes	2			
Does the service enhance the program's ability to improve home comfort for customers including heating and cooling and indoor air quality?				
Not Applicable	N/A			
No	0			
Yes	2			

EXHIBIT A: EVALUATION CRITERIA AND SCORING

CETA Equity Plan *Customer Benefits from Transition to Clean Energy Plan*	**35%**	**x**	**0**	**_ / 20**
Does the service enhance the program's ability to reduce air pollution by decreasing carbon emissions and deploying renewable resources?				
Not Applicable				N/A
No (annual metric tons of CO2)				0
Yes (annual metric tons of CO2)				2
Does the service enhance the program's ability to mitigate the impacts of climate change eg. Wildfires, droughts through reduced peak demand?				
Not Applicable				N/A
No (%)				0
Yes (%)				2
Does the service enhance the program's ability to outdoor air quality and help abate health issues (eg. asthma, heart disease)?				
Not Applicable				N/A
No (annual metric tons of NOx, SOx, and PMP2.5)				0
Yes (annual metric tons of NOx, SOx, and PMP2.5)				2
Does the service enhance the program's ability to abate health and safety issues, including indoor air quality (e.g., asthma, heart disease, and heat-related illnesses)? - Health factors like mortality, hospital admittance, work loss days				
Not Applicable				N/A
No (%)				0
Yes (%)				2
Does the service enhance the program's ability to decrease the percentage of customers' income dedicated to energy costs for highly impacted communities and vulnerable populations?				
Not Applicable				N/A
No (%)				0
Yes (%)				2
Does the service enhance the program's ability to provide additional, higher quality career opportunities to highly impacted communities or vulnerable populations?				
Not Applicable				N/A
No (F/T, training and short term jobs)				0
Yes (F/T, training and short term jobs)				2
Does the service increase outreach and accessibility for highly impacted communities or vulnerable populations by providing materials in non-English languages?				
Not Applicable				N/A
No (%)				0
Yes (%)				2
Does the service enhance the program's ability to decrease the number of and frequency of outages through the use of distributed resources?				
Not Applicable				N/A
No (%)				0
Yes (%)				2
Does the service enhance access to reliable clean energy for highly impacted communities or vulnerable populations?				
Not Applicable				N/A
No				0
Yes				2
Does the service improve home comfort for highly impacted communities or vulnerable populations including heating and cooling, and indoor air quality?				
Not Applicable				N/A
No				0
Yes				2

CETA Equity Plan *Business Values*	20%	x	0	_ / 12
Has your firm adopted an Environmental, Social, Corporate Governance - ESG/sustainability policy, implementation process and business procedures?				
No action plan				0
Partial action plan touching on at least one element				2
Comprehensive action plan touching on social, environmental and additional topics				4
Commitment to contracting with small businesses and minority, women and verteran owned business enterprises				
No commitment to contracting with SMWBE				0
<20% contract value subbed to SMWBE				1
≥20-<30% contract value subbed to SMWBE				2
≥30% contract value subbed to SMWBE				3
Respondent is a women-, minority-, disabled-, or veteran-owned business				4
Does the developer intend to comply with the labor standards in RCW 82.08.962 and 82.12.962? If yes, provide a summary description.				
Noncompliance with labor standards				0
Partial commitment to labor standards				2
Complete commitment to labor standards				4

CETA Equity Plan *Business Values*	20%	x	0	_ / 20
Has your firm adopted an Environmental, Social, Corporate Governance - ESG/sustainability policy, implementation process and business procedures?				
No action plan				0
Partial action plan touching on at least one element				2
Comprehensive action plan touching on social, environmental and additional topics				4
Is the Respondent a small business or minority, women and verteran owned business enterprise (SMWVBE)?				
Respondent is not a SMWVBE				0
Respondent is certified by the U.S. Small Business Administration				6
Respondent is certified by the Washington State Office of Minority & Women's Business Enterprises (OMWBE) and/or Washington State Department of Veterans Affairs (WDVA)				12
Does the developer intend to comply with the labor standards in RCW 82.08.962 and 82.12.962? If yes, provide a summary description.				
No, the developer does not intend to comply with labor standards consistent with RCW 82.08.962 and 82.12.962				0
The developer intends to comply with labor standards consistent with RCW 82.08.962(1)(c)(i) and RCW 82.12.962(1)(c)(i).				1
The developer intends to comply with labor standards consistent with RCW 82.08.962(1)(c)(ii) and RCW 82.12.962(1)(c)(ii).				2
The developer intends to comply with labor standards consistent with RCW 82.08.962(1)(c)(iii) and RCW 82.12.962(1)(c)(iii).				4

Phase 2 Portfolio Design

Comparison of bids across Category A and Category B. PSE envisions that some Category B respondents may be selected to support future PSE programs that could deliver DERs at a greater value than those offered by Category A respondents. In order to facilitate a comparison of bids across bid categories, PSE intends to build upon individual Category B service bids to construct Value Fit program offerings addressing all required services, utilizing internal program cost data and secondary data sources. Value Fit programs will be prepared by a separate team without access to Category A proposals to provide impartiality in the evaluation process. The IE will be incorporated in the Value Fit program development to ensure a fair and equitable approach is taken. Chosen service bids will be initially categorized for Value Fit development, with review from the IE. Final development of Value Fit programs will include review by the IE, with any pertinent data being provided to the IE for verification. If a Category B respondent is selected as

part of a Value Fit program, the respondent may be required to provide more information for the Phase 2 analysis, such as any additional information needed to get Value Fit programs closer to what their actual cost will be. PSE will contact Category B bidders about additional pricing and proposal information to better equate the overall bid price and determine how PSE resources best fit. Value Fit programs will then be compared amongst each other using the same Phase 1 qualitative analysis. PSE will use the ~~same scoring rubric in~~BCA model in Phase 2 to compare the entire pool of programs from successful Category A proposals and Value Fit programs.

PSE envisions that some of DER programs may be delivered through a combination of Category B responses and PSE's internal program resources. Additionally, some Category B respondents may be selected to work with Category A respondents, for example to more effectively recruit low-income participants or to provide local labor from named communities. PSE will directly notify both Category A and Category B respondents if there is the potential for a partnership between bids. The proposed partnership is not a requirement for either party's continued participation in the RFP. The intent of the partnership is to provide Category A respondents with potential subcontractors or partners aligned with Category A respondents' proposals.

During Phase 2, the combined impact of a portfolio of programs will be used to ensure the total DER portfolio meets PSE's stated resource needs while minimizing costs, maximizing benefits and providing opportunities for participation to all PSE customers.

In Phase 2, PSE reserves the right to conduct additional due diligence, as necessary, on the candidate list proposals. This may include engaging with respondents regarding various aspects of the proposals to verify proposal claims with supporting data and documents from the respondent, engaging third-party consultants to independently verify resource performance, or using other publicly available information. PSE will assess proposed edits to the term sheets submitted from respondents by screening for terms and conditions that present unreasonable or excessive risk to PSE or its customers. PSE will assess such risk on a pass/fail basis. If PSE determines that a proposal contains such unacceptable terms or conditions, the Respondent will be given three business days to remedy, consistent with the cure period allowed for the correction of other non-conforming criteria or fatal flaws. Term sheet redlines that pass the screening should not be deemed as having been accepted by PSE in any subsequent negotiation with a shortlisted Respondent; final terms will be determined through negotiations with selected counterparties. PSE reserves the right to suspend negotiations with any Respondent and initiate discussions with an alternate Phase 2 candidate at its sole discretion and in the best interests of the Company and its customers.

Prior to short-list selection, bidders may be interviewed in order to clarify aspects of their business and offer including, but not limited to: demonstrated competence and experience, management structure and assigned personnel, quality of proposed equipment and services, pricing, and performance guarantees. Proposals that are unable to meet the "Must Have" requirements listed in Exhibit K and Exhibit B: Proposal Requirements Forms (Tab 4), will have their capabilities compared to determine those that best meet PSE requirements. Proposals that pass the Phase 2 evaluation will be placed on the short list. Short listed proposals may lead to

negotiations of the terms and conditions of definitive agreements. Proposals that PSE determines present unacceptable risks, or that otherwise fail to meet the minimum proposal requirements defined in Section 5 of the DER RFP will not be selected for the short list. Proposals that are not cost-competitive with other alternatives will not be selected for the short list. There will be a diversity of resource types chosen, targeting at least the values listed in Table 2 of the RFP. All Respondents will be notified of their selection status at the end of Phase 2.

If available at the time of the Phase II evaluation, PSE will incorporate new avoided cost values, ELCCs and additional metrics being updated for the 2023 Electric progress report.

All-Source and DER RFP Concurrent Evaluation

At the end of the evaluation process, the short list from the 2022 DER RFP will be included in a combined portfolio analysis with the short list from the 2021 All-Source RFP for a concurrent evaluation, consistent with WAC 480-107-009(4). This approach allows for a fair comparison of resources meeting the specific requirements identified in the CEIP, and subsequently bid into this DER RFP, and of resources meeting the broader electric portfolio need identified in the All-Source RFP, regardless of the RFP into which the resources were bid. The Concurrent Evaluation will not remove any DER proposals by the end of the evaluation, but is instead used to inform the All-Source chosen bids; if DER RFP shortlist resources are displacing All-Source shortlist resources in lowest reasonable cost, PSE will perform additional co-optimization with Phase 2 DER resources to ensure cost-effective programs are not excluded. PSE expects to use the Aurora model to complete this concurrent evaluation. The metrics calculated by the Aurora model to assess the relative competitiveness of individual proposals are described in Table 5.

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Aurora is a production cost model that will be used for optimal resource selection (also known as long-term capacity expansion modeling) and hourly economic dispatch. For the All-Source RFP and concurrent analysis between the DER and All-Source RFPs, PSE adds individual proposals to the power portfolio and uses the Aurora model to re-optimize generic resource selection and portfolio dispatch to meet the needs while satisfying all of the constraints. This creates a new portfolio and portfolio cost that can be compared to the all-generic portfolio. The portfolio benefit of each proposal is calculated by taking the cost of the all-generic portfolio less the cost of the portfolio with the new proposal. Consistent with RCW 19.280.030(3)(a)(iii) and the 2021 IRP, the social cost of greenhouse gases ("SCGHG") is included as a cost adder to emitting resources in the long-term capacity expansion model. Proposals with a positive portfolio benefit reduce the net electric portfolio costs relative to a generic-only portfolio, whereas proposals with a negative portfolio benefit increases the net electric portfolio costs.

Table 5. ***Metrics calculated by Aurora to assess RFP proposals***

Metric	Description	Value
Portfolio benefit *($)*	Difference between the net present value portfolio revenue requirement with the proposed project in the	Higher is better. Useful for comparing projects of similar size and technology type. Used to

Metric	Description	Value
	portfolio replacing an equivalent amount of generic resource, and the net present value portfolio revenue requirement of the all-generic portfolio. Projects may have a portfolio benefit by displacing higher cost capacity resources, renewable resources, or a combination of both.	determine the least cost combination of resources that meets PSE's resource needs.
Portfolio benefit per offered Nameplate ($/MW)	Net present value of a proposed project's portfolio benefit divided by the net present value of the project's offered nameplate capacity.	Higher is better. Useful for comparing different project sizes and technologies. Used along with qualitative metrics in establishing an initial ranking of projects for inclusion in the portfolio optimization.
Levelized cost of energy *($/MWh)*	Net present value of a proposed project's revenue requirement divided by the net present value of the project's generation.	Lower is better. Useful for comparing projects that have the same or similar operating characteristics. Less useful for projects with low or no generation.

Figure 1 below is a summarization of the evaluation process. The timeline of key milestones is provided in Table 11 of the RFP.

Figure 1. *Evaluation Process*

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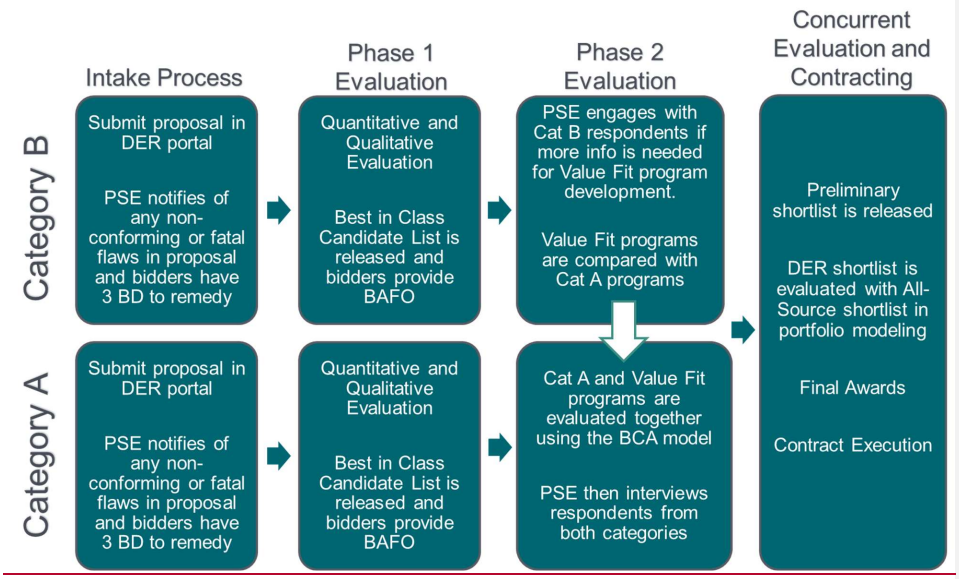
EXHIBIT A: EVALUATION CRITERIA AND SCORING



Exh. B to PSE's Draft 2022 DER RFP

PUGET SOUND ENERGY

2022 Disributed Energy Resources RFP • Exhibit B

Last Modified - 11/15/2021

Form Version: DER202201.01

Exhibit B. Proposal Requirement Forms (applies to Category A: Turnkey Resource Acquisition)

Instructions for Bidders

The Proposal Requirement Forms enclosed (Exhibit B) are designed to capture the minimum information necessary for PSE to perform its preliminary review of the RFP proposals. Respondents should plan to provide all relevant information necessary to assess their proposals. PSE may also send additional data requests to respondents on an as-needed basis during the RFP process.

1 **To be eligible to participate in this RFP, the respondent must fully complete and include an Excel copy of the Exhibit B forms enclosed.** A downloadable copy of the forms template can be found at http://www.pse.com/RFP.

2 Complete a separate Exhibit B for each proposal submitted. Additional offers need to be submitted in a separate Exhibit B for each alternative offer.

For the purposes of this RFP, a proposal is defined as a bid for a specific type of resource or combination of resources which broadly fall under three categories- distributed solar, Battery Energy Storage System (BESS), and demand response (DR). Proposals are not mutually exclusive, meaning that more than one proposal can be selected from the same respondent.

For the purposes of this RFP, an offer is defined as an option tied to a proposal for the same resource, or combination of co-located resources (e.g., solar and BESS). The initial resource along with the terms provided is known as the base offer. A respondent may submit additional offers for the same resource or combinations of resources. Those offers may vary options such as capacity (MW), term, start or end dates, pricing structure, transmission delivery point, some combination of co-located resources, or other proposal elements.

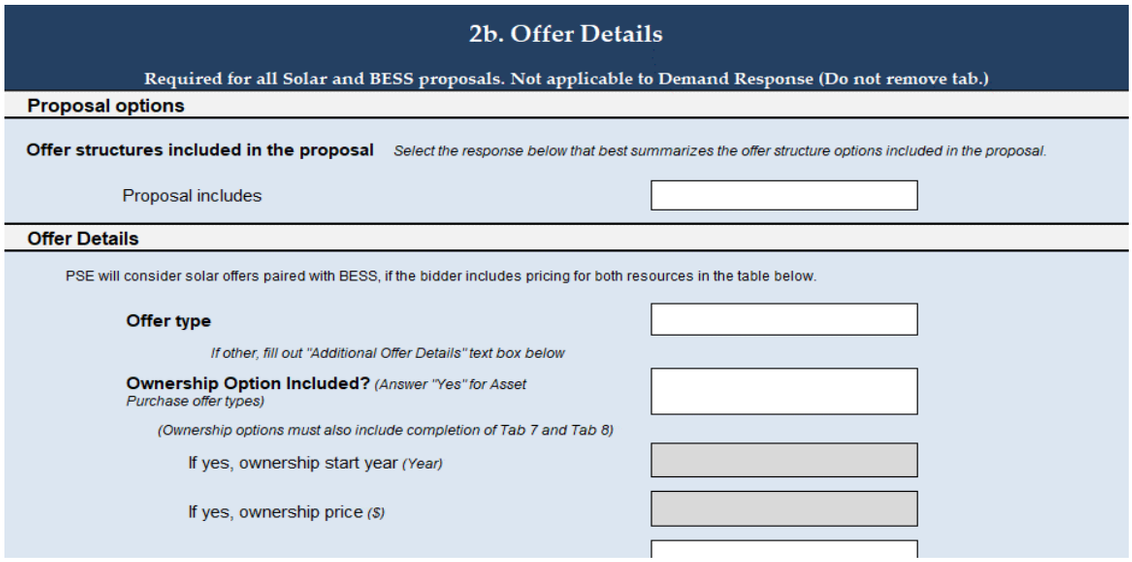
3 Respondents may not modify any part of the Exhibit B forms. PSE has designed this Excel file to be a key input to PSE's DER RFP proposal database and models. PSE will reject Exhibit B forms, if respondents add, remove or modify tabs in the file. Any changes to the integrity, or failure to complete the required fields, of the Exhibit B file will result in an validation error response and the web platform will not accept the proposal until the error is corrected.

4 Respondents who do not fully complete the Exhibit B forms or who return a modified Exhibit B that is no longer functional as an input to our proposal database and models will not meet the minimum requirements of this DER RFP. If a proposal does not meet the minimum eligibility requirements of the RFP (see Section 5 of the DER RFP) the bidder will be notified and will have three (3) business days to remedy the proposal.

5 Respondents are encouraged to follow file naming guidance where provided in Exhibit B to submit additional documentation as required herein or to provide additional detail to support a response. Guidance can typically be found where respondent would indicate whether additional material has been provided.

6 The Exhibit B form utilizes conditional formatting throughout the sheet to help guide respondents to ensure that the appropriate information is submitted. Fields that are required to be completed are white with a black outline. When utilizing the form, certain responses to questions will result in additional fields becoming visible. This is to communicate that additional fields are required to be completed. The form is meant to be reactive, such that respondents will only provide the information required for their bids. Optional fields are shaded gray, and should be completed if applicable to the bid. Respondents are

required for their bids. Optional fields are shaded gray, and should be completed if applicable to the bid. Respondents are encouraged to fill out the gray shaded fields, if applicable, to limit the need for data requests. Fields shaded light blue (the same color as form background) with no outline are not applicable to the bid, based on responses provided by the bidder, and they do not need to be completed. The following field and color guide should help clarify the visual differences between the three field types used in the form:



2b. Offer Details

Required for all Solar and BESS proposals. Not applicable to Demand Response (Do not remove tab.)

Proposal options

Offer structures included in the proposal *Select the response below that best summarizes the offer structure options included in the proposal.*

Proposal includes

Offer Details

PSE will consider solar offers paired with BESS, if the bidder includes pricing for both resources in the table below.

Offer type

If other, fill out "Additional Offer Details" text box below

Ownership Option Included? *(Answer "Yes" for Asset Purchase offer types)*

(Ownership options must also include completion of Tab 7 and Tab 8)

If yes, ownership start year *(Year)*

If yes, ownership price *($)*

7 PSE has undertaken a significant automation effort to help improve the efficiency and accuracy of the RFP process. Exhibit B is the primary input to this process. The automation project is currently in the testing phase, with efforts ongoing to support a successful and satisfactory user experience when completing the Exhibit B bid forms and submitting proposal materials. If technical issues are identified during testing that may negatively impact the user experience, the Exhibit B file will be corrected and an update will be provided on PSE's RFP website (http://www.pse.com/rfp) and in the WUTC docket. PSE will notify stakeholders of any updates to the Exhibit B forms. To be added to the RFP stakeholder distribution list, contact DERRFPmailbox@pse.com.

To avoid system errors during proposal submission caused by version inconsistencies, respondents should download the current version of Exhibit B from PSE's RFP website (http://www.pse.com/rfp) or WUTC Docket once the final DER RFP is formally issued on February 7, 2022. PSE will provide clear proposal submittal instructions on its website in February after the DER RFP has been issued.

8 Have questions about the form? Contact us at DERRFPmailbox@pse.com.

1. Proposal Content Checklist

Required for all RFP proposals submitted under Category A: Turnkey Resource Acquisition (Do not remove tab.)

Proposal element	Required for	Section		Select response from drop-down list
Required proposal contents	**All proposals**	**Exhibit B**		
Proposal Content Checklist	All proposals	Tab 1	1	
Commercial Details	All proposals	Tab 2a	2	
Offer Details	Proposals including Solar and BESS; Not applicable to Demand Response	Tab 2b	3	
Facility	Proposals including Solar and BESS; Not applicable to Demand Response	Tab 3	4	
Solar	Proposals including Solar	Tab 3a	5	
Battery Energy Storage System (BESS)	Proposals including BESS	Tab 3b	6	
Demand Response	Proposals including DR	Tab 3c	7	
IT/OT Requirements	All Proposals	Tab 4	8	
Energy Output (8760)	Proposals including Solar	Tab 5a	9	
Solar Irradiance (8760)	Proposals including Solar	Tab 5b	9	
Interconnection	Proposals that include Schedule 152 interconnection	Tab 6	10	
Development - Projects Detail	Development or construction project proposals	Tab 7	11	
Ownership - Capital Costs	Proposals including asset sale offers	Tab 8	12	
Ownership - Operating Costs	Proposals including asset sale offers	Tab 9	13	
Bid Certification and contacts	All proposals	Tab 10	14	
Mutual Confidentiality Agreement	All proposals	Exhibit D	15	
Prototype Term Sheet (by offer structure)	All proposals	Exhibit F, G and H	16	
PSE Customer Consent Letter	Proposals for projects with a pending request for or agreement for PSE distribution interconnection	Exhibit P	17	

Proposals must be substantially complete consistent with the requirements of this RFP.

Proposals that do not provide sufficient information to substantiate a project or offer will not be considered in this RFP.

Minimum qualifying criteria for all proposals (as defined in RFP Section 5)		**Select response from dropdown list**
Does the bidder confirm that the respondent currently owns or has legally binding rights to devleop or market the project(s)?	1	
Does the bidder acknowledge that PSE disclaims and shall not assume any risk associated with any applicable federal or state tax incentives or other programs meant to support a relevant resource?	2	
Can the resource be interconnected to the distribution system, per PSE's interconnection requirements and technical specifications?	3	
Is the resource located within PSE's service area?	5	
Is the project operational, under construction, or in development? (Applicable to Front of The Meter (FTM) Solar and BESS Resources)	6	

All else equal, PSE prioritizes operational projects/programs first, projects under construction second, and projects//programs in development third.
PSE will not consider conceptual projects in this RFP. Market or energy transfer projects, etc., should select "operational".

If development or construction, please answer the following:

Did respondent include an overall project schedule for meeting the commercial operation date?	7	
Does the proposal demonstrate site control for the project and any other project-related infrastructure (e.g., generation tie-line, etc.) consistent with guidance in the non-price scoring matrix in Exhibit A?	8	
At a minimum, does the proposal include non-binding letters of intent for the site?	9	
Has the bidder identified required permits and approvals and their status, and provided a schedule for completion as part of the overall project schedule? *See Tab 6*	10	
Has the bidder started the permitting process?	11	
Has the bidder demonstrated progress toward completion of a habitat study?	12	
Does the proposal describe the respondent's labor plan (including family-level wages, benefits and opportunities for local workers and businesses)?	13	
Has the bidder provided a project map, sketch or drawing that meets the minimum qualifying requirements specified in Section 5 of the DER RFP? (applies to FTM solar and BESS resources) *Must identify the geographical boundaries of the overall project and depict all property ownerships within those boundaries.*	14	
Has respondent provided an customer benefit plan consistent with the requirements of RCW 19.405.040(8)? *See Tab 2a*	15	
If yes, bidder may also provide a separately submitted written diversity commitment, policy, or plan in addition to their responses on Tab 2a.	16	
Respondent agrees to adhere to all applicable safety laws, guidelines and industry practices.	17	
Does the proposal comply with all existing local, state and federal laws, regulations, and executive orders, including environmental laws? (e.g., Wash. state's emissions performance standards, RCW 80.80 and rules set forth in WAC 173-407)	18	
Respondent has read Sections 5 and 6 of the RFP and acknowledges that the respondent will be responsible for meeting all contractual milestones as scheduled and may be required to pay liquidated damages if they are missed. PSE may also impose credit requirements based on the respondent's credit rating.	19	
Respondent agrees that definitive agreements and obligations thereunder shall not be sold, transferred, assigned, or pledged as security or collateral for any obligation, without the prior written permission of PSE.	20	

Additional minimum qualifying criteria for ownership proposals (as defined in Section 6 of the DER RFP document): applicable to FTM solar and BESS proposals with ownership transfer to PSE	**Select response from dropdown list**
In addition to the minimum qualifying criteria required for all proposals (above), PSE has identified the following additional criteria for ownership proposals / ownership options.	

Is ownership transfer proposed to occur before, on, or after COD?	1	
Respondent has read Section 5 of the DER RFP and acknowledges that if selected, PSE will require comprehensive engineering design documents and drawings well in advance of project construction, and that projects will be required to meet all PSE requirements and specifications.	2	
Respondent attests that all proposed design engineering firms and project constructors will have proven expertise and experience in projects of similar scope and size.	3	
Proposal includes descriptions of the manufacturer warranties / guarantees for major equipment and the GSU / step-up transformers, and the maintenance requirements to maintain manufacturer warranties.	4	

2a. Commercial Details

Required for all RFP proposals. (Do not remove tab.)

Respondent Summary

Respondent *seller/owner/developer*

Is the bidder a subsidiary or affiliate of PSE? *see RFP Section 5*

If yes, please specify the subsidiary or affiliate

Examples of affiliates include, but are not limited to: *PSE (aka. "self-build"), British Columbia Investment Management Corporation (BCIMC), Alberta Investment Management Corporation (AIMCO), Canada Pension Plan Investment Board (CPPIB), Ontario Municipal Employees Retirement System (OMERS), Dutch pension fund manager PGGM, or any of their affiliates and subsidiaries.*

Briefly describe any prior experience working with PSE
e.g., prior RFPs, prior projects/contracts, existing contracts

Experience, qualifications and company policy

Resource Type

If other, describe.

Is the respondent the owner of the facility? (applies to FTM Solar and BESS resources)

If not, specify owner.

Describe owner's experience and specify other projects completed to date.

Is the respondent the developer of the facility? (applies to FTM Solar and BESS resources)

If not, specify developer.

If developer is different from owner entity above, describe experience and specify other projects completed to date.

Please submit a summary CV for all key team members
(include "Summary CV" in filename of submitted document)

Please submit a Corporate Safety Plan, and Drug and Alcohol Plan
(include "Safety Plan" in filename of submitted document)

Please submit a Continuity of Business Plan
(include "Continuity of Business Plan" in filename of submitted document)

Legal and financial

Submit a deal diagram attachment that shows all contractual parties, listed by their legal names, and their relationship with the project.
(include "deal diagram" in filename of submitted document)

Is the project dependent on another entity?

If yes, please describe.

Does the project have any known legal issues?

If yes, please describe. Include suits, disputes, administrative investigations, permitting issues, les pendens, apparent or known property boundary ambiguities, trespasses, or encroachments, and any other pertinent legal issues.

In the past five years, has the bidder filed for bankruptcy, been determined to be insolvent or been forced into receivership?

COMMENT: Language added to include “Washington State Department of Veterans Affairs (WDVA) and/or U.S. Small Business Administration” in bidder commitment to contracting with SMWBEs question.

In the past five years, has the bidder or any of its executive officers been convicted of a felony?

Please provide a description of all material litigation to which bidder has been a party at any point in the past five years, including a summary of its resolution or current status. For purposes of this question, "material" means all claims in excess of $5 million.

Does the bidder have CPA certified or independently audited financial records for the previous 5 years?

If yes, please submit previous 2 years of information. *(include "Financial Records" in filename of submitted document)*

Does the bidder have a corporate credit rating by a credit rating agency?

If yes, please describe.

If the project is a development project, how does the respondent plan to finance the project? (applies to FTM solar and BESS resources)

2b. Offer Details

Required for all Solar and BESS proposals. Not applicable to Demand Response (Do not remove tab.)

Proposal options

Offer structures included in the proposal *Select the response below that best summarizes the offer structure options included in the proposal.*

Proposal includes	

Offer Details

PSE will consider solar offers paired with BESS, if the bidder includes pricing for both resources in the table below.

Offer type *If other, fill out "Additional Offer Details" text box below*	
Ownership Option Included? *(Answer "Yes" for Asset Purchase offer types)* *(Ownership options must also include completion of Tab 7 and Tab 8)*	
If yes, ownership start year *(Year)*	
If yes, ownership price *($)*	
Resource Type	
If other, describe.	

Offer capacity *(MW at POI)*

2023	(MW)	
2024	(MW)	
2025	(MW)	
2026	(MW)	
2027	(MW)	
2028	(MW)	
2029	(MW)	
2030	(MW)	
2031	(MW)	
2032	(MW)	

Commercial Operation Date *(mm/dd/yyyy)*	
Term start *(mm/dd/yyyy)*	
Term end *(mm/dd/yyyy)*	

Pricing

Describe pricing	
Pricing type *(PSE preference is fixed price and uses a 6.8% discount rate to compare different offers)*	
If fixed price *(PSE preference)*	
Capacity *($/kW-year)*	
Energy *($/MWh)*	

If escalating price

1st year capacity price *($/kW-year)*

Annual escalation *(%)*

1st yr energy price *($/MWh)*

Annual escalation *(%)*

If market index premium / discount

Mid-C spread *($/MWh)*

If other, describe below

Other charges *(If yes, please explain in additional offer details field, below)*

Additional offer details

Use the text field below to describe other relevant details about the offer that are not already specified in the table.

For PPAs, also include bidder's underlying fixed and variable cost of production. In PSE's view a pricing structure that closely mirrors the actual cost structure of the project aligns the Respondent's and PSE's interests with respect to scheduling and dispatch. For temporal exchange agreements, include start and end dates for delivery to PSE, start and end dates for delivery returned by PSE, energy volume (MWh) and price per MWh.

Proposals containing one or more ownership options (e.g., existing resource, turnkey, development assets) must also complete Tab 8. Project Capital Costs and Tab 9. Operating Cost. Specify below any financing costs and the associated estimated payment schedule dates, if included in the total capital cost (Tab 8). PSE may prefer to finance the construction.

Proposals for dispatchable resources must provide detailed event performance measurements and specify what M&V and baseline capabilities they have.

Respondents are requested to include information on how they have handled prior non-performance penalties.

Respondents are requested to provide regression-based and time-based DER growth and availability models for a 2 year time period.

Does pricing of this project assume the use of tax incentives?

If pricing is contingent upon receiving tax credits, specify the tax credits.

Investment tax credit (%)

Method of qualification for safe harbor and description of the work

If utilizing safe harbor equipment:

What is the qualifying year of the equipment? qualifying year (yyyy)

When does the safe harbor provision for the equipment expire? expiration year (yyyy)

(i.e., date project must be online to receive them)

If pursuing safe harbor based on start of construction:

Project start year to qualify for renewable tax credit qualifying year (yyyy)

Target completion date to qualify for the renewable tax credit completion date (yyyy)

Does pricing above include all current and future environmental attributes?

3. Facility Detail

Required for all FTM Solar and BESS proposals; not applicable to BTM resources, including Demand Response (Do not remove tab.)

Resource information summary

Complete this tab to provide general information about the project. Provide additional project details on the relevant tab(s) listed below.

Tab 3a. Solar
Tab 3b. Battery Energy Storage System (BESS)
Tab 3c. Demand Response (DR)

Please ensure that the Tab 5. Energy Output (8760) is also completed as noted / required.

Please complete all individual resources tabs (3a,3b, and 3c) as needed, as well as Tab 6. Interconnect & Transmission, if applicable.

General facility information (applies to FTM Solar and FTM BESS only; not applicable to BTM resources, including DR)

Project/Facility name *(proposal name)*

Resource Type

If other, describe

Resource location

City / Town

County

State / Province

Latitude *(use Decimal degrees formatting, i.e. 47.610378)*

Longitude *(use Decimal degrees formatting, i.e. -122.200676)*

Real estate (applies to FTM Solar and FTM BESS only; not applicable to BTM resources, including DR)

Project size (in acreage) acres

Submit a map showing the project area and neighboring parcels.

(include "Project Map" in filename of submitted document)

Show anticipated layout of all project facilities. If possible, include two identified roads and the desired point of interconnection on the map.

Does the project have all necessary leases, easements or other ownership documents to operate the facility throughout the life of the project? *PSE may request this documentation, if the project advances to the second phase of the RFP.*

Describe the land area controlled relative to project facilities.

Provide additional detail below, submit supporting documentation as needed

Additional detail submitted?

(include "Land Area" in filename of submitted document)

Provide a general description of project and project site, and describe key project components.

Provide additional detail below, submit supporting documentation as needed. As applicable, project site information should include railroads, wetlands, state and county roadways, airports, protected waterways and species, archaeological, Tribal lands, transmission lines, etc.

Additional detail submitted?

(include "Project Description" in filename of submitted document)

Can the project be expanded?

If yes, include a description of the potential scope and conditions for additional development at the site.

Site control (applies to FTM Solar and FTM BESS only; not applicable to BTM resources, including DR)

List percentage of total site (including dedicated feeder if applicable) under executed land agreements. (%)

PSE may request this documentation, if the project advances to the second phase of the RFP.

Describe the type of land agreements (e.g. deeds, leases, easements, options, or rights of first refusal to construct, etc.) and/or other ownership documents demonstrating that the respondent has or can administratively gain control of the intended project properties and the legal rights to construct, interconnect, operate and maintain the project as described throughout the life of the project.

If proposal is selected for Phase 2 (due diligence) evaluation, PSE will request copies of these documents for review.

Provide additional detail below, submit supporting documentation as needed

Additional detail submitted?

(include "Land Agreements" in filename of submitted document)

Permitting (applies to FTM Solar and FTM BESS only; not applicable to BTM resources, including DR)

Submit a permitting checklist for all permits and authorizations required to build and operate the project and, if applicable, the associated dedicated feeder.

(include "Permit Checklist" in filename of submitted document)

Include all project permits and any other local, state or federal government approval applications or authorizations required to build and operate the project and generation tie-line. Place special emphasis on key discretionary permits (such as a CUP, site cert and major air, wastewater and/or waste permit). Indicate the status and agency with jurisdiction for each permit or authorization required. For permits and approval applications planned or in progress, include the expected completion dates.

Does respondent have all discretionary permits required to begin construction on the facility?

Discuss the current status of applications and proceedings, and the schedule and approach to obtain the necessary permits and approvals.

Provide additional detail below, submit supporting documentation as needed

Additional detail submitted?

(include "Permit Status" in filename of submitted document)

Is the project located in an area that is ceded land, may have been historically used by a Native American Tribe, and/or that may impact tribal interests?

If yes, has the Tribe been consulted about the project?

Provide details in the space provided below. If the Tribe has not been consulted, state why not and describe any such consultation plans for the future.

Is the respondent aware of any required tribal notifications, permit conditions or costs associated with any tribal agreement or promise?

If yes, please describe in the space below.

Environmental siting (applies to FTM Solar and FTM BESS only; not applicable to BTM resources, including DR)

Are there any known environmental issues relative to the development and construction of the project?

If yes, briefly explain below and describe mitigations to be employed. Include impacts to air, water, flora and fauna, energy and natural resources, environmental health, shoreline use, housing, aesthetics, recreation, historic and cultural preservation, transportation, public service and utilities. Describe measures that will be taken to mitigate all impacts of the project.

Provide additional detail below, submit supporting documentation as needed

Additional detail submitted?
(include "Environmental Issues" in filename of submitted document)

Have any environmental studies or assessments been performed related to the site and project?

If yes, are the studies available, if requested?

Are any additional environmental studies or assessments in progress?

Submit a list of environmental studies completed, in progress and planned.

(include "Environmental Studies" in filename of submitted document)

Include wildlife monitoring reports, biological assessments, environmental assessments, environmental impact statements, environmental media sampling reports (air, soil or groundwater), flood control measures or other risk mitigations identified at the site, and any other relevant studies.

Include in the list the status of each study, the person(s) or firm(s) responsible for conducting and completing the work, and their methodologies. For planned or in progress, describe the scope and schedule for completion.

Does respondent have a plan to engage the community and environmental stakeholders to support the proposed project?

Discuss the plan and any ongoing community relations and environmental stakeholder relations.

Provide additional detail below, submit supporting documentation as needed

Additional detail submitted?
(include "Community Plan" in filename of submitted document)

Public engagement

Is respondent aware of any community or environmental stakeholder concerns associated with the facility?

Discuss ongoing community relations and environmental stakeholder relations. Include any known public support for the project.

Provide additional detail below, submit supporting documentation as needed

Additional detail submitted?

(include "Community Relations" in filename of submitted document)

Development projects, see also Tab 7. Development - Detail, subparts Environmental Siting and Permitting (applies to FTM Solar and BESS only; not applicable to BTM Solar and BESS and to DR)

3a . Facility Detail for Solar

Required for all solar proposals. (Do not remove tab.)

Solar Resource Summary

		Offer
Solar Resource		
Resource status		
If operating, remaining useful life.	*(years)*	

Solar Characteristics

		Offer
Describe the solar offer		
Solar panels		
Manufacturer(s)		
DC capacity (MW) (Plant or Aggregated)		
2023	MW	
2024	MW	
2025	MW	
2026	MW	
2027	MW	
2028	MW	
2029	MW	
2030	MW	
2031	MW	
2032	MW	
Annual degradation	%	
Panel orientation (from facing south)	*degrees*	
Primary racking type (standalone resources only)		
Inverter		
Manufacturer(s)		
Efficiency	%	
Inverter Loading Ratio	#	
AC nameplate capacity (Plant or Aggregated)		
Maximum (MW)		
2023	MW	
2024	MW	
2025	MW	
2026	MW	
2027	MW	
2028	MW	
2029	MW	
2030	MW	
2031	MW	

COMMENT Section DER Interconnection Details included requesting voltage level and output capacity for DER.

2032	MW	

Maximum (MVA)

2023	MVA	
2024	MVA	
2025	MVA	
2026	MVA	
2027	MVA	
2028	MVA	
2029	MVA	
2030	MVA	
2031	MVA	
2032	MVA	

Minimum (MW)

2023	MW	
2024	MW	
2025	MW	
2026	MW	
2027	MW	
2028	MW	
2029	MW	
2030	MW	
2031	MW	
2032	MW	

Ramping control

Ramp up	*MW/min*	
Ramp down	*MW/min*	
Describe		

Energy output

Estimated net annual capacity factor	%	
Nov to Feb capacity factor	%	

Include 8760 data on Tab 5. (If more than one resource -e.g., solar+BESS, use the combined output.)

8760 data source (onsite data, estimated, etc)	
Independent resource assessment completed	
If so, please submit.	

O&M Costs

Variable O&M Costs *assumed included in offer price*	*$/MWh*	
Escalation rate to be used with above	%	

DER Interconnection Details

Voltage level for DER interconnection in kV	

Interconnected DER output capacity in kVA and kW	

Implementation and Customer Acquisition Details

Implementation Plan

Describe implementation plan for deploying distributed solar *(Please refer to Section 2 of the main RFP document for Implementation Plan requirements. Submit separate attachment, if necessary, and include "Solar Implementation Plan" in filename of submitted document).*	
Provide summary of assessment and acquisition plan.	
Submit assessment and acquisition plan if available.	

(include "Solar Assessment and Acquisition Plan" in filename of submitted document)

Provide information on estimated number of acquired sites over a 10-year timeframe and the average capacity per site.

Estimated Number of Acquired Sites

No. of customer sites		
2023	#	
2024	#	
2025	#	
2026	#	
2027	#	
2028	#	
2029	#	
2030	#	
2031	#	
2032	#	

Average AC Nameplate Capacity Per Site (MW)

Customer benefit sharing

Project include customer benefit sharing?	
If yes, please describe.	

If available at the time of bid submittal, provide a comprehensive engineering design documents and drawings well in advance of project construction. If available, bidders should also provide one-line diagrams, three-line schematics, communication plans and protocols used, and a list of tags and alarms used. Communication plan and protocol are not applicable for BTM solar resources <0.5 MW. Please also include the following:
-Type of anti-islanding scheme (active or passive)
-Proposed control scheme (fixed power factor, volt/VAR, watt/VAR, etc.)
-Slope of positive sequence dynamic reactive-current injection characteristic (used in ASPEN short circuit model)
-Slope of negative sequence dynamic reactive-current injection characteristic, if applicable (used in ASPEN short circuit model)
-If not user-programmable, voltage levels at which the resource will shut down (self-protect)

If unavailable at the time of bid submittal, PSE will request this information during the evaluation or negotiation process. Projects will be required to meet all PSE requirements and specifications.

Engineering documentation submitted	

(include "Engineering Documentation" in filename of submitted document)

Ownership Options

For offers that include ownership options for solar, please complete the following additional tabs:

Tab 8. Ownership - Capital Costs
Tab 9. Ownership - Operating Costs

3b . Facility Detail for Battery Energy Storage System (BESS)

Required for all BESS proposals. (Do not remove tab.)

BESS Summary

		Offer
BESS Resource		
BESS Resource type		
If other, describe.		
Standalone or paired with solar?		
Resource status		
If operating, provide remaining useful life.	(years)	
Source for charging storage system		
If offsite, describe.		

System design

BESS Characteristics

Technology		
Manufacturer(s)		
Max state of charge	%	
Min state of charge	%	
System Round Trip Efficiency	%	
Capacity (power / energy) degradation impact on cycles		
Define cycles and any additional information on states of charge assumptions.		

DER Interconnection Details

Voltage level for DER interconnection in kV	
Interconnected DER output capacity in kVA and kW	

Inverter (if applicable)

Manufacturer(s)	
Model	

Integration

Name of Integrator	
Describe relevant experience of integrator	

Cooling System

Provide summary description of proposed cooling system.	

Fire Protection System

System addresses fire and explosive gas detection, prevention, and mitigation?	

COMMENT: Section DER Interconnection Details included requesting voltage level and output capacity for DER.

Provide summary description of fire protection system.	

Capacity

AC nameplate capacity (Plant or Aggregated)

Maximum discharge power (MW)		
2023	MW	
2024	MW	
2025	MW	
2026	MW	
2027	MW	
2028	MW	
2029	MW	
2030	MW	
2031	MW	
2032	MW	

Maximum discharge power (MVA)		
2023	MVA	
2024	MVA	
2025	MVA	
2026	MVA	
2027	MVA	
2028	MVA	
2029	MVA	
2030	MVA	
2031	MVA	
2032	MVA	

Minimum discharge power (MW)		
2023	MW	
2024	MW	
2025	MW	
2026	MW	
2027	MW	
2028	MW	
2029	MW	
2030	MW	
2031	MW	
2032	MW	

Maximum charge power	(MW)	
2023	MW	
2024	MW	
2025	MW	
2026	MW	
2027	MW	
2028	MW	
2029	MW	
2030	MW	
2031	MW	
2032	MW	

Energy maximum	(MWh)	
2023	MWh	
2024	MWh	
2025	MWh	
2026	MWh	
2027	MWh	
2028	MWh	
2029	MWh	
2030	MWh	
2031	MWh	
2032	MWh	
Energy minimum	(MWh)	
2023	MWh	
2024	MWh	
2025	MWh	
2026	MWh	
2027	MWh	
2028	MWh	
2029	MWh	
2030	MWh	
2031	MWh	
2032	MWh	
Energy capacity degradation	% per cycle	
Augmentation required?		
Describe augmentation schedule		

Control and operations

Ramping control

Ramp up	MW/min	
Ramp down	MW/min	
Describe		

Charging / Discharging

Charge efficiency	%	
Discharge efficiency	%	
Total Round Trip efficiency	%	

BESS control

Does owner control the energy storage?	
Does the BESS need a schedule for state of charge?	
Is the resource intended to time-shift for peak capacity?	
If yes, describe control.	
Can the energy storage provide operational flexibility?	
If yes, describe control, impact of lifespan.	
Can the facility be dispatched by PSE?	

Operations

Forced outage rate	%	
Mean time to repair	(hours)	

O&M costs

Variable O&M costs	$/MWh	
assumed included in offer price		
Fixed O&M	$/kW-yr	
assumed included in offer price		

Annual planned maintenance

Expected average days per year	
Expected timing month/season	
Estimated annual unit availability	
(provide value on % of year basis)	

Implementation and Customer Acquisition Details

Implementation Plan

Describe implementation plan for deploying distributed BESS. *(Please refer to Section 2 of the main RFP document for Implementation Plan requirements. Submit separate attachment, if necessary, and include "BESS Implementation Plan" in filename of submitted document).*	
Provide summary of assessment and acquisition plan.	
Submit assessment and acquisition plan if available.	
(include "BESS Assessment and Acquisition Plan" in filename of submitted document)	

Provide information on estimated number of acquired sites over a 10-year timeframe and the average capacity per site.

Estimated Number of Acquired Sites

No. of customer sites		
2023	#	
2024	#	
2025	#	
2026	#	
2027	#	
2028	#	
2029	#	
2030	#	
2031	#	
2032	#	
Average AC Nameplate Capacity Per Site (MW)		

<u>Customer benefit sharing</u>	
Project include customer benefit sharing?	
If yes, please describe.	

If available at the time of bid submittal, provide a comprehensive engineering design documents and drawings well in advance of project construction. If available, bidders should also provide one-line diagrams, three-line schematics, communication plans and protocols used, and a list of tags and alarms used in the battery management system (“BMS”). Please also include the following:
-Type of anti-islanding scheme (active or passive)
-Proposed control scheme (fixed power factor, volt/VAR, watt/VAR, etc.)
-Slope of positive sequence dynamic reactive-current injection characteristic (used in ASPEN short circuit model)
-Slope of negative sequence dynamic reactive-current injection characteristic, if applicable (used in ASPEN short circuit model)
-If not user-programmable, voltage levels at which the resource will shut down (self-protect)

If unavailable at the time of bid submittal, PSE will request this information during the evaluation or negotiation process. Projects will be required to meet all PSE requirements and specifications.

Engineering documentation submitted *(include "Engineering Documentation" in filename of submitted document)*	

Ownership Options

For offers that include ownership options please include the following:

Expected life span for energy storage system	(years)	
Describe any additional augmentation and recycling of batteries that are included at end of life span		
Describe design engineering firms and project constructors proven expertise and experience in projects of similar scope and size		

Proposals should include documentation including system and equipment compliance with appropriate governing agencies and standards including Federal Energy Regulatory Commission ("FERC"), North American Electric Reliability Corporation ("NERC"), Western Electric Coordinating Council ("WECC"), Underwriters Laboratories ("UL"), Institute of Electrical and Electronics Engineers ("IEEE"), National Electrical Code ("NEC"), Industry Foundation Classes ("IFC"), etc., as applicable

Compliance documentation submitted *(include "Compliance Documentation" in filename of submitted document)*	

For offers that include ownership options for flexible capacity resources, please complete the following additional tabs:

Tab 7. Ownership - Capital Costs
Tab 8. Ownership - Operating Costs

COMMENT: Units for Incremental Pricing for Fast Response changed from ($/kW-Season) to ($/kW-event).

3c . Demand Response Requirements

Required for all RFP proposals including Demand Response. (Do not remove tab.)

	Offer
Please indicate whether Offer includes Demand Response	

Technology Provision

Briefly summarize below and include a separate attachment describing the proposed technologies, associated hardware and software, and any technology-related services. This should describe how the DR Requirements stated in Section 2 of the RFP document will be fulfilled and highlight the unique elements of the proposal. This summary should NOT address Implementation Services, which are covered under a separate item (see "Implementation Plan" below). The technology provision description should cover the following items:

1. System level diagram: Provide a system level diagram of proposed solution including head-end (control) elements, all key interfaces, databases, communication, monitoring, switches, and associated technology to deliver a load shed signal to the customers and end-use equipment (if curtailment is automated), and the return path for communications back to PSE.
2. End-Use Control Devices and Systems: Provide technical descriptions of any end-use devices and systems proposed for customer premises (e.g., gateway devices, load control relays, building energy management control system (EMCS), etc.), as well as the end-uses they might control.
3. Communications Infrastructure: Based on the system-level description, provide a complete description of the communication infrastructure that will be needed and how it will be used.
4. Metering: Describe the type of metering that will be employed and how metering information will be relayed to PSE—frequency, resolution, summary reporting, etc. Also indicate any requirements for PSE's installed metering, or respondent's intended use of PSE meter data.
5. Load Curtailment Mechanics: Describe the approaches, processes, and equipment to be used to execute load curtailment/shifting at customer facilities. Discuss the anticipated actions required of customers (may vary by customer), and any automated load response that may be employed.
6. Requirements for PSE: Describe the expectation of PSE technology infrastructure, including server needs, database requirements and capacities, operating systems, security requirements, file transfer mechanisms, telecom requirements, and any other interfaces, components or software/hardware requirements.

Submit separate document covering all six items listed above.

(include "DR Technology Provision" in filename of submitted document)

Implementation Plan

Briefly summarize below and include a separate attachment describing the implementation plan. This should describe how the proposal plans to fulfill the DR Requirements stated in Section 2 of the RFP document and highlight the unique elements of the proposal. The implementation plan description should cover the following items:

1. Marketing, Customer Recruitment and Retention: Describe the marketing, customer outreach, recruitment and retention plan and include a list of targeted customer classes/segments. Detail the strategy for engaging end-use customers and solicit enrollment in DR and provide details of coordination with PSE account managers in customer outreach and recruitment efforts.
2. Equipment Installation and Enablement: Describe the equipment installation process, current network of equipment installers and/or proposed subcontractors for equipment installation, and other requirements needed to complete installation. Additionally, describe practices for verification and testing to ensure end-to-end communication and control and discuss approach for periodic testing.
3. Data Support: Describe Customer Information System (CIS) and work management software, interface requirements, data sharing and reporting methods/practices, reliability and backup, and testing approach (please refer to Table 6 in "Exhibit J: Demand Response Addendum" for additional details regarding data requirements).
4. Customer Service and Satisfaction: Describe the approach for ensuring customer service and satisfaction, including call center staffing and operations and procedures to measure and report customer satisfaction findings to PSE.
5. Roles and Expectations of PSE: Discuss the role PSE is expected to play and any specific needs/expectations in relation to the implementation activities listed above.
6. Implementation Timeline: Provide a detailed schedule for implementation tasks (after the contract is effective), included but not limited to the following implementation tasks:
--Marketing and Customer Recruitment
--Platform setup, system integration and commissioning
--Site Enablement
--DR Program Operations

End-of-Contract Technology Ownership Terms: Indicate who owns the equipment, and the suggested terms are for ownership of equipment at the end of the contract period, should PSE decide to discontinue services with the respondent at that time. Indicate whether it is possible for PSE buy the equipment and/or acquire a license to operate the head end system at the end of the contract period and provide pricing terms for the ownership transfer or licensing.

Submit separate document covering all six implementation services items listed above, plus end-of-contract ownership terms.

(include "DR Implementation Plan" in filename of submitted document)

Measurement & Evaluation Plan

Submit detailed measurement and evaluation plan if available.

(include "DR Measure and Eval Plan" in filename of submitted document)

Provide summary of measurement and evaluation plan, consistent with Exhibit J.

DR Capacity

In the table below, provide proposed curtailment capacity for winter, summer and shoulder months from 2023 to 2028. The proposed amount indicates what respondent can provide that meets PSE's primary and secondary objectives described in Section 2 of the RFP and conforms to the customer baseline assumptions discussed in Exhibit J.

		Time ahead	
Winter (Nov.-Feb.) DR capacity by year (MW)		Day	1 Hour
2023	(MW)		
2024	(MW)		
2025	(MW)		
2026	(MW)		
2027	(MW)		

COMMENT: Units for All-Inclusive Pricing for Summer Peak Curtailment Capacity changed from ($/kW-Season) to ($/kW-event). COMMENT: Units for Pricing for Winter Capacity Events and Additional Pricing Element changed from ($/kW-Season) to ($/kW-event).

COMMENT: Estimated Breakdown of Costs by Category was simplified to P ram Startup Costs, Program Administration Costs, Program Marketing Costs and Customer Incentive Payments For Winter Peak Events

2028	(MW)		

Summer (May-Sept.) DR capacity by year (MW)

2023	(MW)		
2024	(MW)		
2025	(MW)		
2026	(MW)		
2027	(MW)		
2028	(MW)		

Shoulder months (March, April, Oct.) DR capacity by year (MW)

2023	(MW)		
2024	(MW)		
2025	(MW)		
2026	(MW)		
2027	(MW)		
2028	(MW)		

Fast Response (10 minutes or less) Capacity

Fast response is a secondary objective of PSE's and completing this table is optional

In the table below, indicate the available capacity that can respond with 10-minutes or less notification in summer and winter months.

		Summer	Winter
2023	(MW)		
2024	(MW)		
2025	(MW)		
2026	(MW)		
2027	(MW)		
2028	(MW)		

If additional availability can be provided, please describe.

Submit detailed description of the capacity breakdown by combinations of different customer classes/segments and controlled end-use devices.
(include "DR Capacity Breakdown by Customer Segments and End-use Technologies" in filename of submitted document)

Pricing For Winter Peak Reduction

Pricing for Winter Capacity Events

Provide **pricing for winter peak demand reduction** from 2023-2028. Pricing should be in terms of $/kW-season for achieving the winter capacity amounts indicated above and be inclusive of customer incentives.

Year	Unit	
2023	($/kW-event)	
2024	($/kW-event)	
2025	($/kW-event)	
2026	($/kW-event)	
2027	($/kW-event)	
2028	($/kW-event)	

Additional Pricing Element (Optional)

If applicable, indicate proposed additional $/kWh pricing based on the actual energy reduced during DR events.

Year	Unit	
2023	($/kW-event)	
2024	($/kW-event)	
2025	($/kW-event)	
2026	($/kW-event)	
2027	($/kW-event)	
2028	($/kW-event)	

Total Costs

Provide the total costs corresponding to the winter capacity rollout.

Year	Unit	
2023	$1000s	
2024	$1000s	
2025	$1000s	
2026	$1000s	
2027	$1000s	
2028	$1000s	

Estimated Breakdown of Program Costs by Category

Provide an estimated breakdown of annual program costs for providing winter curtailment capacity by category using the tables below. Provided costs are to be provided in the units described below for each program cost catagory.

Program Startup Costs	Unit	
2023	($/kW)	
2024	($/kW)	
2025	($/kW)	
2026	($/kW)	
2027	($/kW)	
2028	($/kW)	

Program Administration Costs	Unit	
2023	($/kW-year)	
2024	($/kW-year)	
2025	($/kW-year)	
2026	($/kW-year)	
2027	($/kW-year)	
2028	($/kW-year)	

Program Marketing Costs	Unit	
2023	($/new participant)	
2024	($/new participant)	
2025	($/new participant)	
2026	($/new participant)	
2027	($/new participant)	
2028	($/new participant)	

Customer Incentives Payments For Winter Peak Events	Unit	
2023	($/kW-event)	
2024	($/kW-event)	
2025	($/kW-event)	
2026	($/kW-event)	
2027	($/kW-event)	
2028	($/kW-event)	

Pricing For Additional Products and Services - Optional

All-Inclusive Pricing for Summer Peak Curtailment Capacity

Provide **pricing for summer peak demand reduction** from 2023-2028. Pricing should be in terms of $/kW-season for achieving the summer peak reduction amounts indicated above and inclusive of customer incentives.

Year	Unit	
2023	($/kW-event)	
2024	($/kW-event)	
2025	($/kW-event)	
2026	($/kW-event)	
2027	($/kW-event)	
2028	($/kW-event)	

All-Inclusive Pricing for Year Round Curtailment Capacity

Provide **pricing for providing year-round curtailment during winter, summer and shoulder months** from 2023-2028. Pricing should be in terms of $/kW-year for achieving the winter, summer and shoulder peak reduction amounts indicated above and be inclusive of customer incentives.

Year	Unit	
2023	($/kW-yr.)	
2024	($/kW-yr.)	
2025	($/kW-yr.)	
2026	($/kW-yr.)	
2027	($/kW-yr.)	
2028	($/kW-yr.)	

Incremental Pricing for Fast Response

Indicate the incremental capacity charge for providing fast response (10-minute or less) capacity indicated above for winter and summer

Indicate the incremental capacity charge for providing fast response (10-minute or less) capacity indicated above for winter and summer.

Year	Unit	Winter	Summer
2023	($/kW-event)		
2024	($/kW-event)		
2025	($/kW-event)		
2026	($/kW-event)		
2027	($/kW-event)		
2028	($/kW-event)		

Note: not being able to meet the requirements listed below will not automatically eliminate a resp

Resource Description *Select the responses that best describe the control, hosting, and dispatchability of the reso*

What is the resource control method?	
Where is the software hosted?	
Is the resource dispatchable?	

ExK #	Functional Area	Capability	Category	Priority
1.01	Business	Customer	Aggregator	Nice to Have
1.02	Business	Customer	Aggregator	Must Have
1.03	Business	Co-branding	Aggregator	Must Have
1.04	Business	DER Types	All	Must Have
1.05	Business	DER Types	Aggregator	Nice to Have
1.06	Business	Performance	All	Must Have
1.07	Business	Performance	All	Must Have
1.08	Business	Planned outage	All	Must Have
1.09	Business	Planned outage	All	Must Have
1.10	Business	Record maintenance	Aggregator	Nice to Have
1.11	Business	Record maintenance	Aggregator	Must Have
1.12	Business	Record maintenance	Aggregator	Must Have
1.13	Business	Compliance	All	Must Have
1.14	Business	Sale of information	Aggregator	Must Have
1.15	Business	Settlement	All	Must Have

2.01	Engineering	Asset Management	All	Must Have
2.02	Engineering	Asset Management	All	Must Have
2.03	Engineering	Asset Management	All	Must Have
2.04	Engineering	Communications	All	Must Have
2.05	Engineering	Communications	Direct Connect	Must Have
2.06	Engineering	Grid Operation	All	Must Have
2.07	Engineering	Inverter	All	Must Have

3.01	IT	Compliance	Aggregator	Must Have
3.02	IT	Cybersecurity	Aggregator	Must Have
3.03	IT	Cybersecurity	Aggregator	Must Have
3.04	IT	Cybersecurity	Aggregator	Must Have
3.05	IT	Cybersecurity	Aggregator	Must Have
3.06	IT	Cybersecurity	Aggregator	Must Have
3.07	IT	Cybersecurity	Aggregator	Must Have
3.08	IT	Cybersecurity	All	Must Have
3.09	IT	Cybersecurity	All	Must Have
3.10	IT	Cybersecurity	All	Must Have
3.11	IT	Cybersecurity	All	Must Have
3.12	IT	Cybersecurity	All	Must Have
3.13	IT	Cybersecurity	Aggregator	Must Have
3.14	IT	Cybersecurity	Aggregator	Must Have

3.15	IT	Cybersecurity	Aggregator	Must Have
3.16	IT	Cybersecurity	Aggregator	Must Have
3.17	IT	Cybersecurity	Aggregator	Must Have
3.18	IT	Cybersecurity	Aggregator	Must Have
3.19	IT	Cybersecurity	Aggregator	Must Have
3.20	IT	Cybersecurity	Aggregator	Must Have
3.21	IT	Cybersecurity	Aggregator	Must Have
3.22	IT	Cybersecurity	Aggregator	Must Have
3.23	IT	Cybersecurity	Aggregator	Must Have
3.24	IT	Cybersecurity	Aggregator	Must Have
3.25	IT	Cybersecurity	Aggregator	Must Have

3.26	IT	Cybersecurity	Aggregator	Must Have
3.27	IT	Cybersecurity	Aggregator	Must Have
3.28	IT	Cybersecurity	Aggregator	Must Have
3.29	IT	Cybersecurity	Aggregator	Must Have
3.30	IT	Data security	All	Must Have
3.31	IT	Data security	Aggregator	Must Have
3.32	IT	Deployment	Aggregator	Nice to Have
3.33	IT	High Availability	Aggregator	Must Have
3.34	IT	High Availability	Aggregator	Must Have
3.35	IT	Integration	Aggregator	Must Have
3.36	IT	Integration	Aggregator	Must Have
3.37	IT	Integration	All	Must Have
3.38	IT	Offshore	Aggregator	Must Have
3.39	IT	Standards	Aggregator	Nice to Have

3.40	IT	Standards	All	Nice to Have
3.41	IT	Standards	Aggregator	Nice to Have
3.42	IT	Standards	All	Must Have
4.01	Load Office	DER Control	Direct Connect	Must Have
4.02	Load Office	Dispatch	All	Must Have
4.03	Load Office	Forecasting	All	Must Have
4.04	Load Office	Forecasting	All	Nice to Have
4.05	Load Office	Price	Aggregator	Must Have

5.01	Operations	Alarms	All	Nice to Have
5.02	Operations	Control	Aggregator	Must Have
5.03	Operations	Control	All	Nice to Have
5.04	Operations	Control	All	Must Have
5.05	Operations	Data interval	All	Must Have
5.06	Operations	Event response	All	Must Have
5.07	Operations	Event response	All	Must Have
5.08	Operations	Event response	All	Must Have
5.09	Operations	Event response	All	Must Have
5.10	Operations	Event response	All	Nice to Have
5.11	Operations	Ride-through	Direct Connect	Must Have
5.13	Operations	SCADA	Direct Connect	Must Have
5.14	Operations	SCADA	Aggregator	Must Have
5.15	Operations	SCADA	Direct Connect	Must Have
5.16	Operations	SCADA	Direct Connect	Nice to Have
5.17	Operations	SCADA	Direct Connect	Must Have
5.18	Operations	SCADA	Direct Connect	Nice to Have

5.19	Operations	VPP	All	Nice to Have
5.20	Operations	VPP	Aggregator	Must Have
5.21	Operations	VPP	Aggregator	Must Have
5.22	Operations	VPP	Aggregator	Future
5.23	Operations	Maintenance	All	Must Have
6.01	Planning	Forecast	All	Must Have
6.02	Planning	Forecast	Aggregator	Nice to Have
6.03	Planning	Forecast	Aggregator	Nice to Have

4. Proposal Requirements and Details

Required for all RFP proposals. (Do not remove tab.)

ondent. If a requirement cannot be met, provide an explanation in the Vendor Comments secti

urce.

Requirement
Respondent must have a customer consent and authorization process.
Respondent shall specify how event notification will be sent to PSE customers
Respondent must use PSE branding or co-branding when sending notifications to customers for programs with the potential for PSE ownership. For programs that will not be owned by PSE, PSE branding or co-branding is preferred, but if that option is not technically possible please explain alternative.
Respondent must provide CETA compliant resource(s)
Respondent is requested to be able to leverage different DER sub-types to meet commitments. For example, if a Respondent is intending to aggregate batteries PSE requests the Respondent be able to interface with different types of batteries (ex. Tesla, Generac, etc)
Respondents proposing dispatchable resources must provide detailed event performance measurements and perform M&V. Respondent shall specify what M&V and baseline capabilities they have.
Respondent must acknowledge that PSE may implement financial penalties for non-performance of kW / kWh targets
Respondent must provide PSE 7 days advanced notice for any planned DER outage
Respondent must provide 7 days advanced notice for any DER testing
Respondent must have a protocol for managing customer consent, including for how long verifiable proof of consent is retained.
Respondent must have a protocol for managing shared customer information. Ex if a customer leaves the aggregator, how long will their customer information be retained in the aggregator's system.
Respondent must allow customers to be able to revoke authorization/consent and withdraw from participation
Respondent must comply with all applicable laws and regulations. Respondent must ensure that all proposed resources comply with all applicable PSE, WA state, and national safety standards. As applicable, respondent must support PSE's compliance with privacy laws and regulations including WAC 480-100-153 and WAC 480-90-153.
Respondent must not sell any customer information obtained from PSE or from the customer through PSE programs
Respondent must support settlement process with both DER owners and PSE

COMMENT: The requirements listed in Tab 4 covering Business, Engineering, IT, Operations and Planning concerns have been rearranged to reflect the layout of Exhibit K. The edits record in Exhibit K below have also been applied to Tab 4.

Respondent must provide the physical location of the DER resource allowing PSE to match it with the distribution feeder it is connected to. It is assumed and expected that the vendor/supplier of the project will provide the GIS data to PSE in electronic form to be consumed or entered into our SAP CIS, GIS, Virtual Power Plant, and SCADA EMS systems.

Respondent must provide DER nameplate, resource availability, response information to PSE. This information needs to be provided at individual DER level for DER > 25kVa and aggregated (at least down to feeder level) for smaller resources.

Respondent must provide PSE with the ability to send dispatch and control commands to individual DERs > 25 kVa and to geographically aggregated resources (at least down to feeder level) for smaller resources

Respondent requested to be capable of communicating using the following:
-Standards and protocols: IEEE 2030.5, DNP3 SCADA protocol devices, Modbus SCADA protocol devices, SunSpec Smart Inverter Profile (Modbus or DNP3), MESA Storage Profile (Modbus or DNP3), ICCP
-Networks: AMI, LTE cellular, Broadband

Respondent requested to describe experience with:
-IEEE 2030.5: Describe communications experience with IEEE 2030.5 and specify equipments (i.e. battery controller, inverter, etc) controlled by the IEEE signal
-LTE Cellular: What cellular carrier is being proposed and what carriers have you used in the past? Where was this done?

Respondent requested to validate that the DER can communicate through LTE cellular or fiber connections using real-time data with IEEE 2030.5 or DNP 3.0 communication standards . Supplier to specify which cellular carrier is being proposed? Please provide what cellular carriers have you used in the past? Where was this done? What PCS (Power Control System) and Inverter equipment did you communicate with (i.e., battery controller, inverter, both) ? Were Watch Dog Timers and diagnostics used if communication failures occured?

Respondent must adhere to all applicable PSE interconnection processes, comply with all applicable PSE technical specifications and open industry communication standards, including the interconnection requirements set forth in:
-PSE's Tariff Schedule 152 - Interconnection with Electric Generators (https://www.pse.com/-/media/Project/PSE/Portal/Rate-documents/Electric/elec_sch_152.pdf)
-IEEE 1547-2018: Standard for Interconnection and Interoperatbility of Distributed Energy Resources with Associated Electric Power System Interfaces (https://standards.ieee.org/products-services/standards-related/pdf/electric-power-systems.html), and
-PSE's Technical Specification and Operating Procedures for Interconnection of Generation Facilities Not Subject to FERC Jurisdiction (https://www.oasis.oati.com/woa/docs/PSEI/PSEIdocs/PSE-ET-160.70_NonFERC_19Aug07.pdf)

Respondent must provide DER inverter specifications to PSE including, but not limited to:
-Rated AC output power, current, and voltage;
-Power factor range of adjustability;
-Available voltage and frequency protective elements;
-Available grid support functions (anti-islanding, voltage ride through, voltage support, etc.);
-Available communication protocols;
-Grid standard (IEEE 1547 and UL1741) compliance information

Respondent must be certified and include proof of a current SOC2 audit for SaaS and Cloud software implementations. On premise Respondents do not need an SOC2 audit. Respondents who are in the process of a SOC2 audit will be considered if a letter is provided from their auditor stating they are in a SOC2 audit and have an estimated completion date by July 1, 2022.
Respondent must meet industry best practices for security standards set by NIST-IR 7628
Respondent must encrypt data in motion using TLS 1.2+
Respondent must encrypt data at rest using AES-256 or better
Respondent must support standard approaches for network connectivity to the Respondent platform, including firewall rules on both sides, IP restrictions to PSE's external IP range, and VPN connectivity for connections back to PSE OT systems, amongst others. Details will be determined during the design phase of the implementation project
Respondent shall provide cyber security features, including but not limited to: authentication, encryption, access control, event and communication logging, monitoring and alarming to protect the system from unauthorized modification or use
Respondent shall verify that the addition of security features does not adversely affect connectivity, latency, bandwidth, response time and through-put (including during the Site Acceptance Testing (SAT) when connected to existing equipment)
Respondent shall remove or disable all software components that are not required for the operation and maintenance of the device prior to the Factory Acceptance Testing (FAT). The Respondent shall provide documentation on what is removed and/or disabled
Respondent shall provide, within a pre-negotiated period, appropriate software and service updates and/or workarounds to mitigate all vulnerabilities associated with the product and to maintain the established level of system security
Respondent shall certify that its systems and products have undergone cyber security testing by leading and independent government sanctioned organizations
After contract award, the Respondent shall provide notification of known security vulnerabilities affecting the Respondent supplied or required operating system, application and critical third-party software within a pre-negotiated period after public disclosure
After contract award, the Respondent shall provide notification of a patch(es) affecting security within a pre-negotiated period, as identified in the patch management process. The Respondent shall apply, test and validate the appropriate updates and/or workarounds on a baseline reference system before distribution. Mitigation of these vulnerabilities shall occur within a pre-negotiated period
After contract award, the Respondent shall provide firewalls and firewall rule sets between network zones or provide firewall rule sets if the firewalls are not provided by the Respondent. The Respondent shall provide firewall rule sets and/or other equivalent documentation. The basis of the rule set shall be "deny all," with exceptions explicitly identified by the Respondent. Note that this information is deemed business sensitive and shall be protected as such
After contract award, the Respondent shall provide detailed information on all communications (including protocols) required through a firewall, whether inbound or outbound, and identify each network device initiating a communication in accordance with the corresponding rule sets

Respondent shall not permit user credentials to be transmitted in clear text. The Respondent shall provide the strongest encryption method commensurate with the technology platform and response time constraints. The Respondent shall not allow applications to retain login information between sessions, provide any auto-fill functionality during login or allow anonymous logins. The Respondent shall provide user account-based logout and timeout settings
Respondent shall provide a configurable account password management system that allows for selection of password length, frequency of change, setting of required password complexity, number of login attempts, inactive session logout and denial of repeated or recycled use of the same password
Respondent shall not store passwords electronically or in Respondent-supplied hardcopy documentation in clear text unless the media is physically protected. The Respondent shall control configuration interface access to the account management system. The Respondent shall provide a mechanism for rollback of security authentication policies during emergency system recovery or other abnormal operations where system availability would be negatively impacted by normal security procedures
Respondent shall provide a system whereby account activity is logged and is auditable both from a management (policy) and operational (account use activity) perspective. The Respondent shall time stamp and control access to audit trails and log files. The Respondent shall ensure audit logging does not adversely impact system performance requirements
Respondent shall provide for user accounts with configurable access and permissions associated with the defined user role. The Respondent shall adhere to least privileged permission schemes for all user accounts and application-to-application communications
Respondent shall verify that a user cannot escalate privileges, under any circumstances, without logging into a higher-privileged role first. The Respondent shall provide a mechanism for changing user(s) role (e.g. group) associations. After contract award, the Respondent shall provide documentation defining access and security permissions, user accounts, applications and communication paths with associated roles
Respondent shall provide a Single Sign-On (SSO) such that Role-based Access Control (RBAC) enforcement is equivalent to that enforced as a result of direct login. This system should be RBAC capable. The Respondent shall provide documentation on configuring such a system and documentation showing equivalent results in running validation tests against the direct login and the SSO. The Respondent shall protect key files and Access Control Lists (ACLs) used by the SSO system from non-administrative user read, write and delete access. Note that SSO must resolve individual user’s logins to each application
The Respondent shall have and provide documentation of a written flaw remediation process for all software they develop. The Respondent shall provide appropriate software updates and/or workarounds to mitigate all vulnerabilities associated with the flaw within a pre-negotiated period.
After contract award, when the Respondent is made aware of or discovers any flaws, the Respondent shall provide notification of such flaws affecting security of Respondent-supplied software within a pre-negotiated period. Notification shall include, but is not limited to, detailed documentation describing the flaw with security impact, root cause, corrective actions, etc. (This language is typically found in a quality assurance document, but is included here for completeness.)
Respondent's aggregation system must track and maintain third-party penetration tests
Respondent's aggregation system must log all events, including security-related event status with an accurate timestamp.

Respondent's aggregation system must not require read/write/execute access to filesystems outside its web root folder and must not execute OS-level commands based off of user input
Respondent's aggregation system must physically or logically separate PSE’s data from other of Respondent’s customers’ data
Respondent's aggregation system must secure API access and system connectivity (e.g., API keys, SSH keys)
Respondent's aggregation system must support single sign-on using SAML 2.0.
Respondent must comply with PSE's Security Addendum (Consultant or Hosted) and ensure data security for all relevant usage, metering, settlement, and customer information.
Respondent must secure customer data and describe the manner in which this data is secured.
Respondent to indicate preferred pattern of solution. PSE's preference is for SaaS solution, but will consider other deployment patterns. If not SaaS, please provide details on architecture.
Respondent must support a high-availability architecture. Please describe your product's architecture to support a high level of reliability. What is your committed level of product up-time? Is your VEN system capable of meeting a 99.9% availability SLA ?
Respondent shall support high availability operations with redundant infrastructure and communications along with continuous automated monitoring, alerting and automated failover
Respondent must have the ability to interface with and be controlled by the PSE VPP. Respondent must support reliable connections to SaaS and cloud-hosted software and support a programmatic interface to the PSE VPP implementation. Please describe best practices for integration of your software to the PSE VPP.
Respondent must be able to integrate DER monitoring, control, and dispatch to PSE VPP using Open ADR 2.0b
For VPP interfacing resources, Respondent is requested to provide a list of presently operational VPP interfaces and a separate list of VPP interfaces that have only been piloted.
Respondent must use datacenters located in the US for SaaS or Cloud
Supplier / Respondent shall be requested that their DER system has the capability to be configured as a OpenADR VEN. PSE's VPP shall act as the VTN Gateway as defined in the OpenADR 2.0b specification. PSE requires to have two way real time data communication between the VPP and Aggregrator plaftorm using OpenADR 2.0b.

Respondent requested that system be capable of fully complying with and capable of communicating to DER (BESS or PV storage system) using a smart inverter with its PCS system. PSE requires that the Smart Inverter incorporate or embed into its controls the SunSpec interoperability standards. These standards and communication protocols shall be as follows: * IEEE 2030.5 * DNP3.0 * Modbus TCP The above communication protocols shall provide open interoperability and real-time communication to the PCS control system and components which the Smart Inverter is part of the controls equipment. Security with the Smart Inverter shall also include: PSE security requirements, TLS, PKI infrastructure, Digital Certificates and authority, encryption (SHA-256), authenication, authorization, indentities, and client identification with the above communications. The Sunspec Standard shall provide a DER and Device Information Data Model to collect, read, and write data to the Smart Inverter. This shall consist of CSIP profile for the inveter, monitoring power production data (kWH, kW, Delivered, Received, charging ramp rates, alarms, chargeing schedules, events, over/under voltage, over/under current, Frequeny, and all power-voltage imbalances). It shall also provide connect and disconnect functions, High/low voltage ride through, Volt-Var, and PF control functions. PSE requires reporting data capabilities as well with Real and Reactive Power, Volts, Amps, Hz, and PF for all 3 phases + Neutral including Averages.
Respondent is requested to have the capability to be dispatched via open standards or non-proprietary protocols. Please describe preferred and outline any other feasible mechanisms for dispatch of DER assets.
Supplier/Respondent must have the ability with their PCS system (Power Control System) to have rate schedules managed by the VPP. The expectation is that system supports both direct and indirect control with rate and charging schedules. This can be managed by an Aggregrator using open protocols such as IEEE-2030.5 or DNP 3.0 but must coordinate and integrate with the VPP via OpenADR 2.0b as a VEN. If direct control is use by PSE VPP/DERMS system then the supplier shall support PSE standards of IT/OT communications direct to the energy storage controller.
Respondent must have the ability to be managed by, interface with, and directly be controlled by the PSE VPP for solar deployments >=0.5MW and <2MW and FOTM BESS <2MW
Supplier/Respondent must have the capability with its DER site controls, communication to aggregrators and VPP to indicate resource availability, readiness, and equipment states of all components at the DER to dispatch the DER resource.
Respondent required to have the capability to provide generation capacity up to 48 hours in advance
Respondent requested to have the capability to provide generation capacity up to 7 days in advance
Respondent must provide price of dispatch with generation forecast

The Supplier/Respondent shall have the ability to provide DER controls which manage all states, alarms and events to the VPP. This shall include watch dog timers for communication, loss of end-points or loss of phyiscal or communication to the site. If the communications is lost the communications shall retry to establish communications. If communications is lost an alert and alarm shall occur. All states and events shall also be managed so that root cause analysis can be determined to what caused the failure.
Respondent must have the ability to be enabled and disabled by the VPP
Supplier/ Respondent shall have the capability to respond to real time control from the VPP (source) to the DER PCS controls (site). Communications shall have the ability to perform read request, respond and write data including all PCS configuration controller data.
Supplier/Respondent must be capable of enabling control of the DER site from the VPP. The interval between control command request and response back to the VPP should be less than 15 seconds. PSE ultimately desires to have 5 second or better response time from request from the VPP to response from the DER.
Supplier/Respondent must be capable of enabling processes for the DER site to be managed from the VPP for all data collection with DER Asset Production Resource data. PSE desires to have 15 second response time from a read request and write from the VPP to the DER. PSE ultimately desires to have 5 second or better response time from read request from the VPP to response from the DER.
Respondent's time window for providing full capacity for a dispatched event, which PSE notifies an hour ahead, is how large (within a minute, five mins, etc…)?
Respondent must be able to provide confirmation of opt-out of events to the VPP
Respondent must be able to receive event notifications from the VPP
Respondent must be able to respond to day-ahead events. Respondent shall describe their notification requirements in order to successfully respond to an event, including minimum advanced notice time interval.
Respondent requested to have the capability to respond to hour-ahead events
Respondent must ensure that inverters ride-through momentary outages according to standard IEEE 1547 -2018, standard CA-21, and standard UL-1741.
Respondent is required, for direct connect DER, to provide interconnection architecture (building upon included diagrams and including more detail) that shows the connectivity with meter, DER, utility service point, transformer highlighting the energy flow, and the communication standards used to communicate between the devices.
Respondent is required, for Aggregated DER, to provide interconnection architecture (building upon included diagrams and including more detail) that shows the connectivity with meter, DER, utility service point, transformer highlighting the energy flow, and the communication standards used to communicate between the devices. Additionally, Respondent is requested to provide integration mechanism and cybersecurity controls around integration to the PSE VPP.
Respondent must provide a persistent connection to DER for monitoring, control, and metering purposes to the PSE SCADA system for DER > 25 kVA
Respondent requested to provide communication status of the DER monitoring, control, dispatch link to the VPP
Respondent must be able to curtail DER when instructed by PSE for DER > 25kVA
Respondent is requested to provide digital and analog points for SCADA connected DER > 25 kVA

Respondent requested to provide DER status, performance, and configuration data to the VPP
Respondent shall have the capability to dispatch an event if communication is lost to VPP
Respondent shall have the capability to issue acknowledgement signals to VPP indicating a certain command or request has been received
Respondent shall specificy their methodology for handling multiple events or how different DERs will be bid for a specific program
For any response with a PSE ownership option, Respondent shall provide equipment maintenance requirements
Respondent shall provide to PSE annually updated 8760 DER forecast and normative load shapes for DERs >=500kVA.
Respondent requested to provide regression-based DER growth models for 2 year time period
Respondent requested to provide a time-based DER growth and availability model for 2 years

on of capabilities.

Select: Comply or Not Comply	Vendor Comments

5a. Variable Energy Output Profile for Solar (8760)

Required for all proposals including solar. (Do not remove tab.)

	Solar Offer
Energy Profile Used	
Project capacity at POI (MW)	
Project annual output at POI (MWh)	

* Note the 8760 data should be based on historical data, when possible.
* Offers that include solar plus BESS should submit the combined 8760 output.
* Please format data to at most 4 decimal places (shown in the table below)

Hour ending	Solar Offer POI MW
1	
2	
3	
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13	
14	
15	
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Printed version of Tab 4 shows page 1 only.

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Printed version of Tab 4 shows page 1 only.

5b. Solar Irradiance Input Profile for Solar (8760)

Required for all solar proposals (Do not remove tab.)

	Solar Offer
Irradiance Profile Used	

* Note the 8760 data should be based on historical data, when possible.
* Please format data to at most 4 decimal places (shown in the table below)

	Solar Offer
Hour ending	**Site Irradiance (w*m^2)**
1	
2	
3	
4	
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11	
12	
13	
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Printed version of Tab 4 shows page 1 only.

6. Interconnection

Required for all RFP proposals requiring schedule 152 interconnection. (Do not remove tab.)

Delivery Path

Do interconnection requirements apply to your project?

Please use the following text box to clarify any information with respect to interconnection.

Interconnection

Has an interconnection application been submitted for the project?

Desired date to obtain Certificate of Operation and generate in parallel with the PSE electrical system

List in table below all available or in progress interconnection studies and status.

Study type	Status	Received/ Estimated completion date	Study performed by

If "Other" selected above, describe the study type

Energy Storage - load request

Does energy storage project require a separate transmission or distribution service to charge the device?

If yes, please describe transmission or distribution status required for charging.

7. Development - Details

Required for development and construction projects. Not required for operating projects. (Do not remove tab.)

Schedule

Submit a detailed project development schedule covering the period from the initiation of development activities through the project's proposed COD. *(e.g., Gantt chart)*

Include the most accurate estimates available for each of the following:

Project development	Construction	Include any additional timelines applicable to the project that will demonstrate its status and plans
Permitting	Startup	Include any actions taken to ensure the schedule is met (e.g., long-lead equipment orders)
Interconnection	Testing	Include any potential opportunities to improve the schedule
Engineering	Commissioning	

Construction

Have any arrangements or commitments been made for the construction of the project?
(e.g., contracts, LOIs, MOUs)

Describe the contractual structure proposed for project design, procurement and construction, and any arrangements or commitments for project construction. *(e.g., turnkey; engineering, procurement and construction (EPC); multiple lump-sum purchase, etc.)*

Provide additional detail below, submit supporting documentation as needed — Additional detail submitted?

(include "Development contractual structure" in filename of submitted document)

Describe any arrangements or commitments that have been made for either safe harbored and/or major equipment.

Provide additional detail below, submit supporting documentation as needed — Additional detail submitted?

(include "Development safe harbor and major equipment" in filename of submitted document)

Submit information about the organization and individual responsible for project management during this phase.

(include "Development project management" in filename of submitted document)

Has the respondent established a labor plan?

If yes, please submit the labor plan
(include "Labor Plan" in filename of submitted document)

If yes, is it consistent with RCW 82.08.962 and 82.12.962:

- High standards?
- Family-level wages?
- Benefits?
- Opportunities for local workers and businesses?

Will the project utilize a Project Agreement or Community Workforce Agreement for major construction activities associated with the construction of the project?

Does the respondent agree to make commercially reasonable efforts to ensure that such Project Agreement or Community Workforce Agreement is eligible to be certified by the Washington Department of Labor and Industries under the standards of the Washington State Clean Energy Transformation Act (RCW 19.405)?

Will the project utilize apprenticeship during the construction phase of the project?

If the project is a renewable project that qualifies for a one and two-tenths (1.2) multiplier of the environmental attributes generated from the project, will the additional renewable attributes resulting from the use of apprenticeship accrue to PSE throughout the term of the PPA at the offer price specified in the proposal?

Briefly describe the labor plan.

If construction is completed, are there any open warranty issues?

If yes, submit a list of open warranty issues.

(include "Development warranty issues" in filename of submitted document)

8. Ownership - Capital Costs

Required for Solar and BESS proposals that involve asset sale offers. (Do not remove tab.)

Are costs in nominal dollars or real? | **Assumed escalation rate?**

	A	B	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AB	AB	AB	AB	AB	AB	AB	AB	AB	AC
1	**Project buildout capital costs (as applicable)**		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**	**2053**	**2054**	Additional Info
2	Land acquisition	$																																	
3	Engineering	$																																	
4	Permitting	$																																	
5	Development fees	$																																	
6	Other development costs	$																																	
7	Generation facility	$																																	
8	OM building	$																																	
9	Project substation	$																																	
10	Generation equipment:	$																																	
12	Solar array(s)	$																																	
14	Batteries	$																																	
15	Power control systems / inverters	$																																	
17	Spare parts	$																																	
21	Other (taxes, insurance, etc.)	$																																	
22	Contingency	$																																	
23	Initial working capital	$																																	
24	Start up power credit: sales of test power	$																																	
25																																			
26	**Ongoing capital costs during project operation (as applicable)**		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**	**2053**	**2054**	Additional Info
27	Incremental capital needs *(please list)*	$																																	
28	Major maintenance	$																																	
33																																			
34																																			
35																																			
36	**Are sales taxes assumed to be included in each line item?**																																		

9. Ownership - Operating Costs

Required for Solar and BESS proposals that involve asset sale offers. (Do not remove tab.)

Are costs in nominal dollars or real? | **Assumed escalation rate?**

	A	B	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB
1	**Generation statistics (as applicable per resource type)**		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**	**2053**	**2054**	Additional Info.
2	Net capacity	MW																																	
3		MWh																																	
6	Annual availability factor	%																																	
7	Net capacity factor	%																																	
8	Net annual generation (AC)	GWh																																	
9																																			
10																																			
11	**Fixed operating expenses (as applicable per resource type)**		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**	**2053**	**2054**	Additional Info.
12	O&M - general	$/kW-yr																																	
13	Transmission - electric to point of delivery (POD)	$/kW-yr																																	
14	Insurance	$																																	
15	Property tax	$																																	
16	Asset management fee	$																																	
17	Environmental monitoring	$																																	
18	Outside services	$																																	
19	Other	$																																	
25	Service agreements:																																		
28	Capacity payment	$/kW-yr																																	
30	Spare parts	$/kW-yr																																	
31	Parasitic power	MWh / yr																																	
32	Permit requirements	$																																	
34	Development fee	$																																	
35	Land leases	$																																	
36																																			
37																																			
38																																			
39	**Variable operating expense (as applicable per resource type)**		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**	**2053**	**2054**	Additional Info.
39	O&M - general	$ / MWh																																	
41	Transmission - electric to point of delivery (POD)	$ / MWh																																	
49	Production payments to developer	$ / MWh																																	
50	Landowner royalties	$ / MWh																																	
53																																			
54	**Are sales taxes assumed to be included in each line item?**																																		

10. Bid Certification and Contacts

Required for all RFP proposals. (Do not remove tab.)

Bid certification

The respondent hereby certifies that this proposal is genuine; not made in the interest of, or on behalf of, any undisclosed person, firm or corporation; and is submitted in conformity with any anti-competitive agreement or rules. The respondent has not directly or indirectly induced or solicited any other bidder to submit a false or sham proposal. The respondent has not solicited or induced any other person, firm or corporation to refrain from proposing. The respondent has not sought by collusion to obtain for itself any advantage over any other respondent. False certification will result in disqualification of bid and forfeiture of the bid fee.

Note In addition to providing a fully intact copy of the live Exhibit B forms (in Excel format), bidder must provide a signed copy of Tab 10. A PDF scan of the signed tab must be submitted electronically along with Exhibit B and all other attachments. Please include "Bid Certification Signature" in filename of submitted document.

Proposal name *locked field populates from proposal Tab 3*	
Submitted by *full legal name of entity*	
Name of respondent entity *if different from above*	
Signature of an Officer of respondent entity *or other duly authorized agent*	

(include "Bid Certification Signature" in filename of submitted document)

Name of signatory	
Title of signatory	
Date signed	

Please provide a signed copy of Tab 9 (scanned PDF file), along with the complete live Excel proposal form.

Do not remove Tab 9 (or any other tab) from the Exhibit B proposal file.

Primary contact

Contact name	
Contact title	
Name of company	
Mailing address	
City	
State/Province	
Zip code	

Primary phone	
Email	
Alternate contact (optional)	
Contact name	
Contact title	
Name of company	
Mailing address	
City	
State/Province	
Zip code	
Primary phone	
Email	

Exh. C to PSE's Draft 2022 DER RFP

PUGET SOUND ENERGY

2022 Distributed Energy Resources RFP:

Exhibit C. Proposal Requirements for Category B

Exhibit C: Proposal Requirements for Category B

Introduction

Respondents to Category B, detailed in Section 3 of the RFP, should submit a proposal that addresses each of the below Sections, must be submitted in the order outlined below, and must adhere to the page limitations. Page limitations designate maximum length, responses may be shorter. Proposals that do not follow this format are at risk of being disqualified. If a template is provided as an Exhibit, the same format must be used for the related section. Please place company name and the page number on each page.

Written response should demonstrate market readiness for an innovative idea and provide additional detail on the need for the program, capacity/energy sources and/or estimates (where applicable), data which supports the need for the new approach, and any best practices or examples from other utilities implementing similar programs.

Section I - Summary Information

- Proposal Cover Letter (1 page)
- Executive Summary (1 page)
- IT Security Questionnaire – See Exhibit N (1 page)

Section II – Company Overview

- Company Profile, as described in Table 1
- History & Overview of Company Products and Services (2 pages)
- Company Qualifications (2 pages)
    - General description of the organization, background and experience in programs similar to the proposal, including experience in communities in PSE's service area
    - Resume of respondent's program manager and others being proposed for the program team (as applicable). One paragraph maximum per individual, full resumes may be included as an attachment to the proposal.
    - If Company or key management team members have worked with any similar organizations which provided similar services to those listed in the proposal, provide a list of prior organizations, with a focus on local organizations. Specifically note any services provided to PSE or its predecessors.
    - Describe top distinctions between company and others providing a similar function to the market.
- References (3 pages)
    - Provide three references from current or past clients for whom company has provided similar programs in the last 3 years. (References will be contacted for short-listed respondents only.)

  - References may also include customers for whom the respondent has provided services similar to those included in the proposal.
  - Reference should include:
    - Name of Reference Company
    - City/State
    - Type of Business
    - Describe relationship to respondent
    - Contact name/title
    - Contact phone and e-mail
    - Short description of programs/services provided

- Financial Qualification & Full Disclosure (1 page)
  - Provide form of business classification (i.e., sole proprietorship, partnership, or corporation) and Dun's number, if assigned.
  - Quick ratio (current assets - current liabilities),
  - Corporate Website address (including annual report if available)
  - Identify pending litigation and the final resolution or present status of such matters.
  - Conflict of Interest - All respondents shall disclose in their proposal any and all relationships between themselves, the program and/or members of their program team and PSE, its employees, or its customers.

Table 1. ***Company Profile***

Company Name:	
Headquarters (City / State):	
Branches (City / State):	
Does your firm have a local presence to the Puget Sound area (Western Washington) or in the Northwest? If no, provide closest location.	
Number of continuous years in business?	
Total Number of Employees (note Full Time, Part Time or Other)	
Is your firm Certified as a diverse organization (i.e. Women, Minority, or Veteran owned)? If yes, identify category.	
Dun and Bradstreet Number	
Yearly Revenue/Sales Figures (2018, 2019, 2020 estimated, and 2021 projected)	
Do you have experience working with regulated entities (e.g. phone companies, gas or electric utilities, etc.) and their customers?	
Has your company declared bankruptcy in the past 36 months? If yes, explain.	

Section III – General Requirements

For all service components being offered, provide a description of how the Respondent meets or plans to meet the requirements presented in Section 3 under "Component Descriptions and Requirements" and "Key Considerations for Respondents" of this DER RFP.

Section IV – Component Specific Requirements

Complete the section(s) for the vendor service component(s) the Respondent is proposing.

Program Design

- Provide a description of the proposed Program(s), including:
  - Type of DERs included (either singly or in combination) for the proposed program(s)
  - Targeted customer segments for the proposed program(s)
  - Incentive design for the proposed program(s)
  - Implementation plan for the proposed program(s)
- Describe the Respondent's experience in providing program design with a focus on innovative DER program design.
- Describe the need for the program, energy and/or capacity estimates, data which supports the need for the new approach, market readiness for an innovative idea, and any best practices or examples from other utilities implementing similar programs.

Customer Outreach and Enrollment

- Describe if and how local entities will be performing the customer recruitment and enrollment. Indicate to what extent the Respondent would rely on PSE to provide marketing support as required.
- Provide an Implementation Plan for providing Customer Outreach and Enrollment services referencing the requirements listed in Section 3 of this DER RFP
- Describe how the Respondent's marketing and outreach strategies consider how a DER program directly improves customer experience and satisfaction with PSE. If available, include proposed evaluation metrics and any required data needed to monitor success.

Equipment Procurement and Installation

- Indicate the customer segments for which the Respondent proposes to provide this service.
- Indicate the type(s) or combinations of DERs for which the Respondent proposes to provide this service.
- Describe if and how local entities will be performing the equipment installation.
- Provide a description of how the Respondent meets or plans to meet the requirements for equipment procurement and installation presented in Section 3 of this DER RFP.

Equipment O&M

- Describe if and how local entities will be providing the O&M services.
- Provide a description of how the Respondent meets or plans to meet the requirements for equipment O&M installation presented in Section 3 of this DER RFP.

Program Administration

- Indicate how the Respondent will provide the implementation services listed in section 3 of this DER RFP. Describe how the Respondent plans to implement that service, and what credentials and experience they have with that service. Describe experience conducting similar services for other utilities.

Section V – Indicative Pricing

Describe indicative pricing for the relevant vendor service component(s) proposed in the table presented Section 3 "Pricing for Vendor Service Components" in this DER RFP.

Section VI – Equity Plan

Please submit a CETA Equity Plan limited to ~~2~~ 4 pages that details how the proposal addresses:

Each of the following CBI Categories:

- Improve the equitable distribution of energy and non-energy benefits to highly impacted communities and vulnerable populations
- Reduce burdens to highly impacted communities and vulnerable populations
- Produce long-term and/or short-term public health impact
- Produce long-term and/or short-term environmental impacts
- Help maintain or strengthen the energy security and resiliency of PSE's service area

Business Values:

- Has the developer adopted an Environmental, Social, Corporate Governance – ESG/sustainability policy, implementation process and business procedures? If yes, provide a summary description.
- What is the developer's historic practices in regards to utilizing diverse businesses, including (but not limited to), women-, minority-, disabled-, and veteran-owned businesses and providing diversity training for its employees?
- Will the project have a community impact in regards to apprenticeships, workforce development and local employment?
- Does the developer intend to comply with the labor standards in RCW 82.08.962 and 82.12.962? If yes, provide a summary description.
- Is the bidding entity a women-, minority-, disabled-, and veteran-owned business (per WAC Chapter 480-107-145(2)(f))? If yes, specify relevant demographic.
- If the bidding entity is not a women-, minority-, disabled-, and veteran-owned business (per WAC Chapter 480-107-145(2)(f)), what is the entity's commitment

(based on the % contract value) to subcontract with women-, minority-, disabled-, and veteran-owned businesses?

Survey Questions ~~(will not count in your evaluation scoring)~~:

- Is your organization certified as a diverse business enterprise through the Washington State Office of Minority and Women's Business Enterprises?
- If certified, what is the classification and when does it expire?

Section VII – Additional Exhibits and Deliverables

- All proposals must submit a completed Exhibit D: Mutual Confidentiality Agreement
- All proposals must submit a statement accepting Exhibit I: Master Services Agreement
- All proposals must submit a completed Exhibit N: IT Security Questions
- Proposals with a pending request for or agreement for PSE transmission or distribution must submit a completed Exhibit P: PSE Customer Consent Letter
- Corporate Safety Plan, and Drug and Alcohol Plan
- Continuity of Business Plan

Section VIII – Bid Certification and Contacts

Bid Certification

The respondent hereby certifies that this proposal is genuine; not made in the interest of, or on behalf of, any undisclosed person, firm or corporation; and is submitted in conformity with any anti-competitive agreement or rules. The respondent has not directly or indirectly induced or solicited any other bidder to submit a false or sham proposal. The respondent has not solicited or induced any other person, firm or corporation to refrain from proposing. The respondent has not sought by collusion to obtain for itself any advantage over any other respondent. False certification will result in disqualification of bid and forfeiture of the bid fee.

- Proposal name
- Submitted by (full legal name of entity)
- Name of respondent entity (if different from above)
- Signature of an officer of respondent entity
- Name of signatory
- Title of signatory
- Date signed

Contacts

Primary Contact

- Contact name
- Contact title
- Name of company
- Mailing address
- City
- State/Province
- Zip code
- Primary phone
- Email

Alternate Contact (optional)

- Contact name
- Contact title
- Name of company
- Mailing address
- City
- State/Province
- Zip code
- Primary phone
- Email

Category B bidders will fill out this document (Exhibit C) for Phase 1. If selected for Phase 2, Category B bidders may be requested to provide additional information as needed.

Exh. K to PSE's Draft 2022 DER RFP

Number	Functional Area	Capability	Aggregator	Direct Connect	Requirement	Must Have	Nice to Have	Future
1.01	Business	Customer	✓		Respondent must have a customer consent and authorization process.		✓	
1.02	Business	Customer	✓		Respondent shall specify how event notification will be sent to PSE customers	✓		
1.03	Business	Co-branding	✓		Respondent must use PSE branding or co-branding when sending notifications to customers for programs with the potential for PSE ownership. For programs that will not be owned by PSE, PSE branding or co-branding is preferred, but if that option is not technically possible please explain alternative.	✓		
1.04	Business	DER Types	✓	✓	Respondent must provide CETA compliant resource(s)	✓		
1.05	Business	DER Types	✓		Respondent is requested to be able to leverage different DER sub-types to meet commitments. For example, if a Respondent is intending to aggregate batteries PSE requests the Respondent be able to interface with different types of batteries (ex. Tesla, Generac, etc)		✓	
1.06	Business	Performance	✓	✓	Respondents proposing dispatchable resources must provide detailed event performance measurements and perform M&V. Respondent shall specify what M&V and baseline capabilities they have.	✓		
1.07	Business	Performance	✓	✓	Respondent must acknowledge that PSE may implement financial penalties for non-performance of kW / kWh targets	✓		
1.08	Business	Planned outage	✓	✓	Respondent must provide PSE 7 days advanced notice for any planned DER outage	✓		
1.09	Business	Planned outage	✓	✓	Respondent must provide 7 days advanced notice for any DER testing	✓		
1.1	Business	Record maintenance	✓		Respondent must have a protocol for managing customer consent, including for how long verifiable proof of consent is retained.		✓	
1.11	Business	Record maintenance	✓		Respondent must have a protocol for managing shared customer information. Ex if a customer leaves the aggregator, how long will their customer information be retained in the aggregator's system.	✓		
1.12	Business	Record maintenance	✓		Respondent must allow customers to be able to revoke authorization/consent and withdraw from participation	✓		
1.13	Business	Compliance	✓	✓	Respondent must comply with all applicable laws and regulations. Respondent must ensure that all proposed resources comply with all applicable PSE, WA state, and national safety standards. As applicable, respondent must support PSE's compliance with privacy laws and regulations including WAC 480-100-153 and WAC 480-90-153.	✓		
1.14	Business	Sale of information	✓		Respondent must not sell any customer information obtained from PSE or from the customer through PSE programs	✓		

COMMENT: Requirement for minimum capitalization requirements deleted

COMMENT:Requirement for PSE branding or co-branding was edited to delineate between programs owned by PSE and those that are not.

COMMENT:Requirement for PSE branding or co-branding deleted. Refer to Exhibit M.

COMMENT: Requirement for respondent to provide customer complaints deleted. Refer to Exhibit M.

Number	Functional Area	Capability	Aggregator	Direct Connect	Requirement	Must Have	Nice to Have	Future
1.15	Business	Settlement	✓	✓	Respondent must support settlement process with both DER owners and PSE	✓		
2.01	Engineering	Asset Management	✓	✓	Respondent must provide the physical location of the DER resource allowing PSE to match it with the distribution feeder it is connected to. It is assumed and expected that the vendor/supplier of the project will provide the GIS data to PSE in electronic form to be consumed or entered into our SAP CIS, GIS, Virtual Power Plant, and SCADA EMS systems.	✓		
2.02	Engineering	Asset Management	✓	✓	Respondent must provide DER nameplate, resource availability, response information to PSE. This information needs to be provided at individual DER level for DER > 25kVa and aggregated (at least down to feeder level) for smaller resources.	✓		
2.03	Engineering	Asset Management	✓	✓	Respondent must provide PSE with the ability to send dispatch and control commands to individual DERs > 25 kVa and to geographically aggregated resources (at least down to feeder level) for smaller resources	✓		
2.04	Engineering	Communications	✓	✓	Respondent requested to be capable of communicating using the following: -Standards and protocols: IEEE 2030.5, DNP3 SCADA protocol devices, Modbus SCADA protocol devices, SunSpec Smart Inverter Profile (Modbus or DNP3), MESA Storage Profile (Modbus or DNP3), ICCP -Networks: AMI, LTE cellular, Broadband Respondent requested to describe experience with: -IEEE 2030.5: Describe communications experience with IEEE 2030.5 and specify equipments (i.e. battery controller, inverter, etc) controlled by the IEEE signal -LTE Cellular: What cellular carrier is being proposed and what carriers have you used in the past? Where was this done?	✓		
2.05	Engineering	Communications		✓	Respondent requested to validate that the DER can communicate through LTE cellular or fiber connections using real-time data with IEEE 2030.5 or DNP 3.0 communication standards . Supplier to specify which cellular carrier is being proposed? Please provide what cellular carriers have you used in the past? Where was this done? What PCS (Power Control System) and Inverter equipment did you communicate with (i.e., battery controller, inverter, both) ? Were Watch Dog Timers and diagnostics used if communication failures occured?	✓		

COMMENT: Requirement for specifying communication options for customer deleted. Refer to Exhibit M.

COMMENT: Requirement to include GHG carbon reduction deleted

COMMENT: Requirement for indicating customer interests when dispatching an event deleted. Refer to Exhibit M

Number	Functional Area	Capability	Aggregator	Direct Connect	Requirement	Must Have	Nice to Have	Future
2.06	Engineering	Grid Operation	✓	✓	Respondent must adhere to all applicable PSE interconnection processes, comply with all applicable PSE technical specifications and open industry communication standards, including the interconnection requirements set forth in: -PSE's Tariff Schedule 152 - Interconnection with Electric Generators (https://www.pse.com/-/media/Project/PSE/Portal/Rate-documents/Electric/elec_sch_152.pdf) -IEEE 1547-2018: Standard for Interconnection and Interoperatbility of Distributed Energy Resources with Associated Electric Power System Interfaces (https://standards.ieee.org/products-services/standards-related/pdf/electric-power-systems.html), and -PSE's Technical Specification and Operating Procedures for Interconnection of Generation Facilities Not Subject to FERC Jurisdiction (https://www.oasis.oati.com/woa/docs/PSEI/PSEIdocs/PSE-ET-160.70_NonFERC_19Aug07.pdf)	✓		
2.07	Engineering	Inverter	✓	✓	Respondent must provide DER inverter specifications to PSE including, but not limited to: -Rated AC output power, current, and voltage; -Power factor range of adjustability; -Available voltage and frequency protective elements; -Available grid support functions (anti-islanding, voltage ride through, voltage support, etc.); -Available communication protocols; -Grid standard (IEEE 1547 and UL1741) compliance information	✓		
3.01	IT	Compliance	✓		Respondent must be certified and include proof of a current SOC2 audit for SaaS and Cloud software implementations. On premise Respondents do not need an SOC2 audit. Respondents who are in the process of a SOC2 audit will be considered if a letter is provided from their auditor stating they are in a SOC2 audit and have an estimated completion date by July 1, 2022.	✓		
3.02	IT	Cybersecurity	✓		Respondent must meet industry best practices for security standards set by NIST-IR 7628	✓		
3.03	IT	Cybersecurity	✓		Respondent must encrypt data in motion using TLS 1.2+	✓		
3.04	IT	Cybersecurity	✓		Respondent must encrypt data at rest using AES-256 or better	✓		

COMMENT: Requirement to provide disclosure to customer at sign-up regarding purposes of obtaining their information and how it will be share deleted. Refer to Exhibit M.

COMMENT: Requirement to provide ability for customer to opt out of a called even deleted. Refer to Exhibit M.

COMMENT: Requirement for respondent to provide information on how non-performance penalties were handled prior deleted

Number	Functional Area	Capability	Aggregator	Direct Connect	Requirement	Must Have	Nice to Have	Future
3.05	IT	Cybersecurity	✓		Respondent must support standard approaches for network connectivity to the Respondent platform, including firewall rules on both sides, IP restrictions to PSE's external IP range, and VPN connectivity for connections back to PSE OT systems, amongst others. Details will be determined during the design phase of the implementation project	✓		
3.06	IT	Cybersecurity	✓		Respondent shall provide cyber security features, including but not limited to: authentication, encryption, access control, event and communication logging, monitoring and alarming to protect the system from unauthorized modification or use	✓		
3.07	IT	Cybersecurity	✓		Respondent shall verify that the addition of security features does not adversely affect connectivity, latency, bandwidth, response time and through-put (including during the Site Acceptance Testing (SAT) when connected to existing equipment)	✓		
3.08	IT	Cybersecurity	✓	✓	Respondent shall remove or disable all software components that are not required for the operation and maintenance of the device prior to the Factory Acceptance Testing (FAT). The Respondent shall provide documentation on what is removed and/or disabled	✓		
3.09	IT	Cybersecurity	✓	✓	Respondent shall provide, within a pre-negotiated period, appropriate software and service updates and/or workarounds to mitigate all vulnerabilities associated with the product and to maintain the established level of system security	✓		
3.10	IT	Cybersecurity	✓	✓	Respondent shall certify that its systems and products have undergone cyber security testing by leading and independent government sanctioned organizations	✓		
3.11	IT	Cybersecurity	✓	✓	After contract award, the Respondent shall provide notification of known security vulnerabilities affecting the Respondent supplied or required operating system, application and critical third-party software within a pre-negotiated period after public disclosure	✓		
3.12	IT	Cybersecurity	✓	✓	After contract award, the Respondent shall provide notification of a patch(es) affecting security within a pre-negotiated period, as identified in the patch management process. The Respondent shall apply, test and validate the appropriate updates and/or workarounds on a baseline reference system before distribution. Mitigation of these vulnerabilities shall occur within a pre-negotiated period	✓		

COMMENT: Requirement for respondent to guarantee load flexibility by month, day and hour basis deleted

COMMENT: Requirement to rate schedules managed by the VPP transferred to 3.42.

COMMENT: Added language from previous 2.08 regarding safety standards, IEEE 2030.5 communications experience.

Number	Functional Area	Capability	Aggregator	Direct Connect	Requirement	Must Have	Nice to Have	Future
3.13	IT	Cybersecurity	✓		After contract award, the Respondent shall provide firewalls and firewall rule sets between network zones or provide firewall rule sets if the firewalls are not provided by the Respondent. The Respondent shall provide firewall rule sets and/or other equivalent documentation. The basis of the rule set shall be "deny all," with exceptions explicitly identified by the Respondent. Note that this information is deemed business sensitive and shall be protected as such	✓		
3.14	IT	Cybersecurity	✓		After contract award, the Respondent shall provide detailed information on all communications (including protocols) required through a firewall, whether inbound or outbound, and identify each network device initiating a communication in accordance with the corresponding rule sets	✓		
3.15	IT	Cybersecurity	✓		Respondent shall not permit user credentials to be transmitted in clear text. The Respondent shall provide the strongest encryption method commensurate with the technology platform and response time constraints. The Respondent shall not allow applications to retain login information between sessions, provide any auto-fill functionality during login or allow anonymous logins. The Respondent shall provide user account-based logout and timeout settings	✓		
3.16	IT	Cybersecurity	✓		Respondent shall provide a configurable account password management system that allows for selection of password length, frequency of change, setting of required password complexity, number of login attempts, inactive session logout and denial of repeated or recycled use of the same password	✓		
3.17	IT	Cybersecurity	✓		Respondent shall not store passwords electronically or in Respondent-supplied hardcopy documentation in clear text unless the media is physically protected. The Respondent shall control configuration interface access to the account management system. The Respondent shall provide a mechanism for rollback of security authentication policies during emergency system recovery or other abnormal operations where system availability would be negatively impacted by normal security procedures	✓		
3.18	IT	Cybersecurity	✓		Respondent shall provide a system whereby account activity is logged and is auditable both from a management (policy) and operational (account use activity) perspective. The Respondent shall time stamp and control access to audit trails and log files. The Respondent shall ensure audit logging does not adversely impact system performance requirements	✓		

COMMENT: Requirement for respondent to provide stacked services and have flexibility to meet PSE's evolving needs deleted.

COMMENT: Added language to require that respondent provide resource availability and response information.

COMMENT: Added language to describe details of project's physical location with GIS data

Number	Functional Area	Capability	Aggregator	Direct Connect	Requirement	Must Have	Nice to Have	Future
3.19	IT	Cybersecurity	✓		Respondent shall provide for user accounts with configurable access and permissions associated with the defined user role. The Respondent shall adhere to least privileged permission schemes for all user accounts and application-to-application communications	✓		
3.20	IT	Cybersecurity	✓		Respondent shall verify that a user cannot escalate privileges, under any circumstances, without logging into a higher-privileged role first. The Respondent shall provide a mechanism for changing user(s) role (e.g. group) associations. After contract award, the Respondent shall provide documentation defining access and security permissions, user accounts, applications and communication paths with associated roles	✓		
3.21	IT	Cybersecurity	✓		Respondent shall provide a Single Sign-On (SSO) such that Role-based Access Control (RBAC) enforcement is equivalent to that enforced as a result of direct login. This system should be RBAC capable. The Respondent shall provide documentation on configuring such a system and documentation showing equivalent results in running validation tests against the direct login and the SSO. The Respondent shall protect key files and Access Control Lists (ACLs) used by the SSO system from non-administrative user read, write and delete access. Note that SSO must resolve individual user's logins to each application	✓		
3.22	IT	Cybersecurity	✓		The Respondent shall have and provide documentation of a written flaw remediation process for all software they develop. The Respondent shall provide appropriate software updates and/or workarounds to mitigate all vulnerabilities associated with the flaw within a pre-negotiated period.	✓		
3.23	IT	Cybersecurity	✓		After contract award, when the Respondent is made aware of or discovers any flaws, the Respondent shall provide notification of such flaws affecting security of Respondent-supplied software within a pre-negotiated period. Notification shall include, but is not limited to, detailed documentation describing the flaw with security impact, root cause, corrective actions, etc. (This language is typically found in a quality assurance document, but is included here for completeness.)	✓		
3.24	IT	Cybersecurity	✓		Respondent's aggregation system must track and maintain third-party penetration tests	✓		
3.25	IT	Cybersecurity	✓		Respondent's aggregation system must log all events, including security-related event status with an accurate timestamp.	✓		

COMMENT: Added language from previous 3.38, 3.46 and 5.12 regarding: communications over AMI, Cellular and broadband networks; complying with communication protocols (IEEE 2030.5, DNP3 SCADA, Modbus SCADA, SunSpec Smart Inverter Profile, MESA and ICCP); specify experience in communicating via IEEE 2030.5.

COMMENT: Added requirement regarding validation that DER can communicate through LTE cellular or fiber using real-time data with IEEE 2030.5 or DNP 3.0 standards as well as previous experience

Number	Functional Area	Capability	Aggregator	Direct Connect	Requirement	Must Have	Nice to Have	Future
3.26	IT	Cybersecurity	✓		Respondent's aggregation system must not require read/write/execute access to filesystems outside its web root folder and must not execute OS-level commands based off of user input	✓		
3.27	IT	Cybersecurity	✓		Respondent's aggregation system must physically or logically separate PSE's data from other of Respondent's customers' data	✓		
3.28	IT	Cybersecurity	✓		Respondent's aggregation system must secure API access and system connectivity (e.g., API keys, SSH keys)	✓		
3.29	IT	Cybersecurity	✓		Respondent's aggregation system must support single sign-on using SAML 2.0.	✓		
3.30	IT	Data security	✓	✓	Respondent must comply with PSE's Security Addendum (Consultant or Hosted) and ensure data security for all relevant usage, metering, settlement, and customer information.	✓		
3.31	IT	Data security	✓		Respondent must secure customer data and describe the manner in which this data is secured.	✓		
3.32	IT	Deployment	✓		Respondent to indicate preferred pattern of solution. PSE's preference is for SaaS solution, but will consider other deployment patterns. If not SaaS, please provide details on architecture.		✓	
3.33	IT	High Availability	✓		Respondent must support a high-availability architecture. Please describe your product's architecture to support a high level of reliability. What is your committed level of product up-time? Is your VEN system capable of meeting a 99.9% availability SLA ?	✓		
3.34	IT	High Availability	✓		Respondent shall support high availability operations with redundant infrastructure and communications along with continuous automated monitoring, alerting and automated failover	✓		
3.35	IT	Integration	✓		Respondent must have the ability to interface with and be controlled by the PSE VPP. Respondent must support reliable connections to SaaS and cloud-hosted software and support a programmatic interface to the PSE VPP implementation. Please describe best practices for integration of your software to the PSE VPP.	✓		
3.36	IT	Integration	✓		Respondent must be able to integrate DER monitoring, control, and dispatch to PSE VPP using Open ADR 2.0b	✓		
3.37	IT	Integration	✓	✓	For VPP interfacing resources, Respondent is requested to provide a list of presently operational VPP interfaces and a separate list of VPP interfaces that have only been piloted.	✓		
3.38	IT	Offshore	✓		Respondent must use datacenters located in the US for SaaS or Cloud	✓		

COMMENT: Added language from previous 2.09 regarding adhering to all applicable PSE interconnection processes and technical specifications

COMMENT: Requirement for respondent to specify the voltage level deleted. Refer to Exhibit B.

COMMENT: Requirement for respondent to specify the output capacity deleted. Refer to Exhibit B.

Number	Functional Area	Capability	Aggregator	Direct Connect	Requirement	Must Have	Nice to Have	Future
3.39	IT	Standards	✓		Supplier / Respondent shall be requested that their DER system has the capability to be configured as a OpenADR VEN. PSE's VPP shall act as the VTN Gateway as defined in the OpenADR 2.0b specification. PSE requires to have two way real time data communication between the VPP and Aggregrator plaftorm using OpenADR 2.0b.		✓	
3.40	IT	Standards	✓	✓	Respondent requested that system be capable of fully complying with and capable of communicating to DER (BESS or PV storage system) using a smart inverter with its PCS system. PSE requires that the Smart Inverter incorporate or embed into its controls the SunSpec interoperability standards. These standards and communication protocols shall be as follows: * IEEE 2030.5 * DNP3.0 * Modbus TCP The above communication protocols shall provide open interoperability and real-time communication to the PCS control system and components which the Smart Inverter is part of the controls equipment. Security with the Smart Inverter shall also include: PSE security requirements, TLS, PKI infrastructure, Digital Certificates and authority, encryption (SHA-256), authenication, authorization, indentities, and client identification with the above communications. The Sunspec Standard shall provide a DER and Device Information Data Model to collect, read, and write data to the Smart Inverter. This shall consist of CSIP profile for the inveter, monitoring power production data (kWH, kW, Delivered, Received, charging ramp rates, alarms, chargeing schedules, events, over/under voltage, over/under current, Frequeny, and all power-voltage imbalances). It shall also provide connect and disconnect functions, High/low voltage ride through, Volt-Var, and PF control functions. PSE requires reporting data capabilities as well with Real and Reactive Power, Volts, Amps, Hz, and PF for all 3 phases + Neutral including Averages.		✓	

COMMENT: Requirement for respondents to comply with NERC CIP-003-8 R2 deleted; the disperse resource assets meet the minimum requirements for being part of the Bulk Electric System and ALL applicable NERC requirements apply.

COMMENT: Added language from previous 3.32 regarding complying to PSE's Security Addendum. COMMENT: Added language regarding VEN system capability

Number	Functional Area	Capability	Aggregator	Direct Connect	Requirement	Must Have	Nice to Have	Future
3.41	IT	Standards	✓		Respondent is requested to have the capability to be dispatched via open standards or non-proprietary protocols. Please describe preferred and outline any other feasible mechanisms for dispatch of DER assets.		✓	
3.42	IT	Standards	✓	✓	Supplier/Respondent must have the ability with their PCS system (Power Control System) to have rate schedules managed by the VPP. The expectation is that system supports both direct and indirect control with rate and charging schedules. This can be managed by an Aggregrator using open protocols such as IEEE-2030.5 or DNP 3.0 but must coordinate and integrate with the VPP via OpenADR 2.0b as a VEN. If direct control is use by PSE VPP/DERMS system then the supplier shall support PSE standards of IT/OT communications direct to the energy storage controller.	✓		
4.01	Load Office	DER Control		✓	Respondent must have the ability to be managed by, interface with, and directly be controlled by the PSE VPP for solar deployments >=0.5MW and <2MW and FOTM BESS <2MW	✓		
4.02	Load Office	Dispatch	✓	✓	Supplier/Respondent must have the capability with its DER site controls, communication to aggregrators and VPP to indicate resource availability, readiness, and equipment states of all components at the DER to dispatch the DER resource.	✓		
4.03	Load Office	Forecasting	✓	✓	Respondent required to have the capability to provide generation capacity up to 48 hours in advance	✓		
4.04	Load Office	Forecasting	✓	✓	Respondent requested to have the capability to provide generation capacity up to 7 days in advance		✓	
4.05	Load Office	Price	✓		Respondent must provide price of dispatch with generation forecast	✓		
5.01	Operations	Alarms	✓	✓	The Supplier/Respondent shall have the ability to provide DER controls which manage all states, alarms and events to the VPP. This shall include watch dog timers for communication, loss of end-points or loss of phyiscal or communication to the site. If the communications is lost the communications shall retry to establish communications. If communications is lost an alert and alarm shall occur. All states and events shall also be managed so that root cause analysis can be determined to what caused the failure.		✓	
5.02	Operations	Control	✓		Respondent must have the ability to be enabled and disabled by the VPP	✓		

COMMENT: Added language from 3.40 and 3.42 regarding ability to interface with VPP.

COMMENT: Added new requirement that DER system have the capability to be configured as a OpenADR VEN.

COMMENT: Added new requirement that system be capable of complying with and communicating to DER using smart inverter with its PCS system.

COMMENT: Added new requirement for respondent to have the ability with their PCS system to have rate schedules managed by the VPP.

Number	Functional Area	Capability	Aggregator	Direct Connect	Requirement	Must Have	Nice to Have	Future
5.03	Operations	Control	✓	✓	Supplier/ Respondent shall have the capability to respond to real time control from the VPP (source) to the DER PCS controls (site). Communications shall have the ability to perform read request, respond and write data including all PCS configuration controller data.		✓	
5.04	Operations	Control	✓	✓	Supplier/Respondent must be capable of enabling control of the DER site from the VPP. The interval between control command request and response back to the VPP should be less than 15 seconds. PSE ultimately desires to have 5 second or better response time from request from the VPP to response from the DER.	✓		
5.05	Operations	Data interval	✓	✓	Supplier/Respondent must be capable of enabling processes for the DER site to be managed from the VPP for all data collection with DER Asset Production Resource data. PSE desires to have 15 second response time from a read request and write from the VPP to the DER. PSE ultimately desires to have 5 second or better response time from read request from the VPP to response from the DER.	✓		
5.06	Operations	Event response	✓	✓	Respondent's time window for providing full capacity for a dispatched event, which PSE notifies an hour ahead, is how large (within a minute, five mins, etc…)?	✓		
5.07	Operations	Event response	✓	✓	Respondent must be able to provide confirmation of opt-out of events to the VPP	✓		
5.08	Operations	Event response	✓	✓	Respondent must be able to receive event notifications from the VPP	✓		
5.09	Operations	Event response	✓	✓	Respondent must be able to respond to day-ahead events. Respondent shall describe their notification requirements in order to successfully respond to an event, including minimum advanced notice time interval.	✓		
5.10	Operations	Event response	✓	✓	Respondent requested to have the capability to respond to hour-ahead events		✓	
5.11	Operations	Ride-through		✓	Respondent must ensure that inverters ride-through momentary outages according to standard IEEE 1547 -2018, standard CA-21, and standard UL-1741.	✓		
5.13	Operations	SCADA		✓	Respondent is required, for direct connect DER, to provide interconnection architecture (building upon included diagrams and including more detail) that shows the connectivity with meter, DER, utility service point, transformer highlighting the energy flow, and the communication standards used to communicate between the devices.	✓		

COMMENT: Language was added to better dine the details of real-time control.

COMMENT: Language was added to explain the target value of less than 15 seconds, but PSE desiring 5 seconds or better.

COMMENT: Language was added to explain the target value of less than 15 seconds, but PSE desiring 5 seconds or better.

Number	Functional Area	Capability	Aggregator	Direct Connect	Requirement	Must Have	Nice to Have	Future
5.14	Operations	SCADA	✓		Respondent is required, for Aggregated DER, to provide interconnection architecture (building upon included diagrams and including more detail) that shows the connectivity with meter, DER, utility service point, transformer highlighting the energy flow, and the communication standards used to communicate between the devices. Additionally, Respondent is requested to provide integration mechanism and cybersecurity controls around integration to the PSE VPP.	✓		
5.15	Operations	SCADA		✓	Respondent must provide a persistent connection to DER for monitoring, control, and metering purposes to the PSE SCADA system for DER > 25 kVA	✓		
5.16	Operations	SCADA		✓	Respondent requested to provide communication status of the DER monitoring, control, dispatch link to the VPP		✓	
5.17	Operations	SCADA		✓	Respondent must be able to curtail DER when instructed by PSE for DER > 25kVA	✓		
5.18	Operations	SCADA		✓	Respondent is requested to provide digital and analog points for SCADA connected DER > 25 kVA		✓	
5.19	Operations	VPP	✓	✓	Respondent requested to provide DER status, performance, and configuration data to the VPP		✓	
5.20	Operations	VPP	✓		Respondent shall have the capability to dispatch an event if communication is lost to VPP	✓		
5.21	Operations	VPP	✓		Respondent shall have the capability to issue acknowledgement signals to VPP indicating a certain command or request has been received	✓		
5.22	Operations	VPP	✓		Respondent shall specificy their methodology for handling multiple events or how different DERs will be bid for a specific program			✓
5.23	Operations	Maintenance	✓	✓	For any response with a PSE ownership option, Respondent shall provide equipment maintenance requirements	✓		
6.01	Planning	Forecast	✓	✓	Respondent shall provide to PSE annually updated 8760 DER forecast and normative load shapes for DERs >=500kVA.	✓		
6.02	Planning	Forecast	✓		Respondent requested to provide regression-based DER growth models for 2 year time period		✓	
6.03	Planning	Forecast	✓		Respondent requested to provide a time-based DER growth and availability model for 2 years		✓	

Exh. M to PSE's Draft 2022 DER RFP

PUGET SOUND ENERGY

2022 Distributed Energy Resources RFP:

Exhibit M. Co-Branding and Customer Interaction Requirements

Co-Branding and Customer Interaction Requirements

Co-Branding with PSE

Policy Statement:
It is PSE's business policy to maintain a standardized customer-facing presentation/image while directly engaging with our residential, business and retail customers. PSE requires that all vendors under contract with PSE and working in customer-facing roles also maintain appropriate standardization.

All materials developed—for external or internal use—must follow PSE's brand standards. The use of vendor-managed creative teams (including, but not limited to, graphic designers, videographers, photographers and developers) must be pre-approved by PSE's Brand and Marketing teams, via the program's designated Marketing Manager. Vendors approved to produce materials on PSE's behalf will receive a copy of PSE's brand guidelines and assets and must attend a one-hour brand training. All work must be reviewed and approved by PSE's Brand and Marketing teams prior to production.

Each PSE program is unique and co-branding activities will be based specifically on how each vendor interacts with PSE customers. Some areas for co-branding include:

Vendor Identification:
Vendors will be provided PSE contractor badges. When interacting with PSE customers, these badges must be prominently displayed at all times.

Business Cards:
Contractor business cards must meet PSE contractor corporate standards.

Clothing:
PSE logo shall be prominently displayed on clothing worn at PSE customer sites.

Vehicles:
Vehicles driven by vendors to PSE customer sites must have PSE logo prominently displayed along with the vendor's logo or company name.

~~**Stationery:**~~
~~All written communication to PSE customers shall have PSE logos or other identifiers~~

Customer Displays/Events:
Customer displays, event materials and marketing collateral shall have PSE logos and other PSE identifiers located on all material (table top displays, canopies, trade show displays, handouts, etc.)

Customer Notifications and Digital Properties:
Customer-facing notifications including digital communications (e.g., email, SMS), websites, and printed materials should use PSE-branded templates and approved PSE design elements. All written communication to PSE customers shall have PSE logos or other identifiers.

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~~**Digital Properties:**~~

Customer Interaction Requirements

Collateral, Messaging, and Execution Logistics

Customer experience is at the center of PSE ethos. As such, the vendor will work with PSE~~,~~ to define the customer journey, as well as the most efficient and effective processes to successfully communicate, schedule and execute assessments. These processes will be the foundation for ~~how to bring~~ an excellent customer experience.

Having the right collateral and messaging will ensure we are starting on the right foot with customers and can clearly communicate the goals of the program and the benefits of the relationship to the customer.

In all communities we serve, especially ones that are considered highly impacted or part of a vulnerable population, the vendor will work with PSE to understand customer's barriers and build marketing and outreach ~~campaigns~~ communications that are relevant, culturally competent, removes barriers and make program participation more accessible.

To ensure this the PSE team will:

- Review and approve all training, marketing, outreach and communications materials including digital and non-digital materials.
- Provide detailed internal program messaging documents to aid liaisons to speak to PSE programs, services, and benefits. This messaging will also include but not limited to: PSE potential messages to help the outreach team navigate potentially difficult conversations with PSE customers, and an email template to use for program follow-up.
- Provide an outreach best practices document to guide and train community liaisons in building relationships on PSE's behalf

Cross-cultural and Multilingual Customer Experience

Customer-facing materials and communications in languages other than English should be transcreated (not simply translated), to authentically represent the voices and experience of the customers PSE serves. Transcreation reinforces PSE's principles on providing equitable program access for all customers, in a manner that reflects the diverse communities in PSE's service area. Depending on the program, multiple languages may be represented as dominant, and this should be represented in program communications.

Current Standard PSE Contractor Language:

Customer Services

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EXHIBIT M. CO-BRANDING AND CUSTOMER INTERACTION REQUIREMENTS

Contractor will at all times maintain a high level of Customer service and satisfaction during the term of this Agreement. Without limiting the generality of the foregoing, Contractor:
(i) will respond to Customers within one (1) working day of an initial request and will keep appointments or contact Customers not less than 24 hours in advance of an appointment to reschedule;
(ii) will provide all estimates to Customers free of cost; provided however, that if due to special circumstances Contractor will charge a site visit, proposal or other fee, such cost must be fully disclosed to Customers upon scheduling the initial visit with Customer;
(iii) will clean up the work area to the same or better conditions after any installation or service, and will follow all state and local requirements to ensure proper recycling and/or disposal of debris or waste materials;
(iv) will provide same day customer contact to respond to Customers relating to (as applicable) (i) the quality of any equipment sold, (ii) the quality of the installation service, (iii) the Customer's satisfaction with the services or with the equipment provided or (iv) scheduling repairs to the equipment installed by Contractor that does not comply with the warranty set forth in Section 1(f). With respect to such repairs, Contractor will use its best efforts to perform all repair work at the earliest opportunity during its normal work schedule (but in any event, no later than ten (10) calendar days after contacted by Customer) and at no additional charge to the Customer; provided, however, that if a repair is necessary to provide Customer with hot water, heat, or if Customer's health or safety is impaired, Contractor will perform the repair within 24 hours.
(v) will immediately take all necessary safety precautions and appropriate actions to remedy any unsafe condition related to the equipment or worksite;
(vi) will not mislead Customers or engage in any unfair or deceptive trade practice.

Additional Terms for DER Customer Services
In conjunction with the terms above, PSE requests that Contractor:
(i) will provide information on customer complaints received regarding DER products and services.
(ii) will indicate how PSE customer interests will be considered when dispatching an event.
(iii) will provide the ability for customers to opt out of a called event. Contractor to provide description of the process for opting out.

Additions for Team Consideration (not all clauses are applicable for every respondent):

~~**Marketing Development and Implementation Plan**~~
~~Contractor will provide outbound call assistance to PSE to acquire eligible customers and promote general program awareness. A mutually agreed upon scope and script will be developed.~~

Marketing Development and Implementation Plan
~~Contractor will provide outbound call assistance to PSE to acquire eligible customers and promote general program awareness. A mutually agreed upon scope and script will be developed.~~Contractor may support development and implementing of a marketing plan, as directed by PSE's Marketing team.

Outbound Calling
Contractor will provide outbound call assistance to PSE to acquire eligible customers and promote general program awareness. A mutually agreed upon scope and script will be developed.

PSE Program Marketing and Cross-Promotion

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EXHIBIT M. CO-BRANDING AND CUSTOMER INTERACTION REQUIREMENTS

Contractor will provide PSE customers marketing ~~brochures~~ materials about other PSE programs that will give participating customers information about other services ~~that~~ PSE offers, including scheduling instructions. Actual scheduling and sales will be handled by PSE and registered Contractors for those other programs. PSE will provide Contractor with marketing ~~brochures~~ materials to ~~hand out~~distribute to PSE customers or will approve all Contractor-~~-~~created materials.

Call Center
Contractor has an established customer call center that will be responsible for participant scheduling and confirmation of service, instructing customers on preparing their home for service appointment, program questions and the timely resolution of customer service issues. PSE will develop an approved script with contractor.

Call Answering
Contractor will provide a toll-free number dedicated to customer information and enrollment. Calls for service will be directed into Contractor's call center and go into a queue to be taken by the next available representative. A recording will play after regular business hours informing customers to leave a message for a return call during business hours.

Metrics
Contractor will answer all calls coming into the call center at a minimum rate of 80% within 30 seconds. The call abandonment rate should be 5% or less. These metrics will be required for both English and ~~Spanish~~ non-English calls, refer to Cross-cultural and Multilingual Customer Experience.

Hours
Contractor's call center will operate between the hours of 5:00 a.m. – 8:00 p.m. Monday through Friday and 7:00 a.m. – 6:00 p.m. Saturday Pacific Time. After-hours callers are directed to a voice mail system to leave a message for next business day follow-up. These hours are subject to change upon mutual agreement by Contractor and PSE. Unanswered calls are directed to a voicemail box for next business day follow-up.

Automation Capabilities
Contractor will maintain full automation capabilities for scheduling callers, hold messaging, multi-caller routing, voice mail, and call reports with statistics. Each workstation will be equipped with a computer allowing access to the customer database.

Call Monitoring
Contractor will allow PSE to monitor calls to ensure Contractor is adhering to corporate standards. These calls may be listened to live (live calls can be listened to only at the call center location). Contractor will also silently monitor calls on a regular basis and address any performance issues.

Correspondence
Contractor will handle customer correspondence related to the program whether it is email or hard copy, with prior consent and approval from PSE.

Emergency Plan

Contractor will maintain a backup plan for the call center and direct toll-free numbers and will redirect calls according to the plan during emergency situations.

Confirmation Call
Contractor will provide customers a confirmation phone call and reminder of their appointment.

Resolving Conflicts
Contractor customer service employees will be empowered to resolve customer conflicts, thus keeping customer dissatisfaction to a minimum (and minimizing call transfers).

Training
All Contractor customer service representatives will be trained on the program, including an overview of the program, an in-depth understanding of answers to commonly asked questions, and a marketing calendar that will be updated as needed.

Responsibilities
Contractor's call center agents are responsible for providing customers with accurate program information, verifying customer eligibility, scheduling appointments, completing outbound calls to gather or relay information, and performing all duties in a courteous, accurate and timely manner.

Meetings
PSE will communicate and collaborate on a regular basis to review program performance and address day-to-day challenges. Contractor will hold weekly meetings with PSE to ensure all issues are identified and resolved quickly and effectively. In this meeting; performance, marketing, compliments, complaints, and progress to goal will be discussed, in addition to other topics as needed.

Website:
Contractor operates a website – http://www.xyzcontractor.net/. Note that customers can choose to utilize the website in either English or ~~Spanish~~non-English languages most pertinent to the customer base, refer to Cross-cultural and Multilingual Customer Experience. Contractor will provide PSE ability to review and perform customization of the web enrollment pages established for PSE.

Any digital communications involving email or a website will need to conform to PSE brand and digital standards. Vendor online implementation proposal should provide for integration with PSE's web platform, as follows.

Customers should experience online engagement with PSE seamlessly from their device of choice. Account information, supporting content, task status, and the way interactions look and feel should be consistent as the customer moves between transactions, devices or channels.

Secure transactions should be managed with a single sign-on (SSO) through PSE's myPSE Account login. Customer navigation between PSE.com and the vendor platform should provide a seamless user experience.

Vendor should answer the following questions:

- Does vendor provide a hosted platform, API, or other implementation? What are the options?
- Does the product support content management and administration by PSE business owners?
- What is the process for making changes to the product regarding messaging, customer experience, etc.?
- What customer communication options does this product provide or support: on-screen confirmation messaging; email message; SMS?
- What customer data is stored; where and how? Is it accessible to PSE?
- How will the solution integrate with PSE's Customer Information System (CIS)?
- What technical customer support is provided? Is there a separate call center?
- What is the upgrade path for the product? How may PSE participate in upgrade designs?

Field Performance:
All field personnel will carry cell phones, and will be dressed to convey a professional image that is branded as required by PSE's Co-Branding Requirements.

Customers will be called by Contractor call center staff members either 1 or 2 days ahead to confirm appointments.

Customers will be called by crew members approximately 30 minutes ahead of the crew's expected arrival time as a "final" reminder (and/or if traffic/weather conditions will affect arrival times relative to the appointment time window). Note: the crew will go to the pickup site even if there is no answer to this particular reminder call, since it is Contractor's experience that many customers 1) arrive just ahead of crews and/or 2) have caller ID telephone functions, and do not pick up calls from phone numbers that are not recognized.

At the customer site, the crew member(s) initially will display badge identification to the customer. Note: if damage occurs, the damage is noted, the crew person calls a supervisor in front of the customer, and the supervisor speaks directly to the customer; the issue is then resolved within 48 hours.

If the customer is not home, a door tag will be left with the driver's name, mobile phone number, and the 800 number so the customer can reschedule. If the customer calls the driver and the truck is still in the area, the truck will return the same day to complete the appointment.

Customer is always thanked for being a PSE customer and a PSE leave behind kit is left as a final thank you.