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Washington Utilities & Transportation Commission
Mr. Mark Johnson, Executive Director & Secretary
P.O. Box 47250
Olympia, WA 98504-7250

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UTIL. AND TRANSP.
COMMISSION

RE: Docket UE-161024—Comments from Cascade Natural Gas Corporation in Response to Notice of Opportunity to Submit Written Comments on Public Utility Regulatory Policies Act, Obligations of the Utility to Qualifying Facilities

Dear Mr. Johnson:

Cascade Natural Gas Corporation (“Cascade” or “Company”) appreciates the opportunity that the Washington Utilities and Transportation Commission (“WUTC” or “Commission”) has provided for parties to comment on the U-161024 IRP and bidding processes for Competitive Resource Acquisitions by RFP. Cascade recognizes that the primary focus of WAC 480-107 is directed at the power segment. However, the Company notes that the Commission has found it prudent to establish similar rules and guidance where similarities exist between natural gas and power planning processes. In that spirit, Cascade respectfully shares the following comments on the 2nd Round Draft RFP Rules:

- Cascade would like to see more clarification on the “shalls” vs “mays.” It seems that the electric utilities shall follow this process, and that conservation in general is a “may” under certain conditions. The language is primarily in kw/mw units, so that does seem to reinforce the electric component.
- In Section 2 of page 1, utilities are asked to note the “...actions the utility has taken or failed to take to find resources that might not otherwise bid into its request for proposals...” Applied to conservation, does this mean that all conservation measures and methodologies would need to be identified in the CPA? Additionally, if pertinent for conservation program RFPs is it directing the Company to develop a list of all possible respondents to any RFP?

- Cascade requests clarification on whether renewables and EE would need to be taken into consideration when bidding for any new capacity need.
- Referring to the language “Any bidder may petition to the commission to review a utility’s decision not to enter into a final contract.” Is this current practice? Cascade believes this could drag out a process, increase administrative costs and open the door to second-guessing legitimate decisions that were made as part of a fully vetted and monitored review process.
- Cascade requests clarification on the definitions of “Conservation Supplier” and “self-directed” as these terms are broad and can be interpreted in a variety of ways.
- What is the bidding process for the independent evaluator? Who assesses the assessor, and what is the implication from a time standpoint considering that we’d need to bid for them before developing the RFP for the actual service required?
- Regarding Renewables: Would an independent power producer include a biogas site that a utility would obtain green credits from? Does section C on page 16 also apply if we engaged in RNG development, because ownership could/would be transferred to us after the project was completed.
- Cascade would like clarification on what constitutes "appropriate stakeholders" to consult with for development of the RFP and what does the RFP for the RFP evaluator look like?
- Cascade has concerns about requiring the details of a winning bid to be made public. Vendors frequently consider their pricing to be confidential and may be less inclined to bid on projects in Washington, if such information will be divulged.
- In reference to the solicitation process, item 2, what does it mean that a supplier or resource may participate in the bidding process?
- Referring to the language in WAC 480-107-065 that says, “All conservation and efficiency measures...must produce savings that can be reliably measured or estimated with accepted engineering, statistical, or meter based methods.” Would this be more appropriate as guidance for a CPA and not program delivery support as currently required by our rebate-centered program design?
- Referring to the language in WAC 480-107-065 that says, “A utility must acquire conservation and efficiency resources through a competitive procurement process as described in this rule unless implementing a competitive procurement framework for conservation and efficiency resources as approved by the commission.” Does this mean a utility would need to do competitive bid unless there’s an exemption made via the CAG? If internal implementation is the most cost-effective and efficient delivery method does this rule negate the utility’s ability to do so?

Again, Cascade is grateful the WUTC has provided an opportunity for the Company to comment on this subject. If there are any questions regarding our comments in this matter, please contact Brian Robertson at (509) 734-4546 or myself at (509) 734-4589. Alternatively, we may be reached at brian.robertson@cngc.com and mark.sellers-vaughn@cngc.com, or at irp@cngc.com.

Sincerely,
CASCADE NATURAL GAS CORPORATION

A handwritten signature in black ink that reads "Mark Sellers-Vaughn". The signature is written in a cursive, flowing style.

Mark Sellers-Vaughn
Manager, Supply Resource Planning